A FORCE FOR GOOD

HINDALCO INDUSTRIES LIMITED
SUBSIDIARY ANNUAL REPORT 2023-24
OVERSEAS SUBSIDIARIES

Notes:

* *Aleris (Shanghai) Trading Co., Ltd. (Subsidiary of Novelis Inc.) was dissolved on December 01, 2023.*

** *Aleris Aluminum UK Limited (Subsidiary of Novelis Inc.) was dissolved on January 30, 2024.*

*** *Aleris Holding Canada ULC (Subsidiary of Novelis Inc.) was dissolved on February 13, 2024.*

**** *Novelis Aluminium Beteiligungs GmbH was dissolved on April 13, 2023.*

Novelis Inc.

Financial Statements and Related Notes
As of March 31, 2024
(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
fiscal 2024	Fiscal year ended March 31, 2024
fiscal 2025	Fiscal year ending March 31, 2025
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

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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, 2024 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, 2024

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

in millions	Fiscal 2024	Fiscal 2023
Net sales		
– third parties	$ 154	$ 148
– related parties	521	570
Total net sales	675	718
Cost of goods sold (exclusive of depreciation and amortization)	649	710
Selling, general and administrative expenses	39	41
Depreciation and amortization	32	23
Interest expense and amortization of debt issuance costs	47	43
Interest income - related parties	(56)	(44)
Research and development expenses	1	1
Gain on change in fair value of derivative instruments, net	(5)	(29)
Restructuring and impairment, net	—	5
Dividend income - related parties	(342)	(183)
Other income, net	(113)	(118)
	252	449
Income from continuing operations before income tax provision	423	269
Income tax provision	21	12
Net income from continuing operations	402	257
Loss from discontinued operations, net of tax	—	(2)
Net income	402	255
Net income attributable to our common shareholder	$ 402	$ 255

See accompanying notes to the financial statements.

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

in millions	Fiscal 2024	Fiscal 2023
Net income	$ 402	$ 255
Other comprehensive income (loss):		
Currency translation adjustment	(2)	(3)
Net change in pension and other benefits	(1)	1
Other comprehensive loss, net of tax	(3)	(2)
Comprehensive income	$ 399	$ 253

See accompanying notes to the financial statements.

Novelis Inc.
BALANCE SHEETS (UNAUDITED)

in millions, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10	$ 13
Accounts receivable, net		
— third parties	21	30
— related parties	66	206
Notes receivable - related parties	596	372
Inventories	48	32
Prepaid expenses and other current assets	22	20
Fair value of derivative instruments	2	3
Total current assets	765	676
Property, plant and equipment, net	78	82
Intangible assets, net	50	48
Investment in subsidiaries	1,368	1,364
Deferred income tax assets	32	45
Other long–term assets		
— third parties	52	65
— related parties	699	688
Total assets	$ 3,044	$ 2,968
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 5	$ 5
Short–term borrowings		
— related parties	233	357
Accounts payable		
— third parties	36	45
— related parties	7	125
Fair value of derivative instruments	5	5
Accrued expenses and other current liabilities		
— third parties	59	62
Total current liabilities	345	599
Long–term debt, net of current portion		
— third parties	475	479
— related parties	25	—
Accrued postretirement benefits	22	22
Other long–term liabilities	76	66
Total liabilities	943	1,166
Commitments and contingencies		
Shareholder's equity:		
Common stock, no par value; unlimited number of shares authorized; 1,100 shares issued and outstanding as of March 31, 2024 and March 31, 2023	—	—
Additional paid–in capital	1,284	1,384
Retained earnings	839	437
Accumulated other comprehensive loss	(22)	(19)
Total equity	2,101	1,802
Total liabilities and equity	$ 3,044	$ 2,968

See accompanying notes to the financial statements.

Novelis Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in millions	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ 402	$ 255
Net loss from discontinued operations	—	(2)
Net income from continuing operations	$ 402	$ 257
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 32	$ 23
Gain on unrealized derivatives and other realized derivatives in investing activities, net	(5)	(29)
Impairment charges	—	5
Deferred income taxes	13	9
Amortization of debt issuance costs and carrying value adjustments	—	2
Other, net	3	(2)
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts and notes receivable	9	(2)
Due To/From Related Parties	(202)	136
Inventories	(16)	23
Accounts payable	(13)	7
Other assets	(6)	(35)
Other liabilities	3	14
Net cash provided by operating activities - continuing operations	220	408
Net cash used in operating activities - discontinued operations	—	(2)
Net cash provided by operating activities	$ 220	$ 406
INVESTING ACTIVITIES		
Capital expenditures	$ (25)	$ (57)
Proceeds from settlement of derivative instruments, net	5	11
Net cash used in investing activities	$ (20)	$ (46)
FINANCING ACTIVITIES		
Principal payments of long-term borrowings	$ (4)	$ (5)
Proceeds from issuance of short-term borrowings — third parties	—	(313)
Proceeds from issuance of short-term borrowings — related parties	(124)	68
Proceeds from issuance of long-term borrowings — related parties	25	—
Return of capital to our common shareholder	(100)	(100)
Net cash used in financing activities	$ (203)	$ (350)
Net (decrease) increase in cash and cash equivalents and restricted cash	$ (3)	$ 10
Cash, cash equivalents and restricted cash — beginning of period	13	3
Cash, cash equivalents and restricted cash — end of period	$ 10	$ 13
Supplemental Disclosures:		
Interest paid	$ 40	$ 32
Income taxes paid	5	—
Accrued capital expenditures as of March 31	6	3

See accompanying notes to the financial statements.

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

in millions, except number of shares	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance as of March 31, 2022	1,100	$ —	$ 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	1,100	—	1,384	437	(19)	1,802
Net income attributable to our common shareholder	—	—	—	402	—	402
Return of capital to our shareholder	—	—	(100)	—	—	(100)
Currency translation adjustment, included in other comprehensive loss	—	—	—	—	(2)	(2)
Change in pension and other benefits, net of tax provision	—	—	—	—	(1)	(1)
Balance as of March 31, 2024	1,100	$ —	$ 1,284	$ 839	$ (22)	$ 2,101

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 2023" or period ended March 31, 2023 refers to the year ended March 31, 2023 and the reference to "fiscal 2024" or period ended March 31, 2024 refers to the year ended March 31, 2024. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2023.

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 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. 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 7 — 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 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.

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 2024 or fiscal 2023.

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 sales volumes, conversion premiums, and discount rate, among other considerations. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairment in future periods. For purposes of our quantitative analysis, our estimate of fair value for each reporting unit as of the testing date is based on a weighted average of the value indication from income and market approach. 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 consolidated statements of operations. During our analysis for fiscal 2024 and fiscal 2023, the estimated fair value of each of our reporting units exceeded the carrying amount of the reporting unit's goodwill.

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 – 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. Additionally, we reevaluate the useful lives of long-lived assets (excluding goodwill), at plants impacted by restructuring activities, which may results in accelerated depreciation. Impairments or accelerated depreciation of long-lived assets and intangible assets are included in restructuring and impairment, net in the statement of operations.

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 7 – 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 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 2024 and fiscal 2023, 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.

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 18 – 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 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, 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 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. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following.

	March 31,	
in millions	2024	2023
Trade accounts receivable	$ 16	$ 26
Other accounts receivable	5	4
Accounts receivable, net — third parties	$ 21	$ 30
Trade accounts receivable — related parties	$ 66	$ 188
Dividends receivable — related parties	—	18
Accounts receivable, net — related parties	$ 66	$ 206

4. INVENTORIES

Inventories consists of the following.

	March 31,	
in millions	2024	2023
Finished goods	$ 14	$ 12
Work in process[(1)]	28	15
Raw materials	2	1
Supplies	4	4
Inventories	$ 48	$ 32

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

5. PROPERTY, PLANT AND EQUIPMENT

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

	March 31,	
in millions	2024	2023
Land and property rights	$ 2	$ 2
Buildings	71	68
Machinery and equipment	217	211
Gross property, plant and equipment (excluding construction in progress)	290	281
Accumulated depreciation and amortization	(226)	(210)
Property, plant and equipment, net (excluding construction in progress)	64	71
Construction in progress	14	11
Property, plant and equipment, net	$ 78	$ 82

For the years ended March 31, 2024 and 2023, we did not capitalize any interest.

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

in thousands	Fiscal 2024	Fiscal 2023
Depreciation expense related to property, plant and equipment, net	$ 16	$ 16

6. INTANGIBLE ASSETS

The components of intangible assets, net are as follows.

	March 31, 2024			March 31, 2023		
in millions	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and software	$ 137	$ (87)	$ 50	$ 119	$ (71)	$ 48

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

in millions	Fiscal 2024	Fiscal 2023
Amortization expense related to intangible assets included in depreciation and amortization	$ 16	$ 7

Estimated total amortization expense related to intangible assets, net for each of the five succeeding fiscal years is as follows (in millions). 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
2025	$ 7
2026	7
2027	7
2028	7
2029	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, 2024 and 2023.

	March 31,		Ownership %
in millions, except for percentage	2024	2023	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 Holdings Inc.	4	—	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	$ 1,368	$ 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	2024	2023
Accounts receivable, net — related parties	$ 66	$ 206
Other long–term assets — related parties(1)	699	688
Short–term borrowings — related parties(2)	233	357
Accounts payable — related parties	7	125
Long–term debt, net of current portion — related parties(3)	25	—

(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 8018227 Canada Inc.in the amount of $316 million maturing on February 20, 2027 with a fixed interest rate of 3.25% per annum.
  ii. A loan to Novelis Corporation in the amount of $194 million maturing January 30, 2030 with a fixed interest rate of 4.75% per annum.
  iii. A loan to Novelis do Brasil Ltda. in the amount of $190 million maturing January, 01, 2029 with a fixed interest rate of 13.0% per annum.

(2) Short term borrowings — related parties consist of a Demand Note balance due to Novelis Corporation. See Note 10 – Debt for additional information.

(3) Long-term debt, net of current portion — related parties consists of a loan from Novelis MEA Ltd. maturing November 15, 2028 with a fixed rate of 7.0% per annum. See Note 10 – Debt for additional information.

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

	March 31,	
in millions	2024	2023
Short term loan - related parties	$ 580	$ 337
Interest receivable - related parties	16	35
Notes receivable - related parties	$ 596	$ 372

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

	March 31,	
in millions	2024	2023
Dividend income - related parties	$ 342	$ 183

Below is the interest income related to the short-term and long-term notes and loans we have with our subsidiaries. Note 10 – Debt for additional information on notes and loans due to related parties.

	March 31,	
in millions	2024	2023
Interest income - related parties	$ 56	$ 44
Interest expense - related parties	3	5

We have related party transactions with other Novelis Inc. subsidiaries. During the years ended March 31, 2024 and 2023, "Net sales - related parties" were $521 million and $570 million.

Transactions with Hindalco

We occasionally have related party transactions with our indirect parent company, Hindalco. During fiscal 2024 and 2023, we recorded net sales of $1 million and less than $1 million, respectively, between Novelis and Hindalco. As of March 31, 2024 and 2023 there were $2 million of accounts receivable, net — related parties net of accounts payable — related parties related to transactions with Hindalco. During fiscal 2023, Novelis purchased less than $1 million in raw materials from Hindalco. No such purchases were made during fiscal 2024.

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.

		March 31,	
in millions	**Balance Sheet Classification**	**2024**	**2023**
ASSETS			
Operating lease right-of-use assets	Other long–term assets	$ 33	$ 38
Total lease assets		$ 33	$ 38
LIABILITIES			
Current:			
Operating lease liabilities	Accrued expenses and other current liabilities	$ 6	$ 8
Long-term:			
Operating lease liabilities	Other long–term liabilities	42	45
Total lease liabilities		$ 48	$ 53

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, 2024 and 2023. Sublease income was $1 million during the fiscal years ended March 31, 2024 and 2023.

in millions	**Income Statement Classification**	**Fiscal 2024**	**Fiscal 2023**
Operating lease costs[1]	Selling, general and administrative expenses	$ 10	$ 12

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

Future minimum lease payments as of March 31, 2024, 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)
2025	$ 5
2026	4
2027	4
2028	3
2029	5
Thereafter	46
Total minimum lease payments	67
Less: interest	19
Present value of lease liabilities	$ 48

(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, 2024.

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

	March 31,	
	2024	2023
Weighted-average remaining lease term		
Operating leases	13.1 years	12.7 years
Weighted-average discount rate		
Operating leases	5.21 %	5.15 %

The following table presents supplemental information on our leases for fiscal 2024 and fiscal 2023. Operating and financing cash flows from finance leases were immaterial for the fiscal years ended March 31, 2024 and March 31, 2023. There were no leased assets obtained in exchange for new finance lease liabilities for the fiscal years ended March 31, 2024 and March 31, 2023. There were no leased assets obtained in exchange for new operating lease liabilities for the fiscal year ended March 31, 2024.

in millions	Fiscal 2024	Fiscal 2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 8	$ 6
Leased assets obtained in exchange for new operating lease liabilities	—	50

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in millions	2024	2023
Accrued compensation and benefits	$ 45	$ 45
Accrued interest payable - related parties	1	2
Accrued income taxes	1	1
Other current liabilities	12	14
Accrued expenses and other current liabilities	$ 59	$ 62

10. DEBT

Debt consists of the following.

		March 31, 2024			March 31, 2023		
in millions	Interest Rates(1)	Principal	Unamortized Carrying Value Adjustments(2)	Carrying Value	Principal	Unamortized Carrying Value Adjustments(2)	Carrying Value
Third party debt:							
Floating rate Term Loans, due March 2028	7.46 %	$ 485	$ (5)	$ 480	$ 490	$ (6)	$ 484
Total debt - third parties		485	(5)	480	490	(6)	484
Current portion of long-term debt		(5)	—	(5)	(5)	—	(5)
Long-term debt, net of current portion - third parties		$ 480	$ (5)	$ 475	$ 485	$ (6)	$ 479
Related party debt:							
Short term borrowings - related parties(3)	8.60 %	$ 233	$ —	$ 233	$ 357	$ —	$ 357
Fixed rate loan from Novelis MEA Ltd.(4)	7.00 %	25	—	25	—	—	—
Total debt - related parties		258	—	258	357	—	357
Less: Short-term borrowings - related parties		(233)	—	(233)	(357)	—	(357)
Current portion of long-term debt		—	—	—	—	—	—
Long-term debt, net of current portion - related parties		$ 25	$ —	$ 25	$ —	$ —	$ —

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2024, 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) Short-term debt — related parties consists of a short-term demand note due to Novelis Corp.
(4) Long-term debt, net of current portion — related parties consists of a loan from Novelis MEA Ltd. maturing November 15, 2028 with a fixed rate of 7.0% per annum.

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, 2024	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ 238
2 years	5
3 years	5
4 years	470
5 years	25
Thereafter	—
Total debt	$ 743

Senior Secured Credit Facilities

As of March 31, 2024, 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.

In April 2024, the Company amended the Term Loan facility. The amendment makes certain changes that provide the Company with additional flexibility to operate its business.

As of March 31, 2024, 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, 2024, the commitments under our senior secured ABL Revolver are $2.0 billion.

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.

In April 2024, the Company amended the ABL Revolver facility. The amendment makes certain changes that provide the Company with additional flexibility to operate its business, including with relation to fees on obligations denominated in foreign currencies.

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 1.0.

As of March 31, 2024, 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.

11. SHARE-BASED COMPENSATION

The Company's board of directors has authorized long-term incentive plans ("LTIPs"), under which Hindalco stock appreciation rights ("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. The amount of cash paid to settle Hindalco SARs is limited to three times the target payout, depending on the plan year. The Hindalco SARs do not transfer any shareholder rights in Hindalco or Novelis to a participant. The Hindalco 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 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, 2025, 2026, and 2027 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 has been recorded.

in millions	Fiscal 2024	Fiscal 2023
Total compensation expense	$ 17	$ 9

The table below shows the RSUs activity for the year ended March 31, 2024.

	Number of RSUs	Grant Date Fair Value *(in INR)*	Aggregate Intrinsic Value *(USD in millions)*
RSUs outstanding as of March 31, 2023	3,250,224	330.53	$ 16
Granted	1,216,596	417.90	8
Exercised	(1,544,763)	246.52	8
Forfeited/Cancelled	(69,415)	411.58	—
RSUs outstanding as of March 31, 2024	2,852,642	411.31	20

During fiscal 2023, we granted 1,763,528 RSUs with a grant date fair value of INR 411.07, and the aggregate intrinsic value of RSUs exercised was $8 million.

Total cash payments made to settle RSUs were $8 million in fiscal 2024 and fiscal 2023.

As of March 31, 2024, unrecognized compensation expense related to the RSUs was $7 million, which will be recognized over the remaining weighted average vesting period of 1.3 years.

The table below shows Hindalco SARs activity for fiscal 2024.

	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, 2023	5,074,343	308.18	5.2	$ 6
Granted	1,959,253	417.90	6.3	3
Exercised	(1,824,871)	143.58	—	3
Forfeited/Cancelled	(19,181)	410.90	—	—
Hindalco SARs outstanding as of March 31, 2024	5,189,544	407.11	5.3	10
Hindalco SARs exercisable as of March 31, 2024	1,498,634	397.04	4.6	3

During fiscal 2023, we granted 1,770,289 Hindalco SARs with a grant date fair value of INR 411.10, and the aggregate intrinsic value of Hindalco SARs exercised was $6 million.

The cash payments made to settle Hindalco SAR liabilities were $3 million and $6 million in fiscal 2024 and fiscal 2023, respectively.

As of March 31, 2024, unrecognized compensation expense related to the non-vested Hindalco SARs (assuming all future performance criteria are met) was $6 million that are expected to be recognized over a weighted average period of 1.3 years.

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

	Fiscal 2024	Fiscal 2023
Risk-free interest rate	6.95%-7.15%	3.11%-7.24%
Dividend yield	0.54 %	1.03 %
Volatility	26%-43%	32%-47%

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.

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 and defined contribution plans in Canada and the U.S.

We contributed the following amounts to all plans.

in millions	Fiscal 2024	Fiscal 2023
Unfunded pension plans	$ 1	$ 2
Savings and defined contribution pension plans	1	1
Total contributions	$ 2	$ 3

During fiscal 2025, we do no expect to contribute to our funded pension plans; however,we do expect to contribute $2 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 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Benefit obligation at beginning of period	$ 58	$ 71	$ 8	$ 9
Interest cost	3	3	—	—
Benefits paid	(3)	(4)	—	—
Actuarial gains	—	(8)	—	(1)
Currency gains	—	(4)	—	—
Benefit obligation at end of period	$ 58	$ 58	$ 8	$ 8
Benefit obligation of funded plans	$ 43	$ 43	$ —	$ —
Benefit obligation of unfunded plans	15	15	8	8
Benefit obligation at end of period	$ 58	$ 58	$ 8	$ 8

	Pension Benefit Plans	
in millions	Fiscal 2024	Fiscal 2023
Change in fair value of plan assets		
Fair value of plan assets at beginning of period	$ 51	$ 64
Actual return on plan assets	1	(5)
Benefits paid	(3)	(4)
Company contributions	1	1
Currency gain (loss)	1	(5)
Fair value of plan assets at end of period	$ 51	$ 51

	March 31,			
	2024		2023	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Funded status				
Assets less the benefit obligation of funded plans	$ 8	$ —	$ 9	$ —
Benefit obligation of unfunded plans	(15)	(8)	(16)	(8)
Total net plan liabilities	$ (7)	$ (8)	$ (7)	$ (8)
As included in our balance sheets within Total assets / (Total liabilities)				
Other long–term assets	$ 8	$ —	$ 9	$ —
Accrued expenses and other current liabilities	(1)	—	(1)	—
Accrued postretirement benefits	(14)	(8)	(15)	(8)
Total net plan liabilities	$ (7)	$ (8)	$ (7)	$ (8)

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,			
	2024		2023	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Total postretirement amounts recognized in accumulated other comprehensive loss	$ 2	$ 4	$ 4	$ 4

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,			
	2024		2023	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Beginning balance in accumulated other comprehensive loss	$ 4	$ 4	$ 3	$ 3
Net actuarial (gains) losses	(1)	—	1	1
Amortization of:				
Actuarial losses	(1)	—	—	—
Total postretirement amounts recognized in accumulated other comprehensive loss	$ 2	$ 4	$ 4	$ 4

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, 2024	March 31, 2023
The projected benefit obligation and accumulated benefit obligation for all defined benefit pension plans:		
Projected benefit obligation	$ 58	$ 58
Accumulated benefit obligation	58	58
Pension plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligation	$ 15	$ 16
Fair value of plan assets	—	—
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	$ 15	$ 16
Fair value of plan assets	—	—
Pension plans with projected benefit obligations less than plan assets:		
Projected benefit obligation	$ 43	$ 43
Fair value of plan assets	51	52

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
2025	$ 3	$ —
2026	3	$ —
2027	4	$ —
2028	4	$ —
2029	4	$ —
2030 through 2034	20	$ 2
Total	$ 38	$ 2

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 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Interest cost	3	3	—	—
Expected return on assets	(2)	(2)	—	—
Amortization — losses, net	(1)	(1)	—	—
Net periodic benefit cost[(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 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Weighted average assumptions used to determine benefit obligations				
Discount rate	5.0 %	5.0 %	4.9 %	4.9 %
Average compensation growth	0.1	2.3	2.4	3.0
Weighted average assumptions used to determine net periodic benefit cost				
Discount rate	5.0 %	4.0 %	4.9 %	3.9 %
Average compensation growth	2.3	1.4	3.0	3.0
Expected return on plan assets	4.3	2.4	—	—

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 4.1% in fiscal 2025.

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 2024. The assumed health care cost trend used for measurement purposes is 5.0% for fiscal 2025 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, 2024, other long–term liabilities and accrued expenses and other current liabilities on our balance sheets include less than $1 million for these benefits. Comparatively, 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.

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, 2024	2023
Equity	0%-10%	10 %	10 %
Fixed income	0%-89%	88 %	89 %

Fair Value of Plan Assets

All plan assets as of March 31, 2024 are reported at net asset value.

13. CURRENCY LOSSES (GAINS)

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

in millions	Fiscal 2024	Fiscal 2023
(Gains) losses on remeasurement of monetary assets and liabilities, net	$ (3)	$ 9
Currency (gains) losses, net	$ (3)	$ 9

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, 2024 and 2023.

	March 31, 2024				
	Assets		Liabilities		Net Fair Value
in millions	Current	Noncurrent	Current	Noncurrent	Assets/ (Liabilities)
Derivative instruments					
Metal contracts	$ 1	$ —	$ (4)	$ —	$ (3)
Currency exchange contracts	—	—	(1)	—	(1)
Interest rate swap contracts	—	—	—	(2)	(2)
Total derivative fair value	$ 1	$ —	$ (5)	$ (2)	$ (6)

	March 31, 2023				
	Assets		Liabilities		Net Fair Value
	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)

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, 2024 and 2023, we had 27 kt and 26 kt of outstanding aluminum sales/purchase forward contracts, respectively. As of March 31, 2024 the maximum and average duration of metal forward contracts is one year and less than one year, 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, 2024 and March 31, 2023, 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, 2024 and 2023, we had $154 million and $15 million of outstanding currency exchange contracts, respectively. As of March 31, 2024, the maximum and average duration of currency contracts is less than two years and 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 income, net.

in millions	Fiscal 2024	Fiscal 2023
Derivative instruments		
Metal contracts	$ 4	$ 33
Currency exchange contracts	1	(4)
Gain (loss) on change in fair value of derivative instruments, net	$ 5	$ 29

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, 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)
Other comprehensive loss before reclassifications	(2)	(1)	(3)
Amounts reclassified from accumulated other comprehensive loss, net	—	—	—
Net current-period other comprehensive loss	$ (2)	$ (1)	$ (3)
Balance as of March 31, 2024	$ (29)	$ 7	$ (22)

(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, interest rate, 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, 2024 and March 31, 2023, 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, 2024 and March 31, 2023. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	March 31,			
	2024		2023	
in millions	Assets	Liabilities	Assets	Liabilities
Level 2 instruments				
Metal contracts	$ 1	$ (4)	$ 2	$ (3)
Currency exchange contracts	—	(1)	1	(2)
Interest rate swap contracts	—	(2)	—	—
Total level 2 instruments	$ 1	$ (7)	$ 3	$ (5)
Netting adjustment(1)	(1)	1	(2)	2
Total net	$ —	$ (6)	$ 1	$ (3)

(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,			
	2024		2023	
in millions	Carrying Value	Fair Value	Carrying Value	Fair Value
Total debt — third parties (excluding short-term borrowings)	$ 480	$ 480	$ 484	$ 484
Total debt — related parties (excluding short-term borrowings)	25	25	—	—

17. OTHER (INCOME) EXPENSES, NET

Other income, net consists of the following.

in millions	Fiscal 2024	Fiscal 2023
Currency (gains) losses, net	$ (3)	$ 9
Royalty income[1]	(74)	(88)
Other, net	(36)	(39)
Other income, net	$ (113)	$ (118)

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

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

in millions	Fiscal 2024	Fiscal 2023
Domestic (U.S.)	$ 423	$ 269
Pre-tax income	$ 423	$ 269

The components of our income tax provision are as follows.

in millions	Fiscal 2024	Fiscal 2023
Current provision:		
Domestic (Canada)	$ 8	$ 3
Total current	$ 8	$ 3
Deferred provision:		
Domestic (Canada)	$ 13	$ 9
Total deferred	$ 13	$ 9
Income tax provision	$ 21	$ 12

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	2024	2023
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 529	$ 562
Total deferred income tax assets	529	562
Less: valuation allowance	(497)	(517)
Net deferred income tax assets	$ 32	$ 45

At March 31, 2024 the Company had total deferred tax assets, net of deferred tax liabilities and net operating losses, of approximately $529 million primarily arising from book reserves not deductible for tax and net operating loss carryforwards. At March 31, 2023 the Company had net 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.

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 $497 million and $517 million were necessary as of March 31, 2024 and 2023, respectively.

As of March 31, 2024, we had net operating loss carryforwards of approximately $394 million (tax effected) and tax credit carryforwards of $29 million, which will be available to offset future taxable income and tax liabilities. As of March 31, 2024, valuation allowances of $363 million, $29 million and $106 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, 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 began expiring in fiscal 2023, with some amounts being carried forward indefinitely. 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.

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 as of March 31, 2024 and 2023, which are included in accrued expenses and other current liabilities.

A V MINERALS (NETHERLANDS) N.V.
Fit-for-Consolidation Balance Sheet as at March 31, 2024

(₹ In Crore)

	Note No.	As at 31/03/2024	As at 31/03/2023
ASSETS			
Non-Current Assets			
Financial Assets:			
Investments in Subsidiary	3	10,566.96	11,235.38
Total Non-Current Assets		10,566.96	11,235.38
Current Assets			
Financial Assets:			
Cash and Cash Equivalents	4	12.90	17.57
Bank Balances other than Cash and Cash Equivalents	5	833.69	-
Loans	6	1.05	-
Other Financial assets	7	0.86	-
Total Current Assets		848.50	17.57
TOTAL ASSETS		11,415.46	11,252.95
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	8	12,755.02	12,570.12
Other Equity	9	(1,340.13)	(1,319.80)
TOTAL EQUITY		11,414.89	11,250.32
LIABILITIES			
Current Liabilities			
Financial Liabilities:			
Trade Payables	10	0.57	2.63
Total Current Liabilities		0.57	2.63
TOTAL LIABILITIES		0.57	2.63
TOTAL EQUITY AND LIABILITIES		11,415.46	11,252.95
Basis of Preparation and Material 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
Director

Place:- Mumbai
Date:- May 23, 2024

A V MINERALS (NETHERLANDS) N.V.
Fit-for-Consolidation Statement of Profit and Loss for the year ended March 31,2024

			(₹ In Crore)
		Period ended	
	Note No.	31/03/2024	31/03/2023
INCOME			
Other Income	11	1.63	-
		1.63	-
EXPENSES			
Other Expenses	12	2.55	(226.93)
Total Expenses		2.55	(226.93)
Profit/ (Loss) for the year		(0.92)	226.93
Other Comprehensive Income/(Loss):			
Foreign Currency Translation Reserve	13	165.49	900.85
Other Comprehensive Income/ (Loss) (Net of Tax)		165.49	900.85
Total Comprehensive Income/ (Loss) for the year		164.57	1,127.78
Profit/ (Loss) for the year attributable to:			
Owners of the Company		(0.92)	226.93
Other Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		165.49	900.85
Total Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		164.57	1,127.78
Basis of Preparation and Material 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
Director

Place:- Mumbai
Date:- May 23, 2024

A V MINERALS (NETHERLANDS) N.V.
Fit-for-Consolidation Statement of Changes in Equity for the year ended March 31, 2024

(₹ in Crore)

	Note No.	Equity Share Capital	Other Equity	Foreign Currency Translation Reserve	Retained Earnings	Total
Balance as at April 01, 2022		12,590.65	0.01	(196.04)	(1,237.77)	11,156.83
Profit/ (Loss) for the year		-	-	-	226.93	226.93
Other Comprehensive Income/ (Loss) for the year		-	-	900.85	-	900.85
Total Comprehensive Income/ (Loss) for the year		-	-	900.85	226.93	1,127.78
Foreign currency translation of other Equity		1,013.79	0.01	(1,013.79)	-	0.01
Reduction due to change in par value of equity shares		(1,034.30)	-	-	-	(1,034.30)
Balance as at March 31, 2023	5 and 6	12,570.12	0.02	(308.98)	(1,010.84)	11,250.32
Profit/ (Loss) for the year		-	-	-	(0.92)	(0.92)
Other Comprehensive Income/ (Loss) for the year		-	-	165.49	-	165.49
Total Comprehensive Income/ (Loss) for the year		-	-	165.49	(0.92)	164.57
Foreign currency translation of other Equity		184.90	-	(184.90)	-	-
Reduction due to change in par value of equity shares		-	-	-	-	-
Balance as at March 31, 2024		12,755.02	0.02	(328.39)	(1,011.76)	11,414.89

* Amounts below rounding off norms adopted by the Company

Basis of Preparation and Material 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
Director

Place:- Mumbai
Date:- May 23, 2024

A V MINERALS (NETHERLANDS) N.V.

Fit-for-Consolidation Cash Flow Statement for the year ended March 31,2024

	Note No.	Period Ended 31/03/2024	Period Ended 31/03/2023
			(₹ in Crore)
A. Cash flow from/ (used in) operating activities			
Profit/ (Loss) Before Tax:		(0.92)	226.93
Adjustment for :			
Effect of exchange rate changes		0.20	0.02
Exchange (Gain) / Loss on Return of Capital	12	-	(231.14)
Interest Income		(1.63)	-
Other Non-operating Income/ Expenses (Net)		-	(0.01)
Operating profit before working capital changes		(2.35)	(4.20)
Changes in Working Capital:			
Increase/ (Decrease) in Trade and Other Payables (Net)	10	(2.09)	2.23
Cash used in operation before tax		(4.44)	(1.97)
(Payment)/ Refund of Income Tax (Net)		-	-
Net Cash Generated/ (Used in) - Operating Activities		(4.44)	(1.97)
B. Cash flow from investment activities			
Loan given to fellow Subsidiary		(1.05)	-
Return of Capital from Subsidiary	3	831.00	803.16
Bank Deposit with SBI	5	(831.00)	-
Net Cash Generated/ (Used in) - Investing Activities		(1.05)	803.16
C. Cash flow from financing activities			
Return of Capital to Parent (Hindalco Industries Ltd.)	3	-	(803.16)
Net Cash Generated/ (Used in) - Financing Activities		-	(803.16)
Net Increase/ (Decrease) in Cash and Cash Equivalents		(5.49)	(1.97)
Opening Cash and Cash Equivalents		17.57	18.11
Effect of exchange rate changes on cash held in foreign currency		0.82	1.43
Closing Cash and Cash Equivalents	4	12.90	17.57
Reconciliation with balance sheet			
Cash and cash equivalents at the end	4	12.90	17.57
Cash and cash equivalents as presented in balance sheet		12.90	17.57
Basis of Preparation and Material 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
Director

Place:- Mumbai
Date:- May 23, 2024

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 Material 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
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. Material 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
- 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.

MB

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

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 V MINERALS (NETHERLANDS) N.V.
Notes to the Fit-for-Consolidation Financial Statements

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 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 Company**

The Ministry of Corporate Affairs had vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.
The rules predominantly amend
oDisclosure of accounting policies - amendment to Ind AS 1
oDefinition of accounting estimates - amendment to Ind AS 8
oDeferred tax related to assets and liabilities arising from single transaction - amendment to Ind AS 12.
The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.
These amendments do not have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(ii) **New and amended standards issued but not effective**

There are no standards that are notified and not yet effective as on the date

3. **Investments in Subsidiary:**

(₹ in Crore)

	Number of shares		Value - As at	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Unquoted investments, valued at cost				
Investment in Equity Instruments (Fully paid-up)				
Novelis Inc. of Nil par value	1,100	1,100	10,566.96	11,235.38
			10,566.96	11,235.38
(a). Aggregate amount of unquoted investments are given below:				
Aggregate cost of unquoted investments			10,566.96	11,235.38

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

Name of the subsidiary	Principal activity	Place of in Incorporation/ Operation
Novelis Inc.	Manufacturing	Canada

(c). During the current year, basis authorization and direction of AV Minerals, Novelis Inc. has paid USD 100 million (equivalent to ₹ 830.42 crore) directly to AV Minerals by wire transfer on March 20, 2024.

(d). During the previous year, basis authorization and direction of AV Minerals and AV Metals, Novelis Inc. has paid USD 100 million (equivalent to ₹ 803.16 crore)) directly to AV Minerals by wire transfer on August 22, 2022.

4. **Cash and Cash Equivalents:**

(₹ in Crore)

	As at	
	31/03/2024	31/03/2023
Balance with Banks - Current Accounts - (refer note (a) below)	12.90	17.57
	12.90	17.57

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

5. **Bank Balances other then Cash and Cash Equivalents**

(₹ in Crore)

	As at	
	31/03/2024	31/03/2023
Deposit with Bank	833.69	-
	833.69	-

A V MINERALS (NETHERLANDS) N.V.
Notes to the Fit-for-Consolidation Financial Statements

6. Loans (Current):
(Unsecured, considered good unless otherwise stated)

(₹ In Crore)

	As at	
	31/03/2024	31/03/2023
Loans to related parties (at amortised cost) (refer Note 15)	1.05	-
	1.05	-

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 fol

Types of Borrower #	Amount of loan or advance in the nature of loan outstanding as		% to the total Loans and Advances in the nature of	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Promoters	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related Parties				
Hindalco KK	1.05	-	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.

7. Other Financial assets (Current):
(Unsecured, considered good unless otherwise stated)

(₹ In Crore)

	As at	
	31/03/2024	31/03/2023
Accrued Interest	0.86	-
	0.86	-

8. Equity Share Capital:

	Number of shares as at	
	31/03/2024	31/03/2023
Authorized:		
Ordinary shares of Euro 499.0442 par value (31/03/2023: Euro 499.0442 par value)	50,00,000	50,00,000
	50,00,000	50,00,000
Issued:		
Ordinary shares of Euro 499.0442 par value (31/03/2023: Euro 499.0442 par value)	23,76,838	23,76,838
	23,76,838	23,76,838
Subscribed and Paid-up:		
Ordinary shares of Euro 499.0442 par value fully paid-up shares issued and outstanding (31/03/2023: Euro 499.0442 par value)	23,76,838	23,76,838
	23,76,838	23,76,838

(₹ In Crore)

	As at	
	31/03/2024	31/03/2023
Issued, Subscribed and Paid-up:		
2,376,838 Ordinary shares of Euro 499.0442 par value fully paid-up issued and outstanding (31/03/2023: Euro 499.0442 par valu	12,755.02	12,570.12
	12,755.02	12,570.12

(a). The Company has one class of equity shares having a par value of Euro 499.0442 per share (31/03/2023: Euro 499.0442 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 31/03/2024		As at 31/03/2023	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Hindalco Industries Limited #	23,76,838	100%	23,76,838	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

(₹ In Crore)

	Number of shares - As at		Value - As at	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Ordinary shares outstanding at the beginning of the year	23,76,838	23,76,838	12,570.12	12,590.63
Adjustment due to currency translation	-	-	184.90	1,013.79
Reduction in par value due to return of share capital - (d)	-	-	-	(1,034.30)
Ordinary shares outstanding at the end of the year	23,76,838	23,76,838	12,755.02	12,570.12

(d). During the previous year, the Company returned capital to its shareholder amounting to USD 100 million (equivalent to ₹ 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 ₹ 231.14 crore).

9. Other Equity:

(₹ In Crore)

	As at	
	31/03/2024	31/03/2023
Other Equity	0.02	0.02
Foreign Currency Translation Reserve	(328.39)	(308.98)
Retained Earnings/ (Deficit):		
Opening Balance	(1,010.84)	(1,237.77)
Profit/(Loss) for the year	(0.92)	226.93
	(1,011.76)	(1,010.84)
	(1,340.13)	(1,319.80)

(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).

10. Trade Payables:

(₹ In Crore)

	As at	
	31/03/2024	31/03/2023
Trade Payables	0.57	2.63
	0.57	2.63

Ageing schedule of Trade Payable as at 31/03/2024:

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	-	-	0.57	-	-	-	0.57
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-	-
Total	-	-	0.57	-	-	-	0.57

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

A V MINERALS (NETHERLANDS) N.V.
Notes to the Fit-for-Consolidation Financial Statements

11. Other Income

	Period ended	
	31/03/2024	31/03/2023
Interest Income	1.63	-
	1.63	-

12. Other Expenses:

(₹ in Crore)

	Period ended	
	31/03/2024	31/03/2023
Exchange (Gain)/ Loss on Return of Capital to Parent (refer Note 7(d))	-	(231.14)
(Gain)/ Loss on Other Foreign Currency Transactions	0.20	0.02
Litigation Expenses of Subsidiary	0.86	2.29
Miscellaneous Expenses	1.49	1.90
	2.55	(226.93)

13. Other Comprehensive Income:
The disaggregation of changes to other comprehensive income (OCI) by each class is given below:

(₹ in Crore)

	Period ended	
	31/03/2024	31/03/2023
Items that will be reclassified to Profit and Loss		
Foreign Currency Translation Reserve	165.49	900.85
Total Other Comprehensive Income	165.49	900.85

14. Deferred Tax:
As at March 31, 2024, 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.

15. Related Party Transactions:

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

(a). **Parent:**
Hindalco Industries Limited

(b). **Subsidiary:**
Novelis Inc.

(c). **Other fellow Subsidairy**
Hindalco KK

A V MINERALS (NETHERLANDS) N.V.
Notes to the Fit-for-Consolidation Financial Statements

(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:

(₹ In Crore)

	Period ended	
	31/03/2024	31/03/2023
(a) Transaction during the period :		
Return of Capital to Hindalco Industries Limited (refer Note 8(d))	-	803.16
Return of Capital from AV Metals Inc. (refer Note 3(d))	-	803.16
Return of Capital from Novelis Inc. (refer Note 3(c))	831.00	-
Short term Loan given to Hindalco KK (refer Note 6)	1.05	-
Interest Income on loan given to Hindalco KK	0.06	-

(₹ In Crore)

	As at	
	31/03/2024	31/03/2023
(b) Balances outstanding as at the end of the period :		
Investments in Novelis Inc.	10,566.96	11,235.38
Short term Loan given to Hindalco KK	1.05	-

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

Signature to notes 1-15

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

Geetika Anand
Director

Place:- Mumbai
Date:- May 23, 2024

Hindalco K.K.

Date prepared : 30-04-2024

Balance Sheet

(Excluding VAT in Japan)

(Unit : JPY)

A/C#	Account	04-30-23	05-31-23	06-30-23	07-31-23	08-31-23	09-30-23	10-31-23	11-30-23	12-31-23	01-31-24	02-19-24	03-31-24
Assets													
< Current Assets >													
100	Petty cash												
115	Current account- Bank	2,30,145	1,03,645	53,79,342	88,34,970	38,40,611	85,785	5,25,17,939	7,77,23,952	4,78,24,658	3,97,92,773	7,04,01,552	4,96,91,350
142	Account receivable					3,15,90,680	6,55,11,820	3,63,81,070	2,54,87,000	2,80,25,250	6,38,22,330	5,40,48,170	9,45,18,600
172	Account receivable - from Parent Company												
160	Inventory				3,86,64,170	3,37,65,976	2,65,98,935	1,13,90,711	3,32,28,143	7,46,64,213	11,82,53,188	10,93,73,835	11,46,23,250
167	Goods in Transit						1,67,00,000	4,34,20,000	7,56,21,600	9,62,32,000	3,43,44,800	5,98,00,200	5,05,79,700
175	Prepaid expenses	6,33,944	6,15,215	5,89,616	7,69,943	19,79,239	36,65,110	38,72,966	42,84,387	56,38,028	82,12,442	91,72,581	1,10,21,696
176	Suspense payment												
181	Consumption tax refundable												1,08,78,401
180	Consumption tax - Tentatively paid	72,848	2,56,225	42,48,067	63,39,390	66,00,916	88,67,598	1,00,69,763	1,60,57,247	2,16,92,678	3,12,26,938	3,47,86,903	0
182	Temporary tax payments												
	Total	9,36,937	9,75,085	1,02,17,025	5,46,08,473	7,77,77,422	12,14,29,248	15,76,52,449	23,24,02,329	27,40,76,827	29,56,52,471	33,75,83,241	33,13,12,997
< Fixed Assets >													
201	Office equipment												
205	Furniture/equipment												
208	Small assets	93,637	93,637	1,78,928	1,78,928	1,78,928	1,78,928	1,78,928	1,78,928	1,78,928	1,78,928	1,78,928	1,78,928
209	Accumulated depreciation	-15,606	-18,207	-23,178	-28,148	-33,118	-38,088	-43,058	-48,028	-52,998	-57,968	-62,938	-67,908
225	Software			1,16,634	1,14,657	1,12,680	1,10,703	1,08,726	1,06,749	1,04,772	1,02,795	1,00,818	98,841
242	Deposit - Office,etc	11,48,000	11,48,000	21,48,000	21,48,000	21,48,000	21,48,000	21,48,000	21,48,000	21,48,000	21,48,000	21,48,000	21,48,000
243	Deposit												
	Total	12,26,031	12,23,430	24,20,384	24,13,437	24,06,490	23,99,543	23,92,596	23,85,649	23,78,702	23,71,755	23,64,808	23,57,861
	(Total Assets)	21,62,968	21,98,515	1,26,37,409	5,70,21,910	8,01,83,912	12,38,28,791	16,00,45,045	23,47,87,978	27,64,55,529	29,80,24,226	33,99,48,049	33,36,70,858
Liabilities													
< Current Liabilities >													
405	Accounts payable - Parent Company				3,71,50,000	5,57,25,000	9,15,00,400	12,70,20,400	19,85,70,400	24,13,12,400	25,50,82,200	28,98,07,000	30,50,66,700
410	Short-term Loan						1,73,85,000	1,73,85,000	1,73,85,000	1,73,85,000	1,73,85,000	1,73,85,000	1,73,85,000
420	Accounts payable Other	9,68,197	41,25,041	71,64,065	22,59,675	20,91,726	67,38,812	20,15,092	47,27,251	27,43,936	46,36,331	35,75,083	52,91,761
423	Income taxes payable	1,65,000	1,65,000										1,80,000
427	Deposit received - W/H Income Tax, etc.	7,09,093	9,59,392	11,69,610	9,85,128	12,52,103	12,24,992	14,68,222	16,78,121	14,46,612	4,01,677	6,11,576	8,21,475
438	Provision					12,38,100	29,52,775	31,91,475	36,10,744	49,72,233	75,97,429	85,86,883	1,04,65,313
440	Consumption tax payable					28,71,880	59,55,620	91,21,750	1,14,38,750	1,35,87,500	1,93,89,530	2,41,22,400	0
	Total	18,42,290	52,49,433	83,33,675	4,03,94,803	6,31,78,809	12,57,57,599	16,02,01,939	23,74,10,266	28,14,47,681	30,44,92,167	34,40,87,942	33,92,10,249
Shareholders' Equity													
550	Common stock	3,00,00,000	3,00,00,000	3,00,00,000	4,16,70,000	4,16,70,000	4,16,70,000	4,16,70,000	4,16,70,000	4,16,70,000	4,16,70,000	4,16,70,000	4,16,70,000
510	Deposit for subscriptions to shares			1,17,45,952	1,74,60,952	1,74,60,952	75,952	75,952	75,952	75,952	75,952	75,952	75,952
598	Profit (loss), brought from previous year	-2,75,50,488	-2,75,50,488	-2,75,50,488	-2,75,50,488	-2,75,50,488	-2,75,50,488	-2,75,50,488	-2,75,50,488	-2,75,50,488	-2,75,50,488	-2,75,50,488	-2,75,50,488
599	Profit (loss), this year	-21,28,834	-55,00,430	-98,91,730	-1,49,53,357	-1,45,75,361	-1,61,24,272	-1,43,52,358	-1,68,17,752	-1,91,87,616	-2,06,63,405	-1,83,35,357	-1,97,34,855
	Total	3,20,678	-30,50,918	43,03,734	1,66,27,107	1,70,05,103	-19,28,808	-1,56,894	-26,22,288	-49,92,152	-64,67,941	-41,39,893	-55,39,391
	(Total Liabilities & Shareholders' Equity)	21,62,968	21,98,515	1,26,37,409	5,70,21,910	8,01,83,912	12,38,28,791	16,00,45,045	23,47,87,978	27,64,55,529	29,80,24,226	33,99,48,049	33,36,70,858

3/5/24

Hindalco K.K.

Date prepared : 30-04-2024

Monthly Income Statement

(Excluding VAT in Japan)

(Unit : JPY)

A/C#	Account	Apr '23	May '23	Jun '23	Jul '23	Aug '23	Sep '23	Oct '23	Nov '23	Dec '23	Jan '24	Feb '24	Mar '24	Total
Net sales														
700	Sales					2,87,18,800	3,08,37,400	3,16,61,300	2,31,70,000	2,14,87,500	5,80,20,300	4,73,28,700	5,54,57,300	29,66,81,300
	Total	0	0	0	0	2,87,18,800	3,08,37,400	3,16,61,300	2,31,70,000	2,14,87,500	5,80,20,300	4,73,28,700	5,54,57,300	29,66,81,300
Cost of sales														
725	Purchase				3,71,50,000	1,85,75,000	1,90,75,400	88,00,000	4,01,89,440	5,92,81,600	9,42,32,000	2,83,44,800	5,34,60,200	35,91,08,440
732	Import charges				15,14,170	3,57,911	3,83,425	22,44,978	36,66,220	23,55,564	49,75,866	44,27,262	43,57,052	2,42,82,448
737	Stocks, Ending				-3,86,64,170	48,98,194	71,67,041	1,52,08,224	-2,18,37,432	-4,14,36,070	-4,35,88,975	88,79,353	-52,49,415	-11,46,23,250
	Total	0	0	0	0	2,38,31,105	2,66,25,866	2,62,53,202	2,20,18,228	2,02,01,094	5,56,18,891	4,16,51,415	5,25,67,837	26,87,67,638
Gross margin		**0**	**0**	**0**	**0**	**48,87,695**	**42,11,534**	**54,08,098**	**11,51,772**	**12,86,406**	**24,01,409**	**56,77,285**	**28,89,463**	**2,79,13,662**
Operating Expenses														
741	Staff salary	12,08,334	12,08,334	16,51,516	18,58,334	18,58,334	18,58,334	19,89,854	18,91,214	18,91,214	18,91,214	18,91,214	18,91,214	2,10,89,110
742	Staff bouns				15,00,000									15,00,000
743	Retirement allowance													0
745	Social insurance	1,50,668	1,48,430	2,54,200	5,13,368	2,56,785	2,56,785	2,58,430	2,57,197	2,57,197	2,57,197	2,57,197	2,57,197	31,24,651
746	Employee welfare									27,802			36,982	64,784
750	Outside services		6,000											6,000
751	Freight			1,060		4,594	1,268	8,054	5,025	4,677	3,267		10,243	38,188
752	Advertisement						10,30,000						36,000	10,66,000
753	Entertainment			31,411		24,303	38,559	1,630	18,706	33,169	16,836	5,402	44,397	2,14,413
754	Meeting expenses			1,07,236	1,112	83,525	36,956	50,098	55,722	40,751	65,744	24,346	1,42,018	6,07,508
755	General travel expenses			5,26,706	47,244	6,52,940	4,04,587	3,49,379	2,91,689	4,22,955	1,62,160	1,82,077	6,64,325	37,04,062
756	Communications expenses			17,439	7,874	10,524	10,145	7,118	41,949	9,144	23,325	5,563	15,277	1,48,358
758	Seminar													0
760	Office supplies	881	540	26,579	4,548	7,414	37,015	23,128	14,908	6,650	2,550	2,550	24,900	1,51,663
762	Repairing expenses													0
763	Utilities													0
764	Newspaper & Library					1,300								1,300
765	Membership fee								30,000		3,50,000			3,80,000
766	Bank charges	3,600	2,10,000	66,646	68,300	65,564	62,800	71,046	69,446	91,221	83,633	91,782	87,836	9,71,874
768	Leasing charges						7,900	7,900	7,900	7,900	7,900	7,900	7,900	55,300
770	Insurances													0
771	Professional services	1,50,000	10,43,253	1,50,000	4,50,000	8,25,679	1,50,000	1,50,000	1,50,000	1,50,000	2,61,975	1,50,000	1,50,000	37,80,907
775	Business consignment expenses			9,36,751			9,86,365		66,137					19,89,253
780	Depreciation	2,601	2,601	6,956	6,947	6,947	6,947	6,947	6,947	6,947	6,947	6,947	6,947	74,681
781	Office rent	6,12,750	6,12,438	6,12,600	6,03,900	6,29,240	5,88,000	5,88,000	5,88,000	5,88,000	6,27,032	6,07,516	6,07,516	72,64,992
783	Dues, stamp duties, other taxes		1,40,000	2,200		82,550	2,050		4,000				750	2,31,550
789	Sundries													0
	Total	21,28,834	33,71,596	43,91,300	50,61,627	45,09,699	54,77,711	35,11,584	34,98,840	35,37,627	37,59,780	32,32,494	39,83,502	4,64,64,594
Financial & Other items														
800	Interest income													0
805	Excange gain													0
816	Miscellaneous income												50	50
830	Interest expense						-2,82,734	-1,24,600	-1,18,326	-1,18,643	-1,17,418	-1,16,743	-1,25,509	-10,03,973
846	Other loss													0
	Total	0	0	0	0	0	-2,82,734	-1,24,600	-1,18,326	-1,18,643	-1,17,418	-1,16,743	-1,25,459	-10,03,923
Profit before income taxes		-21,28,834	-33,71,596	-43,91,300	-50,61,627	3,77,996	-15,48,911	17,71,914	-24,65,394	-23,69,864	-14,75,789	23,28,048	-12,19,498	-1,95,54,855
980	Income taxes												1,80,000	1,80,000
Profit after income taxes		-21,28,834	-33,71,596	-43,91,300	-50,61,627	3,77,996	-15,48,911	17,71,914	-24,65,394	-23,69,864	-14,75,789	23,28,048	-13,99,498	-1,97,34,855

3/5/24

(A free translation of the original in Portuguese)

Novelis do Brasil Ltda.

Financial statements at March 31, 2024 and independent auditor's report

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Stockholders
Novelis do Brasil Ltda.

Opinion

We have audited the accompanying financial statements of Novelis do Brasil Ltda. (the "Company"), which comprise the balance sheet as at March 31, 2024 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are 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 established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 practices adopted in Brazil[2] and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), 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.

PricewaterhouseCoopers Auditores Independentes Ltda., Avenida Brigadeiro Faria Lima, 3732, Edifício B32, 16º
São Paulo, SP, Brasil, 04538-132
T: +55 (11) 4004-8000, www.pwc.com.br

Novelis do Brasil Ltda.

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 Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.

- 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 these 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.

São Paulo, May 3, 2024

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

DocuSigned by
Signed By: VINICIUS FERREIRA BRITTO REGO:92933610515
CPF: 92933610515
Signing Time: 07 May 2024 | 14:57 BRT
O: ICP-Brasil, OU: Secretaria da Receita Federal do Brasil - RFB
C: BR
Issuer: AC SERASA RFB v5

Vinícius Ferreira Britto Rego
Contador CRC 1BA024501/O-9

Novelis do Brasil Ltda.

Balance sheet at March 31
All amounts in thousands of reais

Assets	2024	2023
Current assets		
Cash and cash equivalents (Note 6)	1,854,057	2,303,423
Trade receivables (Note 8)	1,985,999	1,804,283
Receivables from related parties (Note 23)	172,178	11,712
Inventory (Note 9)	1,129,047	1,337,448
Taxes recoverable (Note 11)	38,295	28,937
Financial instruments (Note 7)	107,988	304,591
Other receivables	116,998	147,645
	5,404,562	5,938,039
Non-current assets held for sale (Note 10 (b))	5,136	16,243
Total current assets	**5,409,698**	**5,954,282**
Non-current assets		
Taxes recoverable (Note 11)	74,049	76,939
Judicial deposits (Note 14)	34,347	34,871
Financial instruments (Note 7)	3,571	16,394
Other receivables	44,037	39,983
	156,004	168,187
Investments	2	2
Intangible assets	19,378	18,786
Property, plant and equipment (Note 10)	4,219,994	4,262,401
Right-of-use assets (Note 10.1)	21,638	36,928
Total non-current assets	**4,417,016**	**4,486,304**
Total assets	**9,826,714**	**10,440,586**

Liabilities and equity	2024	2023
Current liabilities		
Trade payables (Note 12)	773,989	934,427
Trade payables – reverse factoring (Note 12 (a))	1,155,954	1,135,370
Other payables (Note 12 (b))	-	102,568
Borrowings (Note 13)	1,020,630	773,201
Loans with related parties (Note 13)	30,852	459,484
Salaries, provisions and social charges	68,418	56,158
Current income tax and social contribution payable	163,430	112,501
Other taxes and contributions payable	60,407	9,521
Tax refinancing (Note 15)	21,078	34,227
Financial instruments (Note 7)	100,454	205,803
Provision for contingencies (Note 14)	25	8,024
Payables to related parties (Note 23)	81,667	162,809
Lease liability (Note 10.1)	13,999	20,733
Other liabilities (Note 24)	158,087	192,863
Total current liabilities	**3,648,990**	**4,207,689**
Non-current liabilities		
Loans with related parties (Note 13)	949,279	548,120
Deferred income tax and social contribution (Note 16)	649,369	772,902
Tax refinancing (Note 15)	-	19,965
Financial instruments (Note 7)	3,098	8,375
Provision for contingencies (Note 14)	197,833	180,124
Lease liability (Note 10.1)	8,196	17,248
Other liabilities (Note 24)	119,115	125,137
Total non-current liabilities	**1,926,890**	**1,671,871**
Total liabilities	**5,575,880**	**5,879,560**
Equity		
Quota capital (Note 17)	958,528	958,528
Carrying value adjustments	1,936,363	2,078,629
Revenue reserve	820,324	561,367
Retained earnings	535,619	962,502
Total equity	**4,250,834**	**4,561,026**
Total liabilities and equity	**9,826,714**	**10,440,586**

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

Novelis do Brasil Ltda.

Statement of income
Years ended March 31
All amounts in thousands of reais

	2024	2023
Net revenue (Note 18)	**11,908,053**	**14,589,026**
Cost of sales (Note 20)	(9,662,227)	(11,839,011)
Gross profit	**2,245,826**	**2,750,015**
Selling expenses (Note 20)	(26,916)	(28,269)
Administrative expenses (Note 20)	(106,513)	(92,045)
Other expenses, net (Note 19)	(498,188)	(605,221)
Operating profit before financial results	**1,614,209**	**2,024,480**
Financial results, net (Note 21)	(238,017)	(339,630)
Foreign exchange gains/losses, net (Note 22)	(20,230)	105,131
Net finance costs	**(258,247)**	**(234,499)**
Profit before taxation	**1,355,962**	**1,789,981**
Income tax and social contribution		
Current (Note 16)	(476,540)	(666,420)
Deferred (Note 16)	85,703	(7,772)
Profit for the year	**965,125**	**1,115,789**

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

Novelis do Brasil Ltda.

Statement of comprehensive income
Years ended March 31
All amounts in thousands of reais

	2024	2023
Profit for the year	**965,125**	**1,115,789**
Other comprehensive income		
Items that will be reclassified to profit or loss		
Derivatives	(47,739)	32,506
Exclusive health plan	(519)	(16,501)
Items that will not be reclassified to profit or loss		
Currency translation adjustments (Note 17 (c))	(79,183)	297,237
Total other comprehensive income	**(127,441)**	**313,242**
Total comprehensive income for the year	**837,684**	**1,429,031**

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

Novelis do Brasil Ltda.

Statement of changes in equity
Years ended March 31
All amounts in thousands of reais

	Quota capital	Carrying value adjustments	Retained earnings	Revenue reserve	Total
At March 31, 2022	**958,528**	**1,792,596**	**666,968**	**333,282**	**3,751,374**
Profit for the year	-	-	1,115,789	-	1,115,789
Other comprehensive income	-	313,242	-	-	313,242
Total comprehensive income for the year	**-**	**313,242**	**1,115,789**	**-**	**1,429,031**
Reclassifications					
Realization – deemed cost	-	(27,209)	27,209	-	-
Tax incentive reserve	-		(228,085)	228,085	-
Allocation of profit for the year					
Dividend distribution	-		(554,422)	-	(554,422)
Interest on capital distribution	-		(64,957)	-	(64,957)
Total distribution to quotaholders			**(619,379)**		**(619,379)**
At March 31, 2023	**958,528**	**2,078,629**	**962,502**	**561,367**	**4,561,026**
Profit for the year	-	-	965,125	-	965,125
Other comprehensive income	-	(127,441)	-	-	(127,441)
Total comprehensive income for the year	**-**	**(127,441)**	**965,125**	**-**	**837,684**
Reclassifications					
Realization – deemed cost	-	(14,825)	14,825	-	-
Tax incentive reserve	-	-	(258,957)	258,957	-
Allocation of profit for the year					
Dividend distribution (Note 17 (b))	-	-	(1,081,127)	-	(1,081,127)
Interest on capital distribution (Note 17 (b))	-	-	(66,749)	-	(66,749)
Total distribution to quotaholders	**-**	**-**	**(1,147,876)**	**-**	**(1,147,876)**
At March 31, 2024	**958,528**	**1,936,363**	**535,619**	**820,324**	**4,250,834**

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

Novelis do Brasil Ltda.

Statement of cash flow
Years ended March 31
All amounts in thousands of reais

	2024	2023
Cash flow from operating activities		
Profit for the year	**965.125**	**1.115.789**
Adjustments to reconcile profit for the year to cash from operating activities		
Depreciation and amortization (Note 10)	372,029	385,444
Depreciation of right of use (Note 10.1)	20,274	20,672
Profit on disposal of property, plant and equipment (Note 10)	2,850	7,414
Deferred income tax and social contribution (Note 16 (a))	(85,703)	7,772
Transactions involving unsettled financial instruments	(64,936)	(112,784)
Provision for contingencies (Note 14)	18,674	15,582
Fair value adjustment to borrowings	(898)	(898)
Interest on borrowings (Note 13)	143,334	96,002
Tax credit recognition (exclusion of ICMS calculation over PIS/COFINS) (Note 19)	-	29
	1,370,749	**1,535,022**
Changes in assets and liabilities		
Trade receivables	(373,636)	749,206
Inventory	183,973	(233,037)
Taxes recoverable	(8,678)	122,994
Other receivables	23,199	8,168
Judicial deposits	(53)	3,834
Trade payables	(203,911)	(489,560)
Salaries, provisions and social charges	13,031	(6,922)
Taxes and contributions payable	103,130	(172,147)
Tax refinancing	(31,825)	(35,742)
Financial instruments	160,788	71,875
Leases	(20,751)	(20,712)
Payables to related parties	(77,491)	65,324
Advances from customers	(387)	959
Contingencies	(6,002)	(19,931)
Other liabilities	(34,709)	(74,194)
Net cash from operating activities	**1,097,427**	**1,505,137**
Interest paid on borrowings (Note 13)	(160,418)	(51,751)
Net cash generated by operating activities	**937,009**	**1,453,388**
Cash flow from investment activities		
Proceeds from sale of property, plant and equipment	5,880	6,989
Purchases of property, plant and equipment and intangible assets	(414,571)	(423,368)
Net cash used in investment activities	**(408,691)**	**(416,379)**

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

Novelis do Brasil Ltda.

Statement of cash flow
Years ended March 31
All amounts in thousands of reais **(continued)**

Cash flow from financing activities		
New borrowings (Note 13)	999,240	655,180
Payment of dividends (Note 17 (b))	(1,170,763)	(464,786)
Repayment of third-party borrowings (Note 13)	(735,805)	(256,745)
Interest on capital paid (Note 17 (b))	(66,749)	(64,957)
Net cash used in financing activities	**(974,077)**	**(131,308)**
Effects of exchange rate changes on cash and cash equivalents	**(3,608)**	**39,173**
Increase/(decrease) in cash and cash equivalents	**(449,366)**	**944,873**
Cash and cash equivalents at the beginning of the year	**2,303,423**	**1,358,550**
Cash and cash equivalents at the end of the year	**1,854,057**	**2,303,423**

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

1 General information

Novelis do Brasil Ltda. (the “Company” or “Novelis”) is a wholly-owned subsidiary of Novelis Inc., headquartered in Atlanta, Georgia, USA. All of the common shares of Novelis Inc. are owned directly by AV Metals Inc. and indirectly by Hindalco Industries Limited, a leader in the aluminum, copper and metals sector of the Aditya Birla Group, headquartered in Mumbai, India.

Novelis is headquartered in the city of São Paulo, Brazil, and has two plants located in Pindamonhangaba and Santo André, both in the State of São Paulo, which together carry out aluminum sheet and foil rolling and recycling operations. Novelis also has 15 collection centers distributed across the states of São Paulo (São Paulo, Campinas, Pindamonhangaba, Bauru and Sertãozinho), Minas Gerais (Juiz de Fora), Bahia (Salvador), Pernambuco (Recife), Pará (Ananindeua), Rio Grande do Norte (Parnamirim), Paraíba (João Pessoa), Brasília (Brasília), Paraná (Curitiba), São Gonçalo (Rio de Janeiro) and Gravataí (Rio Grande do Sul), one distribution center in Cariacica (Espírito Santo) and one customer solutions center in São José dos Campos (São Paulo).

The issue of these financial statements was authorized by the Company’s Board of Directors on May 03, 2024.

1.1 Main events in the year ended March 31, 2024

(a) Inflation and geopolitical instability

The fiscal year 2024 was marked by global economic uncertainty, disturbances in capital markets and supply chain disruptions, which resulted in inflationary pressures on costs and geopolitical instability due to the military conflict between Russia and Ukraine, attacks on ships on the Red Sea, and the ongoing conflict in the Gaza Strip.

The increased inflationary pressures on costs in fiscal year 2024 resulting from the disruptions in the global supply chain have impacted the availability and pricing of materials and services, including energy, freight, varnishes and alloys such as magnesium.

The geopolitical instability has intensified the inflationary pressures on costs, which should remain under pressure in the foreseeable future. The Company has not suffered significant direct impacts from the Russia-Ukraine conflict, as it does not conduct significant operations or sales in Russia, Ukraine, Israel or the Gaza Strip. However, the Company has suffered indirect impacts, as conflicts have impacted the prices of energy and oil products worldwide. The purchase of raw materials, materials, parts and equipment remains stable due to our diversified global network of suppliers. We believe that we are appropriately positioned to maintain the production levels necessary to serve our customers.

1.2 Changes in accounting policies and disclosures

There have been no significant amendments to international accounting standards in 2023. Although the International Accounting Standards Board (IASB) has made some amendments to standards applicable for periods beginning on or after January 1, 2023, these are mostly clarifications. Accordingly, for this publication, we have assumed that none of these amendments require any changes in accounting policies adopted by Novelis, nor do they have any material impacts on the Company’s measurements, recognitions or disclosures.

2 Summary of significant accounting policies

The main accounting policies applied to the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, except for the changes required by the new accounting pronouncements, interpretations and amendments approved by the IASB.

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 IASB (currently referred to by the IFRS Foundation as "IFRS Accounting Standards" and the respective interpretations ("IFRIC") issued by the 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 material to the financial statements, are disclosed in Note 3.

2.2 Foreign currency translation

(a) Functional currency

The functional currency of a Company is the currency of the primary economic environment in which it operates, and is the currency that best represents the Company's business and operations. Based on this analysis, Management concluded that the US Dollar ("US$" or "Dollar") is the Company's functional currency.

(b) Presentation currency

In compliance with Brazilian legislation, these financial statements are being presented in Brazilian Real/Reais ("R$"), by translating the financial statements prepared in the Company's functional currency into Reais, using the following criteria:

. Assets and liabilities at the foreign exchange rate at the end of the year;
. Statement of income accounts and statement of cash flow, at the monthly average rate;
. Equity, at historical cost.

The foreign exchange gains/losses from translation are recognized in a specific equity account "currency translation adjustments".

(c) Transactions and balances

Transactions in other currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or the dates of valuation when 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 recognized in the statement of income as foreign exchange gains/losses.

2.3 Cash and cash equivalents

Cash and cash equivalents include amounts in checking accounts, deposits with banks and other short-term investments with daily liquidity and an immaterial risk of changes in value, with the purpose of meeting short and long-term commitments.

2.4 Financial assets

2.4.1 Classification

The Company classifies its financial assets in the following categories:

. Measured at fair value (either through other comprehensive income or through profit or loss);
. Measured at amortized cost.

Debt instruments are subsequently measured at fair value through profit or loss ("FVTPL"), at amortized cost, or at fair value through other comprehensive income ("FVOCI"). The classification is based on the Company's business model for managing the assets and whether the instrument's contractual cash flows represent solely payments of principal and interest ("SPPI") on the principal outstanding amount.

Financial instruments classified under the amortized cost category have met IFRS 9 criteria for classification since they are maintained to collect their cash flows and represent solely payments of principal and interest.

All Novelis hedging programs are cash-flow hedges. The Company designates hedge accounting for cash flow programs (foreign exchange exposure) and metal offset, the gains and losses of which are held in equity, and for purchases of property, plant and equipment (foreign exchange exposure), the gains and losses of which are held in property, plant and equipment according to the nature of the item in accordance with IFRS 9.

Derivatives held for trading are classified as FVTPL in accordance with the requirements of IFRS 9 for other programs.

2.4.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date, that is, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flow have expired and the Company has transferred substantially all of the risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2.4.3 Impairment of financial assets

Assets carried at amortized cost

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.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, and the amount of the loss is recognized in the statement of income. The Company measures impairment on the basis of an instrument's fair value using an observable market price.

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 recognized, the reversal of the previously recorded loss is recognized in the statement of income.

2.5 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into, and are subsequently remeasured at their fair value. The method to recognize the gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item to be hedged. The Company designates certain derivatives as either:

- Hedge accounting: hedge of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow and metal hedge);
- Other programs: hedge of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- Net investment hedges in a foreign operation.

At the inception of the transaction, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and its strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives used for hedging transactions are highly effective in offsetting changes in the fair values of hedged items, and therefore, the hedging transactions performed by the Company are not for speculative purposes.

The fair values of derivative instruments used for hedging purposes are disclosed in Note 7. Changes in the hedging amounts classified in “carrying value adjustments” within equity are shown in the table of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(a) Fair value hedges

Changes in the fair values of derivatives that are designated and qualify as fair value hedges are recorded in the statement of income, including the fair value of the hedged asset or liability that are attributable to the hedged risk.

The hedging instrument is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when it ceases to be eligible for hedge accounting. The fair value adjustment to the recorded amount of the hedged item arising from the hedged risk is amortized in the statement of income from that date, except for inventories that are charged to the statement of income on the sale of goods.

(b) Cash flow hedges and metal hedges (commodities)

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity within “carrying value adjustments”. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income within “financial results, net”.

The Company excludes the time value component of the foreign currency and aluminum price risk hedges when measuring and assessing the effectiveness to align the accounting policy with the risk management objectives when necessary.

Amounts accumulated in equity are reclassified to profit or loss in the periods during which the hedged item affects profit or loss. The gain or loss relating to the effective portion of derivatives used as hedges by the Company is recognized as follows:

(i) Cash flow hedge
The gain or loss relating to the effective portion of derivatives that hedge the Company’s foreign exchange exposure is recognized initially in other comprehensive income (“OCI”) and subsequently in the statement of income within “financial results, net”. The gain or loss relating to the effective portion of derivatives that hedge the purchases of property, plant and

equipment is recognized initially within “property, plant and equipment” and subsequently in the statement of income within “depreciation”.

(ii) Metal hedge (commodity)
The gain or loss relating to the effective portion of derivatives that hedge the Company’s exposure to fluctuations in the metal price (commodity) is recognized in equity. The gain or loss relating to the ineffective portion is recognized in the statement of income within “financial results, net”. The deferred amounts in equity are ultimately transferred to profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized in profit or loss when the transaction is recognized in the statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recorded in equity is immediately recognized in the statement of income within “financial results, net”.

(c) Derivatives at FVTPL

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair values of any of these derivative instruments are recognized immediately in the statement of income within “financial results, net”.

(d) Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For cash flow hedge relationships that cover various periods, the period ineffectiveness is calculated as the difference between the cumulative ineffectiveness at the reporting date (based on the "lower" of the cumulative change in the fair value of the hedging instrument and the hedged item) and the accumulated ineffectiveness reported in prior periods.

2.6 Trade receivables

Trade receivables are amounts due for merchandise sold or services performed in the ordinary course of the Company’s business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for the impairment of trade receivables, which is recognized whenever a risk of default is identified by the Company's credit and legal areas. In practice, these receivables are usually recognized at the amount billed, adjusted for any provision for impairment, if necessary.

The Company has no history of losses on trade receivables and there is no evidence of the need to establish provision for expected credit losses for its trade receivables as established by IFRS 9/CPC 48.

Novelis discounts receivables without rights of subrogation, as long as there are no contractual restrictions.

2.7 Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). The net realizable value is the estimated selling price in the ordinary course of business.

All amounts in thousands of reais, unless otherwise stated

2.8 Non-current assets held for sale

Non-current assets held for sale are classified as held for sale based on the following criteria: (a) Management, embodied with authority to do so, is committed to a plan to sell; (b) the asset is available for sale in its current condition, subject only to the terms usual for the sale of such assets; (c) an active program to locate a buyer and other necessary actions have been initiated; (d) the sale is highly probable, and its transfer is expected within 12 months, unless events or circumstances beyond the Company's control may exceed such period; (e) the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value; and (f) actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed.
Non-current assets held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

2.9 Property, plant and equipment

Property, plant and equipment are stated at the cost of acquisition or construction, less depreciation and, when applicable, written down to their recoverable value. The main components of certain property, plant and equipment items, at the time of their replacement, are accounted for as individual, separate assets, and the specific useful lives of these components are used. The component replaced is written off. Maintenance costs to recover or maintain the original level of performance are recognized in the statement of income during the period in which they are incurred.
Depreciation of property, plant and equipment is calculated using the straight-line method to reduce their costs to their residual values over their estimated useful lives.

The carrying amount of an asset is immediately adjusted if it is higher than the estimated recoverable value.

The Company has spare parts for use in the maintenance of its property, plant and equipment items, which have estimated useful lives longer than 12 months. Therefore, the inventory balance of these spare parts is classified under property, plant and equipment.

Depreciation of other assets is calculated using the straight-line method to reduce their costs to their residual values over their estimated useful lives, as follows:

	Years	**Years (weighted average)**
Buildings and improvements	10 to 40	31.9
Machinery and equipment	2 to 40	16.8
Vehicles	3 to 10	9.3
Furniture and fixtures	5 to 10	5.6
Automation	10	10.0
Data processing equipment	3	3.0

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts, and are recognized within "other expenses, net" in the statement of income.

2.10 Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when 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 level for which there is separately identifiable cash flow (cash-generating unit ("CGU") level). Non-financial assets that are impaired are subsequently reviewed for possible reversal of the impairment at the end of the reporting period.

2.11 Trade payables, trade payables – reverse factoring and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business, separated only by the nature of the transaction and classified as current liabilities if payment is due within one year or less of the reporting date. If not, they are presented as non-current liabilities.

These are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are usually recognized at the amount of the related invoice.

2.12 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period of the borrowing, using the effective interest rate method.

Borrowings items are classified within current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.13 Provision for contingencies and other liabilities

Provision for environmental restoration, restructuring costs and legal claims (labor, civil and tax) is recognized 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 can be reliably estimated. Restructuring provision comprises termination penalties and employee termination payments. Provision does not include future operating losses.

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 recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision is measured at the present value of the expenditure 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 the passage of time is recognized as interest expenses.

2.14 Current and deferred income tax and social contribution

The income tax and social contribution benefit or expense for the period includes current and deferred taxes. Taxes on profit are recognized in the statement of income, except to the extent that they relate to items recognized in comprehensive income or directly in equity. In such cases, the taxes are also recognized in comprehensive income or directly in equity.

The current income tax and social contribution are calculated on the basis of the tax laws enacted or substantively enacted up to the balance sheet date. Management periodically evaluates positions taken by the Company in its income tax returns with respect to situations in which the applicable tax regulations are subject to interpretation. It establishes provision, where appropriate, on the basis of the amounts expected to be paid to the tax authorities.

Deferred income tax and social contribution are recognized, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax and social contribution are determined using tax rates (and laws) that have been enacted or substantially enacted up to the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences and/or tax losses can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when deferred income tax assets and liabilities are related to the income tax levied by the same tax authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Revenue recognition

Revenues from contracts with customers are recognized by the Company as the control of the products is transferred to customers, represented by the ability to determine the use of the products and to obtain substantially all the remaining benefits from the products.

The Company follows the conceptual framework of the standard, based on the five-step model:
(1) identification of contracts with customers;
(2) identification of performance obligations in the contracts;
(3) determination of the transaction price;
(4) allocation of the transaction price to the performance obligation in the contracts; and
(5) recognition of revenue when the performance obligation is satisfied.

The evidence of the transaction is based on the parameters established by the corresponding Incoterms and confirmation of the credit to carry out the transaction. Revenue is the net income from sales, after deduction of taxes, discounts and returns.

2.16 Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to the Company’s quotaholders is recognized as a liability in the Company’s financial statements when approved and proposed by Management based on the Company’s bylaws.

2.17 Leases

The Company rents several types of machinery and equipment for its plant operation, floors of the commercial building for its administrative area, a storeroom, sheds for the operations of the collection center and vehicles. Rental contracts are typically made for fixed periods of 12 months to 36 months, but may have extension options.

The contracts may contain both lease and non-lease components. The Company allocates the costs of the contracts to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease contracts do not include restrictive covenants. However, the related leased assets must not be given as guarantees for borrowings.

Assets and liabilities arising from a lease are initially measured at present value.

Lease liabilities include the net present value of the following lease payments:

Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

Variable lease payments that depend on an index or rate;

Amounts expected to be paid by the lessee, according to the residual value guarantees;

The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; however, the Company does not have a contract in effect with a purchase option clause; and Payments of penalties for terminating the lease if the lease term reflects the lessee exercising the option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment and with similar terms and conditions.

To determine the incremental borrowing rate, the Company uses discount rates obtained in accordance with the market conditions.
The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between the principal and finance cost. Finance costs are charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost according to the following items:

The amount of the initial measurement of the lease liability;
Any lease payments made at or before the commencement date less any lease incentives received;

Any initial direct costs; and

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(i) Variable lease payments

Certain machinery and equipment leases have variable payment clauses linked to the volume of material transferred.

(ii) Extension and termination options

Extension and termination options are included in a number of the Company's property, plant and equipment leases. These are used to maximize operational flexibility in terms of contract management. The majority of extension and termination options held are exercisable only by the Company, in accordance with a previous negotiation between the parties.

3 Critical accounting estimates and judgments

Accounting estimates and judgments 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 establishes assumptions regarding the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that carry a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year relate to Notes 2.10 Impairment of non-financial assets, 2.13 Provision for contingencies and other liabilities and 2.14 Current and deferred income tax and social contribution.

All amounts in thousands of reais, unless otherwise stated

4 Financial risk management

4.1 Financial or market risks

Financial risk, also known as market risk, arises from the possibility of losses caused by fluctuations in interest rates, exchange rates, share prices and commodity prices.
Risk management is carried out by the Company based on policies approved by its parent company, for the purpose of identifying, evaluating and hedging the Company's assets and liabilities against financial risks through the use of derivative financial instruments.

(i) Market risk

(ii) Foreign exchange risk

Foreign exchange risk arises from the Company's exposure on its assets and liabilities in a currency different from its functional currency.

Fluctuations in the exchange rates affect the recorded value of assets and liabilities.

As the Company's functional currency is the US dollar, and part of the Company's operations and amounts included in its balance sheet are in local currency (R$), the Company's strategy is to protect its assets and liabilities from changes in the exchange rate of the Brazilian Real to the US dollar. Therefore, the Company's strategy to mitigate foreign exchange risk includes future contracts for hedging certain costs and projected revenue and investments in property, plant and equipment. Presented below are the total assets and liabilities that are exposed to foreign exchange risk:

	2024	**2023**
Assets		
Cash and cash equivalents	1,667,483	1,947,798
Trade receivables	352,240	434,313
Judicial deposits	34,347	34,871
Taxes recoverable	112,344	105,892
Other	94,353	51,344
	2,260,767	**2,574,218**
Liabilities		
Trade payables	(1,537,797)	(1,469,388)
Salaries, provisions and social charges	(68,418)	(56,157)
Other taxes and contributions payable	(223,838)	(122,040)
Tax refinancing	(21,078)	(54,192)
Provision for contingencies	(193,494)	(179,510)
Other liabilities	(140,201)	(100,237)
Transfer of technology	(38,254)	(39,103)
Borrowing from related parties – principal	(980,131)	(1,007,605)
Dividends payable	-	(89,636)
	(3,203,211)	**(3,117,868)**
Net exposure	**(942,444)**	**(543,650)**

The Company's functional currency is the US Dollar (Note 2.2(a)). However, the financial statements present assets and liabilities originating and recorded in Brazilian Reais that affect the results of operations because of variations in the Brazilian Real – US Dollar exchange rate. The Company's policy is to minimize foreign exchange exposure against the functional currency, aiming at hedging 100% of the short-term and long-term exposure via contracting of derivatives by the head office. The Company's current net exposure is negative, due to a higher volume of short-term and long-term liability exposure to Reais.

(ii) Commodity price risk

Commodity price risk is the risk of changes in the prices of the raw materials used by the Company, which has a direct impact on the results, as the asset price constantly changes, which causes both the purchase prices and sale prices to vary. The factors that may affect the commodity prices include policies, regulatory changes, supply and demand, and other general market conditions. The Company's strategy for managing this risk is based on hedging the price of aluminum in its inventory during the production cycle of the commodity up to the sale of the final product. With the inventory duly hedged against commodity price fluctuations, the Company has a specialized team that consolidates the purchase and sales projections for the Company's operating areas, identifies the exposure and hedges the Company by means of financial products (derivatives) available in the financial market, such as swaps, non-deliverable futures ("NDF") and future contracts.

The Company's business is conducted through a model according to which both the purchases and sales have common components in their price structures, and the aluminum price is based on the quotations of the Base Metal Cost ("BMC"), consisting of the London Metal Exchange ("LME") price and a local market premium.

A key component of the conversion model is the use of financial instruments to preserve the conversion margin, hedging the metal purchase volumes and the metal volumes related to sales contracts. There is a timing difference between the recognition of gains and losses and the aluminum purchase and sale transactions, which is called the metal price lag. These future purchases, through derivative financial instruments, directly cover the future risks of aluminum price fluctuations associated with purchase and sale contracts. Gains or losses on the financial instrument positions are recognized on an accrual basis.

The Company expects the gains or losses on the settlement of financial instruments to be offset by the effects of variations in the prices of sales to customers, as well as the impact caused by the different quotations of the LME on the cost of goods sold. However, there are some factors, such as market premiums, future curve and taxes, which cause differences in this offsetting.

(iii) Interest rate risk

Interest rate risk is the risk related to changes in investment values or in borrowing costs due to changes in interest rates. The Company continuously monitors its exposure to market interest rates.

(b) Credit risk

Credit risk refers to the possibility of not receiving the principal amount negotiated due to defaults, which cannot be avoided, but can be prevented or controlled through a credit analysis. However, as it is not possible to foresee whether the customers will be able to honor their financial commitments, the Company takes certain measures before granting credit to its customers.

The sales policy is closely associated with the level of credit risk to which the Company is willing to be subjected during the course of its business. The diversification of the portfolio of receivables from customers and the monitoring of sales financing terms and individual position limits are among the procedures adopted to minimize defaults or losses on the realization of receivables. This risk is analyzed in more detail in Note 5 (b).

(c) Liquidity risk

Liquidity risk is classified between market liquidity risk and cash-flow liquidity risk. The former is the possibility of loss due to the inability to carry out a transaction within a reasonable timeframe and without a significant loss of value. The latter relates to the possibility of a shortfall of funds required to honor commitments due to mismatches between assets and liabilities.

All amounts in thousands of reais, unless otherwise stated

The Company's cash is centralized and managed by the treasury department under the supervision and monitoring of the parent company, which actively manages cash in order to ensure the necessary liquidity to meet operating needs. This cash management is based on periodic projections made by the Company's operating areas.

The Company invests excess cash in investments with daily liquidity and in deposits with prime financial institutions, choosing instruments with appropriate maturities or sufficient liquidity that have satisfactory margins.

The table below presents the Company's main non-derivative financial liabilities according to their expiry dates:

	Less than one year	Between one and two years	Between two and five years	More than five years	Total
At March 31, 2024					
Trade and other payables	773,989	-	-	-	773,989
Trade payables – reverse factoring	1,155,954	-	-	-	1,155,954
Borrowings*	1,020,630	-	980,131	-	2,000,761
At March 31, 2023					
Trade and other payables	1,036,995	-	-	-	1,036,995
Trade payables – reverse factoring	1,135,370	-	-	-	1,135,370
Borrowings*	1,232,685	-	548,120	-	1,780,805

(*) These are the balance sheet accounts as at March 31, 2024; the Company amortizes the interest on its main borrowing on a semi-annual basis.
The future value of the borrowings up to the respective contractual maturity dates was R$ 2,637,250 (R$ 1,910,194 at March 31, 2023).

4.2 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for quotaholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Capital management is based on guidelines established by its parent company, taking into consideration the Company's information. In order to maintain or adjust the capital structure, the Company can make adjustments to the amounts of dividends paid to quotaholders, return capital to quotaholders, issue new quotas or sell assets to reduce, for example, debt.

4.3 Fair value estimation

(a) Fair value of financial instruments

The fair values of the Company's assets and liabilities are determined based on information available in the market, and through the application of methodologies the Company considers to be appropriate, in order to better evaluate each type of instrument.

The fair value of long-term debts is based on the discounted amount of its contractual cash flow. The discount rate is based on the future market curve for the flow of each liability.

(b) Amortized cost

The carrying amounts of cash and cash equivalents, trade receivables, trade payables, payables to third parties and payables to associates are classified as amortized cost.

All amounts in thousands of reais, unless otherwise stated

(c) Classification

Financial instruments measured at fair value are classified as below:
. Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
. Level 2 – Observable inputs for the asset or liability, directly or indirectly, except for quoted prices included in Level 1;
. Level 3 – Unobservable inputs for the asset or liability.

The table below classifies the Company's financial assets and liabilities by Level using the fair value hierarchy. The Company did not have financial instruments classified at Levels 1 and 3 at March 31, 2024 and 2023:

Derivatives used for hedging (Level 2)	**2024**	**2023**
Assets	111,559	320,985
Liabilities	103,552	214,178

5 Financial instruments

(a) Classification by category

At the date of the initial application of IFRS 9, the Company assessed which business models apply to its financial assets and classified them according to the categories of IFRS 9. The classification of the Company's financial instruments at March 31, 2024 was as follows:

				March 31, 2024
	FVTPL*	**FVOCI****	**Amortized cost**	**Total**
Financial investments	-	-	1,666,146	1,666,146
Trade and other receivables	-	-	2,147,034	2,147,034
Receivables from related parties	-	-	172,178	172,178
Judicial deposits	-	-	34,347	34,347
Derivative financial instruments	111,559	-	-	111,559
Financial assets	**111,559**	**-**	**4,019,705**	**4,131,264**
Trade payables, trade payables – reverse factoring and other payables	-	-	1,929,943	1,929,943
Borrowings	1,020,630	-	-	1,020,630
Loans with related parties	-	-	980,131	980,131
Payables to related parties	-	-	81,667	81,667
Lease liability	-	-	22,195	22,195
Derivative financial instruments	103,552	28,430	-	131,982
Financial liabilities	**1,124,182**	**28,430**	**3,013,936**	**4,166,548**

All amounts in thousands of reais, unless otherwise stated

				March 31, 2023
	FVTPL*	**FVOCI****	**Amortized cost**	**Total**
Financial investments	-	-	2,204,338	2,204,338
Trade and other receivables	-	-	1,991,911	1,991,911
Receivables from related parties	-	-	11,712	11,712
Judicial deposits	-	-	34,871	34,871
Derivative financial instruments	320,985	-	-	320,985
Financial assets	**320,985**	**-**	**4,242,832**	**4,563,817**
Trade and other payables	-	-	2,172,365	2,172,365
Borrowings	773,201	-	-	773,201
Loans with related parties	-	-	1,007,604	1,007,604
Payables to related parties	-	-	162,809	162,809
Lease liability	-	-	37,981	37,981
Dividends payable	-	-	89,636	89,636
Derivative financial instruments	214,178	87,916	-	302,094
Financial liabilities	**987,379**	**87,916**	**3,470,395**	**4,545,690**

(*) Fair value through profit or loss.
(**) Fair value recorded in Other comprehensive income.

(b) Credit risk of the financial instruments

The Company operates with financial institutions classified as "A" (57%) and "B" (43%), in accordance with the risk rating of S&P Global Ratings ("S&P").

6 Cash and cash equivalents

	2024	**2023**
Cash on hand and in banks	187,911	99,085
Financial investments	1,666,146	2,204,338
	1,854,057	**2,303,423**

Financial investments refer mainly to fixed income transactions indexed to the Interbank Deposit Certificate ("CDI") rate, with immediate liquidity. The amounts in US dollars are invested in fixed income indexed Time Deposits. Income from financial investments recognized during the year, amounting to R$ 64,940 (R$ 79,699 at March 31, 2023), was recorded as income from financial investments in the statement of income.

All amounts in thousands of reais, unless otherwise stated

7 Derivative financial instruments

The table below summarizes the fair value of the Company's derivatives at March 31, 2024:

	Nature of the risk	Assets	Liabilities	Fair value
Current				
Cash flow hedges				
Aluminum contracts	Variable metal prices	420	27,814	(27,394)
Currency contracts	Foreign exchange risk	44,386	29,018	15,368
Hedges not designated				
Aluminum contracts	Variable metal and energy prices	17,147	22,562	(5,415)
Currency contracts	Foreign exchange risk	2,558	2,223	335
		64,511	**81,617**	**(17,106)**
Non-current				
Cash flow hedges				
Aluminum contracts	Variable metal prices	-	10	(10)
Currency contracts	Foreign exchange risk	3,436	2,436	1,000
Hedges not designated				
Aluminum contracts	Variable metal and energy prices	50	577	(527)
Currency contracts	Foreign exchange risk	85	75	10
		3,571	3,098	473
Pending settlement				
Hedges not designated				
Aluminum contracts	Variable metal prices	23,698	16,335	7,363
Currency contracts	Foreign exchange risk	19,780	2,503	17,277
		43,478	18,838	24,640
		111,559	**103,552**	**8,007**

The derivative financial instruments are contracted with banks or brokers and registered, if applicable, with B3 S.A. - Brasil, Bolsa, Balcão ("BM&F/BOVESPA/CETIP"). The derivative contracts have as their sole purpose the management of risks, which are used to mitigate uncertainties and volatilities caused by certain exposure. Therefore, the hedge transactions entered into by the Company are not for speculative purposes.

Aluminum contracts

The Company uses derivative instruments to hedge the conversion margin and manage the timing differences related to the fluctuation of the metal price. Over-the-counter derivatives indexed to the LME are used to reduce the exposure to fluctuations in the metal prices associated with the period between the inventory purchase pricing and the inventory sales pricing to the customers.

The Company also purchases LME forward contracts that directly hedge the economic risk of future pricing, so that the sales price may be aligned with the metal purchase price.
The table below summarizes the Company's notional derivatives, described in kilotons:

Purchase/(Sale)	2024	2023
Exposure	66	87

All amounts in thousands of reais, unless otherwise stated

Foreign exchange contracts

The foreign exchange contracts are used to manage the exposure to exchange rate fluctuations. This exposure arises through assets and liabilities, commitments made and cash flow forecasts denominated in currencies other than the functional currency for certain transactions.

Outstanding amounts and fair value of financial instruments

The following table presents the outstanding position and the fair value of foreign exchange derivative financial instruments (excluding pending settlement):

Foreign currency forwards	Currency	Average exchange rate	Notional amount	Fair value
Cash flow hedges				
Purchase	BRL/USD	5.172	964	16,368
Hedges not designated				
Purchase	BRL/USD	5.091	295	345
			1,259	**16,713**

The following table presents the outstanding position and the fair value of commodities derivative financial instruments:

Commodities forwards	Average price	Quantity	Notional amount	Fair value
Cash flow hedges				
Aluminum - Sale	11,342	(69,500)	(797)	(27,404)
Hedges not designated				
Aluminum - Sale	11,284	1,625	19	(5,942)
			(778)	**(33,346)**

The following table presents the pre-tax amount of Gain/(Loss) recognized in the Hedge Reserve:

Type	Opening balance	Recognized amount	Amount for the Statement of Income	Released for acquired assets	Translation adjustments	Closing balance
Aluminum	(34,300)	91,356	(122,815)	5	3,110	(62,644)
Currency	134,926	72,409	(119,691)	(11,248)	(753)	75,643
	100,626	**163,765**	**(242,506)**	**(11,243)**	**2,357**	**12,999**
Deferred tax	(34,122)	(55,682)	82,453	3,825	(803)	(4,329)

All amounts in thousands of reais, unless otherwise stated

8 Trade receivables

	2024	**2023**
Trade receivables, domestic market	1,216,020	1,458,541
Trade receivables, foreign market	779,564	355,380
Less provision for impairment of trade receivables	(9,585)	(9,638)
	1,985,999	**1,804,283**

The aging analysis of these trade receivables is as follows:

	2024			**2023**		
	Past due	**Not yet due**	**Total**	**Past due**	**Not yet due**	**Total**
Up to 30 days	91,635	499,299	590,934	1,782	264,368	266,150
From 31 to 60 days	46,219	550,350	596,569	80	925,267	925,347
From 61 to 90 days	23,003	70,520	93,523	-	407,066	407,066
More than 90 days	317,764	387,209	704,973	22	205,698	205,720
	478,621	**1,507,378**	**1,985,999**	**1,884**	**1,802,399**	**1,804,283**

The maximum exposure to credit risk at the reporting date is equivalent to the carrying value of each class of receivables mentioned above. The Company does not hold any collateral security.

There was a reduction in the provision for impairment of trade receivables, due to the receipt of a portion. The balance at March 31, 2024 is R$ 9,585 (2023 – R$9,638).

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired is assessed by means of historical references, classified into two major groups according to the associated risk:

- Group 1 – Global customers;
- Group 2 – Other customers (specialty products and foil).

The composition of receivables by customer classification is presented below:

	2024	**2023**
Group 1	1,848,158	1,669,744
Group 2	137,841	134,539
	1,985,999	**1,804,283**

9 Inventory

	2024	**2023**
Finished goods	243,123	244,611
Work in progress	337,323	454,909
Raw materials	339,522	426,521
Storeroom supplies	265,483	264,334
(-) Provision for inventory losses	(56,404)	(52,927)
	1,129,047	**1,337,448**

Changes in the Company's provision for inventory losses are as follows:

	2024	**2023**
At March 31, 2023	**(52,927)**	**(43,395)**
Provision	(4,300)	(6,485)
Currency translation adjustments	823	(3,047)
At March 31, 2024	**(56,404)**	**(52,927)**

All amounts in thousands of reais, unless otherwise stated

10 Property, plant and equipment

	Land, buildings and improvements	Machinery, equipment and vehicles (i)	Property, plant and equipment in progress	Total
At March 31, 2022	**914,936**	**2,852,208**	**195,294**	**3,962,438**
Purchases (ii)	-	15,954	407,414	423,368
Capitalized interest	295	2,250	(2,545)	-
Write-offs	(199)	(7,215)	-	(7,414)
Transfers	53,851	292,874	(363,616)	(16,891)
Depreciation	(42,931)	(342,513)	-	(385,444)
Translation adjustments	66,009	206,786	13,549	286,344
At March 31, 2023	**991,961**	**3,020,344**	**250,096**	**4,262,401**
Cost	1,498,089	6,750,934	250,096	8,499,119
Accumulated depreciation	(506,128)	(3,730,590)	-	(4,236,718)
At March 31, 2023	**991,961**	**3,020,344**	**250,096**	**4,262,401**
Purchases (ii)	-	2,760	411,811	414,571
Write-offs	(217)	(2,633)	-	(2,850)
Transfers	94,952	288,882	(395,635)	(11,801)
Depreciation	(324,695)	(47,334)	-	(372,029)
Translation adjustments	(19,268)	(47,086)	(3,944)	(70,298)
At March 31, 2024	**742,733**	**3,214,933**	**262,328**	**4,219,994**
Cost	1,569,160	6,931,611	262,328	8,763,099
Accumulated depreciation	(826,427)	(3,716,678)	-	(4,543,105)
At March 31, 2024	**742,733**	**3,214,933**	**262,328**	**4,219,994**

(i) For the year ended March 31, 2024, there are no longer machinery and equipment items pledged as guarantees under a loan from a third party (“BNDES”) (R$ 5 at March 31, 2023).
(ii) The amount referring to acquisition of machinery and equipment comprises the hedge accounting balance of R$ 2,760 (R$ 15,954 at March 31, 2023) and acquisition of property, plant and equipment in progress of R$ 411,811 (R$ 407,414 at March 31, 2023).

(a) Deemed cost

At January 1, 2008, the Company applied the deemed cost method, as permitted by CPC 37 and IFRS 1 – “First time adoption”. The Company recorded the deemed cost and reviewed the remaining useful lives of the land, buildings and machinery and equipment groups in conformity with the technical appraisal report issued by internal appraisers at the transition date. As a consequence, assets increased by R$ 781,076 and the depreciation rates of property, plant and equipment were altered based on a review of the estimated economic useful lives of these items. For the year ended March 31, 2024, there is no remaining balance (R$ 58,664 at March 31, 2023).

Annually, or when indications of impairment are identified, the remaining useful lives of property, plant and equipment are reviewed.

(b) Non-current assets held for sale

The Company has discontinued its primary aluminum and energy generation operations, with the sale of its plants, land and hydroelectric power plants to third parties over the last ten years. The remaining amount in this account refers to the hydroelectric plant returned to the government in October 2023, which awaits the definition of its auction.
The amount attributed to this asset at March 31, 2023 was R$ 16,243. In 2024, an assessment of the asset was conducted and, in accordance with the rules defined by the Brazilian Electricity Regulatory Agency (ANEEL), the amount was adjusted and at March 31, 2024 the net amount was R$ 5,136 (R$ 16,243 at March 31, 2023). The loss in the asset recoverable value was recognized in the income statement for the year within other net income and expenses.

All amounts in thousands of reais, unless otherwise stated

(c) Other information

The depreciation of property, plant and equipment during the year ended March 31, 2024 totaled R$ 372,029 (R$ 385,444 at March 31, 2023), allocated to cost of goods sold and administrative expenses.

10.1 Leases

Balances recognized in the balance sheet

	2024	2023
Right-of-use assets		
Buildings	12,495	13,207
Machinery and equipment	8,032	23,610
Vehicles	1,111	111
	21,638	**36,928**
Lease liability		
Current	13,999	20,733
Non-current	8,196	17,248
	22,195	**37,981**

Changes in right-of-use assets are presented below:

	Assets
At March 31, 2022	**19,838**
New contracts	36,517
Remeasurements	1,245
Depreciation	(20,672)
At March 31, 2023	**36,928**
New contracts	5,539
Remeasurements	(555)
Depreciation	(20,274)
At March 31, 2024	**21,638**

Changes in lease liability are presented below:

	Liabilities
At March 31, 2022	**20,842**
New contracts	36,529
Remeasurements	1,322
Payments	(20,712)
At March 31, 2023	**37,981**
New contracts	5,654
Remeasurements	(689)
Payments	(20,751)
At March 31, 2023	**22,195**

All amounts in thousands of reais, unless otherwise stated

Balances recorded in the statement of income

The statement of income includes the following amounts related to leases:

	2024	2023
Depreciation:		
Buildings	6,107	5,555
Machinery and equipment	15,752	13,680
Vehicles	1,310	867
	23,169	**20,102**
Interest expenses (Note 20)	274	439
Total	**23,443**	**20,541**

11 Taxes recoverable

	2024	2023
ICMS recoverable	6,947	6,776
IPI recoverable	538	527
Income Tax Withheld at Source (IRRF) on financial investments and hedge transactions recoverable	18,553	17,745
Export credit – Reintegra	5,033	3,299
Other	7,224	590
Current	**38,295**	**28,937**
ICMS recoverable	73,964	76,939
Other	85	-
Non-current	**74,049**	**76,939**

12 Trade payables

The balance at March 31, 2024 of R$ 773,989 (R$ 934,427 at March 31, 2023) includes the reclassification between the account balances of trade payables – reverse factoring and other payables as below.

(a) Trade payables – reverse factoring

The Company has entered into arrangements with certain financial institutions for reverse factoring with its main suppliers. As part of these transactions, the suppliers transfer the right to receive billed amounts from the Company's sales of metals (raw materials), services and other materials to the financial institutions, which in turn will become the creditors of the transaction. This operation does not change the terms, prices and conditions previously agreed with the supplier. As it is not intended to finance purchases of goods through financial institutions, this operation is presented in current liabilities with the nomenclature "Trade payables – reverse factoring" below the line item "trade payables". The balance at March 31, 2024 was R$ 1,155,954 (R$ 1,135,370 at March 31, 2023).

(b) Other payables

Until the year ended March 31, 2023, the Company had contracts with intermediary metal suppliers, for import-to-order operations, in the amount of R$ 102,568. For the year ended March 31, 2024, there is no balance, as Novelis began to import directly, without intermediaries.

All amounts in thousands of reais, unless otherwise stated

13 Borrowings

	Currency	Index and weighted average annual rate of interest and commission	Final maturity	2024	2023
From related parties					
Principal	R$	Interest of 10.2%	May 2023	-	401,160
Interest				-	37,736
Principal	R$	Interest of 8%	October 2026	-	548,119
Interest				-	20,588
Principal	R$	Interest of 13%	January 2029	949,279	-
Interest				30,852	-
From third parties					
Principal	US$	Interest of 1.80%	June 2023	-	152,412
Interest				-	3,582
Principal	US$	Interest of 1.80%	December 2023	-	101,608
Interest				-	2,393
Principal	US$	Interest of 6.20%	December 2023	-	254,020
Interest				-	4,594
Principal	US$	Interest of 5.80%	March 2024	-	254,020
Interest				-	573
Principal	US$	Interest of 6.20%	June 2024	124,905	-
Interest				5,937	-
Principal	US$	Interest of 6.25%	December 2024	124,905	-
Interest				5,985	-
Principal	US$	Interest of 6.30%	December 2024	249,810	-
Interest				4,503	-
Principal	US$	Interest of 6.24%	December 2024	249,810	-
Interest				4,460	-
Principal	US$	Interest of 6.06%	March 2025	249,810	-
Interest				505	-
Total				**2,000,761**	**1,780,805**
Current				1,051,482	1,232,685
Non-current				949,279	548,120
Total				**2,000,761**	**1,780,805**

All amounts in thousands of reais, unless otherwise stated

At March 31, 2024, the Company had credit limits with thirteen financial institutions amounting to approximately R$ 5,757,720 (R$ 5,906,632 at March 31, 2023). These lines are available to support the Company's operations, either in the form of derivatives, working capital or guarantees.

Changes in borrowings for the years ended March 31, 2024 and 2023 are as below:

At March 31, 2022	**1,282,922**
New borrowing	655,180
Interest accrued (i)	96,658
Payment of interest	(51,751)
Repayment of borrowing	(256,745)
Translation adjustments	54,541
At March 31, 2023	**1,780,805**
New borrowing	999,240
Interest accrued	143,334
Payment of interest	(160,418)
Repayment of borrowing	(735,805)
Translation adjustments	(26,395)
At March 31, 2024	**2,000,761**

(i) The interest on borrowings presented in the statement of cash flows are amounts net of the impact of capitalized interest. For the year ended March 31, 2024, there is no capitalized interest (R$ 655 at March 31, 2023).

14 Provision for contingencies and judicial deposits

The Company is a party to labor, civil and tax lawsuits in progress, and is discussing these matters at the administrative and judicial levels.

The provision for probable losses arising from contingent liabilities is estimated and adjusted by Management, under the advice of external or internal legal counsel. The contingent liabilities for which losses are classified as possible are not recognized in the accounting records, and are disclosed in the notes to the financial statements; those classified as remote losses are not accrued or disclosed.

The balances of judicial deposits and provision for contingent liabilities recognized in the accounting records are as follows:

	Judicial deposits		**Provision for contingencies**	
	2024	**2023**	**2024**	**2023**
Tax contingencies	32,127	29,823	78,995	80,219
Labor and civil contingencies	2,220	5,048	118,863	107,929
	34,347	**34,871**	**197,858**	**188,148**

All amounts in thousands of reais, unless otherwise stated

Changes in the provision were as follows:

Provision for contingencies

	Labor	Civil	Tax	Total
At March 31, 2022	**49,309**	**60,423**	**69,728**	**179,460**
Additions/(reversals)	4,536	714	5,312	10,562
Interest/indexation accruals	-	-	5,019	5,019
Write-offs	(6,973)	(407)	-	(7,380)
Translation adjustments	332	(5)	160	487
At March 31, 2023	**47,204**	**60,725**	**80,219**	**188,148**
Additions/(reversals)	15,838	(720)	(1,351)	13,767
Interest/indexation accruals	-	-	4,907	4,907
Write-offs	(4,067)	(39)	(4,756)	(8,862)
Translation adjustments	(81)	2	(23)	(102)
At March 31, 2024	**58,894**	**59,968**	**78,996**	**197,858**
Current	-	-	25	25
Noncurrent	58,894	59,968	78,971	197,833
	58,894	**59,968**	**78,996**	**197,858**

(a) Labor claims

Labor contingencies mainly represent lawsuits from challenges by former employees and labor unions. Most of the labor lawsuits were filed by former employees of the Aratu/BA and Ouro Preto/MG plants, which had their activities discontinued in 2010 and 2014, respectively.

A labor claim was filed by the Metalworkers Union of Candeias - BA, requiring that the court recognize the mass dismissal, and award indemnification to employees, following the closure of the Aratu plant in 2010. At March 31, 2024, the Company had contingencies of R$ 18,960 (R$ 17,895 at March 31, 2023), in addition to the lawsuit filed by the Metalworkers Union of Pindamonhangaba/SP claiming hazard pay and health hazard allowance for certain positions within the plant, which amounted to a contingency of R$ 24,805 (R$ 23,283 at March 31, 2023).

(b) Civil claims

Civil contingencies relate mostly to injunctions obtained by the Company during 2016 and 2017, related to charges and contributions on the consumption and sale of electrical energy.

(c) Tax claims

Tax claims refer mostly to lawsuits and administrative proceedings related to the collection of taxes and fines that are considered by the Company not to be due.

(d) Possible losses

At March 31, 2024, the Company had lawsuits in which losses, considered possible under advice of external and internal legal counsel, amounted to R$ 387,148 (R$ 345,213 at March 31, 2023). These lawsuits are not provisioned and were related to tax, labor, civil and environmental matters.

All amounts in thousands of reais, unless otherwise stated

	2024	**2023**
Civil	30,512	29,629
Environmental	10,271	9,976
Labor (i)	51,875	1,648
Tax	294,490	304,212
	387,148	**345,465**

(i) Lawsuit filed by the Labor Public Prosecution Office of the 5th region, questioning the working conditions at the discontinued Aratu plant, which closed its operations in December 2010.

15 Tax refinancing

	IPI	**Other**	**Total**
At March 31, 2022	**81,999**	**1,407**	**83,406**
Interest/indexation accruals	2,787	63	2,850
Amortization	(32,639)	(558)	(33,197)
Transfers	1,244	6	1250
Translation adjustments	(115)	(2)	(117)
At March 31, 2023	**53,276**	**916**	**54,192**
Interest/indexation accruals	2,142	37	2,179
Amortization	(34,816)	(595)	(35,411)
Translation adjustments	116	2	118
At March 31, 2024	**20,718**	**360**	**21,078**
Current	20,718	360	21,078
	20,718	**360**	**21,078**

The Company filed a lawsuit asserting its right to receive IPI (tax on industrialized products) credits from purchases of zero-rated products and offset them in the respective year under the installment payment program, in 180 fixed monthly installments. The changes in such liabilities between March 2023 and March 2024 are shown above.

All amounts in thousands of reais, unless otherwise stated

16 Deferred income tax and social contribution

Deferred taxes are calculated based on income tax and social contribution losses, the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In Brazil, the currently enacted tax rates of 25% for income tax and 9% for social contribution are used to calculate deferred taxes.

Changes in the deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances, were as follows:

	2022	Additions/ exclusions	Functional currency effect	Translation adjustments	2023	Additions/ exclusions	Functional currency effect	Translation adjustments	2024
Assets									
Temporarily non-deductible provision	87,730	(314)	380	62,665	150,461	(530)	666	(1,950)	148,647
	87,730	**(314)**	**380**	**62,665**	**150,461**	**(530)**	**666**	**(1,950)**	**148,647**
Liabilities									
Foreign exchange gains/losses taxed on a cash basis	(139,762)	19,148	10,233	(66,566)	(176,947)	27,034	(2,437)	3,235	(149,115)
Hedge accounting and Fixed assets	(647,524)	(100,661)	47,861	(46,092)	(746,416)	96,699	(12,589)	13,405	(648,901)
	(787,286)	**(81,513)**	**58,094**	**(112,658)**	**(923,363)**	**123,733**	**(15,026)**	**16,640**	**(798,016)**
	(699,555)	**(81,827)**	**58,474**	**(49,993)**	**(772,902)**	**123,203**	**(14,360)**	**14,690**	**(649,369)**

All amounts in thousands of reais, unless otherwise stated

(a) Reconciliation of income tax and social contribution

The Company also recognizes liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will have an impact on the current and deferred tax assets and liabilities in the period in which such determination is made.

The amounts in the financial statements are recorded in the Company's functional currency, whereas the calculation basis of income tax on assets and liabilities is denominated in Brazilian Reais. Therefore, fluctuations in foreign exchange rates affect the amounts of income tax expenses recognized in each period, particularly as a result of the translation of non-monetary assets. The reconciliation between the income tax and social contribution expenses at the nominal and effective rates is shown below:

	2024	**2023**
Profit before income tax and social contribution	1,355,962	1,789,981
Tax calculated based on statutory nominal rates (34%)	461,027	608,594
SELIC	-	(3,239)
Interest on capital paid	(66,750)	(64,957)
Non-taxable income/expense	(21,332)	(23,211)
Tax incentives	(12,246)	(12,043)
Remeasurement of deferred tax	20,788	42,975
IRRF on remittances from transactions with related parties	65,465	104,066
Functional currency effect on deferred tax	(56,115)	22,007
Income tax and social contribution for the year	**390,837**	**674,192**
Current	476,540	666,420
Deferred	(85,703)	7,772
	390,837	674,192
Effective rate	**29%**	**38%**

In the judgment of Leading Case RE 1063187, concluded on September 24, 2021, the Federal Supreme Court (STF) ruled out the levy of IRPJ and CSLL on interest on arrears (Special System for Settlement and Custody (SELIC)), received by taxpayers due to repetition of undue payment. Accordingly, for the year ended March 31, 2023, the Company started to apply, for accounting purposes, the STF's understanding, recording in the statement of income, within Income tax and social contribution, the amount of the corresponding benefit.

17 Equity

(a) Quota capital

The quota capital, subscribed and paid up at March 31, 2024 amounted to R$ 958,527,827.00, comprising quotas of R$ 1.00 each, held as below:

	Quotas	**Amount**
Novelis Inc.	958,527,826	958,527,826
Novelis South America Holdings LLC.	1	1
	958,527,827	**958,527,827**

(b) Interest on capital and dividends

Under the Company's bylaws and in conformity with Law 9,249/95, Management approved the distribution to the quotaholders of interest on capital, calculated based on the long-term interest rate ("TJLP") of R$ 66,749 (net of taxes – R$ 56,737). The tax benefits generated by the payment of dividends in the form of interest on capital were recorded against the income tax and social contribution charge for the year.

All amounts in thousands of reais, unless otherwise stated

During the year ended March 31, 2024, Management approved the distribution of dividends in the amount of R$ 1,081,127, which were fully remitted during the calendar year. Additionally, the remaining dividends for the year ended March 31, 2023 in the amount of R$ 89,636 were remitted.

(c) Carrying value adjustments

	Deemed cost	Derivatives	Cumulative translation adjustments, net	Reserves	Total
At March 31, 2023	**(84,037)**	**72,396**	**2,104,335**	**(14,065)**	**2,078,629**
Deemed cost realization	(14,825)	-	-	-	(14,825)
Derivatives ("OCI")	-	(47,739)	-	-	(47,739)
Pension reserve	-	-	-	(519)	(519)
Cumulative translation adjustment	-	-	(79,183)	-	(79,183)
At March 31, 2024	**(98,862)**	**24,657**	**2,025,152**	**(14,584)**	**1,936,363**

18 Net revenue

The reconciliation of gross and net revenue is as follows:

	2024	2023
Gross revenue		
Sales of goods		
Domestic market	12,202,812	14,156,758
Foreign market	1,666,684	2,253,258
Transformation service	188,937	534,699
	14,058,433	16,944,715
Deductions		
Taxes on invoicing	(2,036,210)	(2,296,634)
Cancellations and returns (i)	(114,170)	(59,055)
	(2,150,380)	(2,355,689)
Net revenue	**11,908,053**	**14,589,026**

(i) The metal hedge effect in the amount of R$ 122,022 is considered (R$ 192,351 at March 31, 2023).

19 Other expenses, net

	2024	2023
Development of businesses and projects	(343)	(390)
Restructuring costs	(17,290)	(4,966)
Royalties	(442,737)	(534,937)
Donations	(11,200)	(10,834)
Other taxes and duties	(28,480)	(19,814)
Taxes on remittances abroad	(63,048)	(72,869)
Export credit – Reintegra	3,261	4,974
Other income and expenses, net	61,649	33,615
	(498,188)	**(605,221)**

All amounts in thousands of reais, unless otherwise stated

20 Expenses by nature

	2024	2023
Personnel	(313,623)	(299,537)
Depreciation and amortization	(372,029)	(385,444)
Materials, energy and services of third parties	(753,265)	(832,940)
Maintenance and occupancy	(242,067)	(217,583)
Freight	(288,612)	(291,541)
Raw materials and others	(7,826,060)	(9,932,280)
Total cost of sales, selling and administrative expenses	**(9,795,656)**	**(11,959,325)**
Classified as follows:		
Cost of sales	(9,662,227)	(11,839,011)
Selling expenses	(26,916)	(28,269)
Administrative expenses	(106,513)	(92,045)
	(9,795,656)	**(11,959,325)**

21 Financial results, net

	2024	2023
Financial charges on discounting of trade notes	(193,508)	(245,860)
Financial charges on borrowings	(143,116)	(96,498)
Transactions involving financial instruments – unsettled	64,936	112,784
Transactions involving financial instruments – settled	(32,947)	(180,979)
Income from financial investments	64,183	79,700
Interest and indexation accruals on taxes and contingencies	(2,527)	(11,208)
Other	4,962	2,431
	(238,017)	**(339,630)**

22 Foreign exchange gains/losses and indexation credits/charges, net

The foreign exchange gains/losses, interest and indexation credits/charges recorded in the statement of income are as follows:

	2024	2023
Foreign exchange variation	(16,489)	87,755
Interest and indexation accruals on taxes in installments and contingencies	(3,741)	17,376
	(20,230)	**105,131**

All amounts in thousands of reais, unless otherwise stated

23 Related-party transactions

(a) Transactions and balances between related parties

(i) Transactions

	2024	2023
Purchases of products		
Novelis – France	61	348
Novelis – United States	-	6,202
Novelis – Korea	8,002	-
Novelis – UK	465	-
Novelis – Solatens	714	-
	9,242	**6,550**
Sale of products		
Novelis – Korea	1,800	1,765
Novelis – MEA	-	4,947
Novelis – Germany	-	4,164
Novelis – United States	538,891	760,018
	540,691	**770,894**
Royalties expenses		
Novelis – United States	**454,778**	**544,234**
Financial charges on borrowings		
Novelis – United States	**95,383**	**82,442**
Management allocation		
Novelis – United States	**166,013**	**183,927**

(*) The Company has patent agreements with related parties duly registered by the National Institute of Industrial Property ("INPI").

(ii) Balances

	2024	2023
Current assets		
Trade receivables		
Novelis – United States	172,178	9,977
Novelis – Korea	-	1,735
	172,178	**11,712**
Current liabilities		
Other payables		
Novelis – France	-	2
Novelis – United States	81,667	162,807
	81,667	**162,809**
Loans		
Current liabilities		
Novelis Inc. – United States	**30,852**	**459,484**
Non-current liabilities		
Novelis Inc. – United States	**949,279**	**548,120**

(b) Key management compensation

Key management includes the Company's directors and managers. The compensation paid or payable to key management for their services, consisting of salaries and social charges, profit sharing and reimbursement of expenses, in the year ended March 31, 2024 amounted to R$ 18,776 (R$ 19,491 at March 31, 2023).

All amounts in thousands of reais, unless otherwise stated

24 Other liabilities

The following table presents the balances of other liabilities for the years ended March 31, 2024 and 2023:

	2024	2023
Current liabilities		
Provision for restructuring costs (i)	4,148	4,317
Provision for contracts with customers	33,953	83,180
Provision for freight	17,328	25,507
Commitments payable	84,844	61,463
Bonuses	3,829	8,436
Advances from customers	2,704	3,147
Exclusive health plan	1,368	434
Other provision	9,913	6,379
	158,087	**192,863**
Non-current liabilities		
Provision for restructuring costs (i)	27,372	27,288
Commitments payable	13,647	12,949
Long-term incentives	7,648	5,716
Exclusive health plan	28,979	28,131
Provision for disposal of assets	1,725	1,673
Provision for group life insurance	7,258	6,381
Other provision	32,486	42,999
	119,115	**125,137**

(i) In December 2011, the Company discontinued its operations in Aratu (Bahia), and in December 2014, Ouro Preto (Minas Gerais). The amounts above represent the obligations for environmental and labor restructuring expenses recorded at March 31, 2024 and 2023, which are reviewed and adjusted on a quarterly basis according to a technical valuation.

25 Insurance (unaudited)

The Company has a risk management program with the objective of covering the Company's risks, and contracting insurance coverage compatible with its size and operations. The coverage was contracted for the amounts indicated below, which were considered sufficient by Management to cover claims, considering the nature of its activity, the risks involved in its operations and the advice of its insurance brokers.

At March 31, 2024, the Company had the following insurance policies, contracted with third parties:

Lines	**Amounts insured (unaudited)**
Fire damage to property, plant and equipment	
Property	11,391,718
Small hydroelectric power plants (PCHs)	73,662
Multi-risk	152,273
Civil liability	4,000
	11,621,653

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Payment Events	Status	Timestamps

Brecha Energética Ltda.

Financial statements at
March 31, 2024

Brecha Energética Ltda.

Balance sheet at March 31,
All amounts in Reais

Assets	2024	2023	Equity	2024	2023
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

	2024	2023
Net revenue		
Cost of sales		
Gross profit		
Selling expenses		
Administrative expenses		
Other expenses, net		
Operating profit before finance results		
Finance results, net	0.00	0.00
Foreign exchange gain/losses and indexation credits/charges, net		
Net finance income	**0.00**	**0.00**
Profit before taxation	**0.00**	**0.00**
Income tax and social contribution		
Current		
Deferred		
Profit for the year	**0.00**	**0.00**

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	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
Retained earnings			
At March 31, 2024	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, 2024.

The issue of these financial statements was authorized by the Company's Board of Directors on May 03, 2024.

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.

4260848 Canada Inc.

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 4260848 Canada Inc. and certify that the information included therein accurately reflects the financial position of 4260848 Canada Inc. as of March 31, 2024 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, 2024

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

4260848 Canada Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Dividend income - related parties	$ (26,215)	$ (4,726)
Other (income) expenses, net	(341)	—
	(26,556)	(4,726)
Income before income tax provision	26,556	4,726
Income tax provision	1,822	194
Net income	$ 24,734	$ 4,532

See accompanying notes to the financial statements.

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

in thousands	Fiscal 2024	Fiscal 2023
Net income	$ 24,734	$ 4,532
Comprehensive income	$ 24,734	$ 4,532

See accompanying notes to the financial statements.

4260848 Canada Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
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	$ 1,166	$ 655
Total current liabilities	1,166	655
Total liabilities	1,166	655
Shareholder's equity:		
Common stock, no par value; unlimited number of shares authorized; 100 shares issued and outstanding as of March 31, 2024 and March 31, 2023	—	—
Additional paid–in capital	122,643	122,643
Accumulated deficit	(83,565)	(83,054)
Total equity	39,078	39,589
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 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ 24,734	$ 4,532
Adjustments to determine net cash provided by operating activities:		
Changes in assets and liabilities:		
Other liabilities	511	(42)
Net cash provided by operating activities	$ 25,245	$ 4,490
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Dividends paid	$ (25,245)	$ (4,490)
Net cash used in financing activities	$ (25,245)	$ (4,490)
Net decrease 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	1,311	236

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, 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
Net income attributable to our common shareholder	—	—	—	24,734	24,734
Dividends declared and paid	—	—	—	(25,245)	(25,245)
Balance as of March 31, 2024	100	$ —	$ 122,643	$ (83,565)	$ 39,078

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, 2024 and 2023.

	March 31,		Ownership %
in thousands, except for percentage	**2024**	**2023**	**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.

	March 31,	
in thousands	**2024**	**2023**
Dividend income - related parties	$ 26,215	$ 4,726

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2024	2023
Accrued withholding tax	$ 1,166	$ 655
Accrued expenses and other current liabilities	$ 1,166	$ 655

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 2024	Fiscal 2023
Domestic (Canada)	$ 26,556	$ 4,726
Pre-tax income	$ 26,556	$ 4,726

The components of our income tax provision are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
Domestic (Canada)	$ 1,822	$ 194
Total current	1,822	194
Income tax provision	$ 1,822	$ 194

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	2024	2023
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, 2024 and March 31, 2023 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, 2024 and 2023.

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, 2024, 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, 2024, 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, 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.

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, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 4260856 Canada Inc. and certify that the information included therein accurately reflects the financial position of 4260856 Canada Inc. as of March 31, 2024 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, 2024

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

4260856 Canada Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Dividend income - related parties	$ (39,112)	$ (7,051)
Other income, net	(509)	—
	(39,621)	(7,051)
Income before income tax provision	39,621	7,051
Income tax provision	2,719	290
Net income	$ 36,902	$ 6,761

See accompanying notes to the financial statements.

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

in thousands	Fiscal 2024	Fiscal 2023
Net income	$ 36,902	$ 6,761
Comprehensive income	$ 36,902	$ 6,761

See accompanying notes to the financial statements.

4260856 Canada Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1	$ —
Total current assets	1	—
Investment in subsidiary	58,879	58,879
Total assets	$ 58,880	$ 58,879
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accrued expenses and other current liabilities	$ 1,741	$ 978
Total current liabilities	1,741	978
Total liabilities	1,741	978
Shareholder's equity:		
Common stock, no par value; unlimited number of shares authorized; 100 shares issued and outstanding as of March 31, 2024 and March 31, 2023	—	—
Additional paid–in capital	183,970	183,970
Accumulated deficit	(126,831)	(126,069)
Total equity	57,139	57,901
Total liabilities and equity	$ 58,880	$ 58,879

See accompanying notes to the financial statements.

4260856 Canada Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ 36,902	$ 6,761
Adjustments to determine net cash provided by operating activities:		
Changes in assets and liabilities:		
Other liabilities	763	(62)
Net cash provided by operating activities	$ 37,665	$ 6,699
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Dividends paid	(37,664)	(6,699)
Net cash used in financing activities	$ (37,664)	$ (6,699)
Net increase in cash and cash equivalents and restricted cash	$ 1	$ —
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ 1	$ —
Supplemental Disclosures:		
Income taxes paid	$ 1,956	$ 353

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, 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
Net income attributable to our common shareholder	—	—	—	36,902	36,902
Dividends paid	—	—	—	(37,664)	(37,664)
Balance as of March 31, 2024	100	$ —	$ 183,970	$ (126,831)	$ 57,139

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, 2024 and 2023.

in thousands, except for percentage	March 31, 2024	March 31, 2023	Ownership % 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.

in thousands	March 31, 2024	March 31, 2023
Dividend income - related parties	$ 39,112	$ 7,051

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	**2024**	**2023**
Accrued withholding tax	$ 1,741	$ 978
Accrued expenses and other current liabilities	$ 1,741	$ 978

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 2024	Fiscal 2023
Domestic (Canada)	$ 39,621	$ 7,051
Pre-tax income	$ 39,621	$ 7,051

The components of our income tax provision are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
Domestic (Canada)	$ 2,719	$ 290
Total current	$ 2,719	$ 290
Income tax provision	$ 2,719	$ 290

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, 2024 and 2023, 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, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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, 2024 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, 2024

8018227 Canada Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Interest expense - related parties	$ 10,222	$ 10,365
Dividend income - related parties	(30,668)	(5,529)
Other income, net	(399)	—
	(20,845)	4,836
Income (loss) before income tax provision	20,845	(4,836)
Income tax provision	2,132	227
Net income (loss)	$ 18,713	$ (5,063)

See accompanying notes to the financial statements.

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

in thousands	Fiscal 2024	Fiscal 2023
Net income (loss)	$ 18,713	$ (5,063)
Comprehensive income (loss)	$ 18,713	$ (5,063)

See accompanying notes to the financial statements.

8018227 Canada Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1	$ —
Total current assets	1	—
Investment in subsidiary	253,663	253,663
Total assets	$ 253,664	$ 253,663
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accrued expenses and other current liabilities		
— third parties	$ 1,365	$ 766
— related parties	6,889	22,815
Total current liabilities	8,254	23,581
Long–term debt, net of current portion - related party	315,538	318,923
Total liabilities	323,792	342,504
Shareholder's equity:		
Common stock, C$1 par value; unlimited number of shares authorized; 1 shares issued and outstanding as of March 31, 2024 and March 31, 2023	—	—
Accumulated deficit	(70,128)	(88,841)
Total equity	(70,128)	(88,841)
Total liabilities and equity	$ 253,664	$ 253,663

See accompanying notes to the financial statements.

8018227 Canada Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income (loss)	$ 18,713	$ (5,063)
Adjustments to determine net cash provided by operating activities:		
Changes in assets and liabilities:		
Other liabilities	(15,327)	5,063
Net cash provided by operating activities	$ 3,386	$ —
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Principal payments of long-term borrowings - related party	$ (3,385)	$ —
Net cash used in financing activities	$ (3,385)	$ —
Net increase in cash and cash equivalents and restricted cash	$ 1	$ —
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ 1	$ —
Supplemental Disclosures:		
Income taxes paid	$ 1,533	$ 276

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, 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)
Net income attributable to our common shareholder	—	—	18,713	18,713
Balance as of March 31, 2024	1	$ —	$ (70,128)	$ (70,128)

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, 2024 and 2023.

in thousands, except for percentage	March 31, 2024	March 31, 2023	Ownership % 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.

in thousands	March 31, 2024	March 31, 2023
Accrued expenses and other current liabilities — related parties	$ 6,889	$ 22,815
Interest expense - related parties	10,222	10,365
Dividend income - related parties	30,668	5,529
Long–term debt, net of current portion - related party	315,538	318,923

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2024	2023
Accrued withholding tax	$ 1,365	$ 766
Accrued expenses and other current liabilities - third parties	$ 1,365	$ 766

	March 31,	
in thousands	2024	2023
Accrued interest payable - related parties[(1)]	$ 6,889	$ 22,815
Accrued expenses and other current liabilities - related parties	$ 6,889	$ 22,815

(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, 2024 Principal	March 31, 2024 Unamortized Carrying Value Adjustments	March 31, 2024 Carrying Value	March 31, 2023 Principal	March 31, 2023 Unamortized Carrying Value Adjustments	March 31, 2023 Carrying Value
Related party debt							
Fixed rate debt due February 20, 2027[(2)]	3.25 %	$ 315,538	$ —	$ 315,538	$ 318,923	$ —	$ 318,923
Total debt		315,538	—	315,538	318,923	—	318,923
Long-term debt, net of current portion		$ 315,538	$ —	$ 315,538	$ 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, 2024. 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.

Principal repayment requirements for our total debt over the next five years and thereafter using exchange rates as of March 31, 2024 for our debt denominated in foreign currencies are as follows (in thousands).

As of March 31, 2024	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ —
2 years	—
3 years	315,538
4 years	—
5 years	—
Thereafter	—
Total debt	$ 315,538

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 income (loss) before income tax provision (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Domestic (Canada)	$ 20,845	$ (4,836)
Pre-tax income (loss)	$ 20,845	$ (4,836)

The components of our income tax provision are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
Domestic (Canada)	$ 2,132	$ 227
Total current	2,132	227
Income tax provision	$ 2,132	$ 227

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	2024	2023
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 52,999	$ 50,290
Total deferred income tax assets	52,999	50,290
Less: valuation allowance	(52,999)	(50,290)
Net deferred income tax assets	$ —	$ —

At March 31, 2024 and March 31, 2023, the Company had total deferred tax assets of approximately $52,999 thousand and $50,290 thousand arising from net operating losses, respectively.

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 $52,999 thousand and $50,290 thousand were necessary as of March 31, 2024 and 2023, 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, 2024, we had net operating loss carryforwards of approximately $52,999 thousand (tax effected), which will be available to offset future taxable income. The carryforwards begin expiring in fiscal 2032. As of March 31, 2024, a valuation allowance of $52,999 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, 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.

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.

NOVELIS PAE

Statutory auditor’s report on the financial statements (For the year ended March 31, 2024)

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, 2024)

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, 2024.

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, 2024 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, 2023 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 29, 2024

The Statutory Auditor
PricewaterhouseCoopers Audit

Nicolas BRUNETAUD

Balance sheet - Assets

NOVELIS PAE SASU

Summary statement at 31/03/2024

BALANCE SHEET	Gross	Amortization Provisions	Net book value at 31/03/2024	Net at 31/03/2023
ASSETS				
Intangible assets				
Franchises, patents and other similar rights	13 373	13 373	0	0
Softwares	694 139	562 857	131 282	77 856
Goodwill	13 000 000	4 000 000	9 000 000	9 000 000
Fixed assets in progress/payments on accounts	17 520		17 520	14 048
Tangible assets				
Plant, machinery and equipments	645 304	455 893	189 411	150 206
Other fixed assets	271 081	205 601	65 480	77 152
Fixed assets in progress/payments in advance	0		0	11 927
Financial assets				
Loans				
Other financial assets	25 030		25 030	25 248
CAPITAL ASSETS	**14 666 447**	**5 237 723**	**9 428 723**	**9 356 436**
Inventories				
Raw materials and supplies	1 479 057	30 336	1 448 721	1 327 998
Work in progress - goods	8 110 812	0	8 110 812	13 157 468
Work in progress - services	1 528 499	0	1 528 499	4 591 197
Receivables				
Accounts receivables and related accounts	6 060 865	6 113	6 054 752	2 998 659
Suppliers debit balances				
Income tax - receivables	0		0	104 545
VAT - receivables	681 329		681 329	915 098
Other receivables	21 728 197		21 728 197	23 312 778
Sundry				
Advance payments paid on orders	992 970		992 970	2 376 007
Investment securities				
Cash	379		379	386
Prepaid expenses	53 500		53 500	13 641
CURRENT ASSETS	**40 635 608**	**36 448**	**40 599 160**	**48 797 778**
Conversion rate adjustments - assets	0		0	9 402
ADJUSTMENT ACCOUNTS	**0**		**0**	**9 402**
TOTAL ASSETS	**55 302 055**	**5 274 172**	**50 027 883**	**58 163 616**

Balance sheet - Liabilities

NOVELIS PAE SASU
EUR

Summary statement at 31/03/2024

BALANCE SHEET	Net book value at 31/03/2024	Net at 31/03/2023
LIABILITIES		
Individual share capital	4 040 000	4 040 000
Legal reserve	404 000	404 000
Other reserve	6 502 824	6 502 824
Retained earnings	11 692 337	11 128 915
Net income or loss of the period	2 622 805	563 422
Regulated provisions	0	0
SHAREHOLDER EQUITY	**25 261 966**	**22 639 161**
OTHER SHAREHOLDER EQUITY		
Provisions for contingencies	1 391 820	1 326 114
Provisions for losses	2 108 437	2 196 802
PROVISIONS FOR CONTINGENCIES AND LOSSES	**3 500 257**	**3 522 917**
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	4 881 654	25 864 162
Accounts payables and related accounts	3 686 096	3 609 347
Tax and social liabilities	2 328 570	1 220 221
Accounts payables related to fixed assets suppliers		
Other liabilities	630 921	561 620
Prepaid income	9 737 968	746 190
CURRENT LIABILITIES	**21 265 209**	**32 001 539**
Conversion rate adjustments - liabilities	451	0
ACCRUED EXPENSES	**451**	**0**
TOTAL LIABILITIES	**50 027 883**	**58 163 616**

PROFIT AND LOSS ACCOUNT

NOVELIS PAE SASU
EUR

Summary statement at 31/03/2024

	31/03/24 France	31/03/24 Exportations	31/03/24 Total	31/03/23
Sales of goods				
Production sold goods				
Production sold services	378 636	38 637 353	39 015 988	13 824 611
NET TURNOVER	**378 636**	**38 637 353**	**39 015 988**	**13 824 611**
Production taken into inventory			-8 470 392	10 372 264
Capitalised production				
Operating subsidies			9 333	15 250
Provision and depreciation reversals and expenses transferred			918 069	201 755
Other income			47 663	130 423
Total operating income			**31 520 662**	**24 544 302**
Purchases of goods held for resale				
Inventory change - goods held for resale				
Purchases of raw materials and supplies			19 339 894	16 011 481
Inventory change - raw materials and supplies			-378 090	-604 130
Other purchases and external expenses			3 774 302	3 957 836
Taxes and other levies			119 321	99 663
Wages and salaries			3 064 532	2 824 204
Payroll benefits			1 419 040	1 414 144
Allocation to depreciation of fixed assets			113 060	96 747
Allocation to provisions for fixed assets				
Allocation to provisions for current assets			0	62 913
Allocation to provisions for contingency and expenses			217 227	216 900
Other expenses			769 201	23 118
Total operating expenses			**28 438 486**	**24 102 875**
OPERATING INCOME OR LOSS			**3 082 176**	**441 427**
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			731 853	212 024
Provisions reversals and expenses transferred			0	0
Foreign exchange gains			0	8
Net gains on realisation of investments held as current assets			0	0
Total financial income			**731 853**	**212 032**
Allocation to financial assets and provisions			0	9 374
Interests and similar charges			0	0
Foreign exchange losses			7 165	15 715
Net losses on realisation of investments held as current assets			0	0
Total financial expenses			**7 165**	**25 089**
FINANCIAL PROFIT OR LOSS			**724 688**	**186 944**
CURRENT INCOME OR LOSS BEFORE TAX			**3 806 863**	**628 370**
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			2 209	0
Extraordinary expenses on capital transactions			0	0
Extraordinary allocation to depreciation and provisions			0	0
Total extraordinary expenses			**2 209**	**0**
EXTRAORDINARY INCOME OR LOSS			**-2 209**	**0**
Employee profit share			264 039	0
Income tax			917 810	64 948
TOTAL INCOME			**32 252 515**	**24 756 335**
TOTAL CHARGES			**29 629 710**	**24 192 912**
PROFIT OR LOSS (Total income - Total charges)			**2 622 805**	**563 422**

NOVELIS PAE SAS

NOTES TO THE FINANCIAL STATEMENTS
Fiscal year ended March 31, 2024

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 some contracts which have been terminated or canceled in compliance with sanctions.

The provision of K€ 150 as of March, 31st 2023 has been partially reversed in accordance with these actions in progress and the remaining amount would cover the future costs.

No new contract has been signed since the conflict began. 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, 2024 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€ 149 as at March 31, 2024, compared to K€ 92 at March 31, 2023.

3.2 Tangible assets

Tangible assets stand at K€ 255 in net accounting value at March 31 2024 compared to K€ 249 at March 31 2023. These are mainly industrial equipment for K€ 189 and arrangements for K€ 23.

3.3 Financial assets

Financial assets are made up of a deposit for K€ 25.

3.4 Inventories

At March, 31 2024, inventories stand at K€ 11 088 compared to K€ 19 077 at March, 31 2023.

As of March, 31 2024, np new inventory depreciation has been booked in raw materials and supplies. The depreciation has been partially reversed following disposal of obsolete stock.

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 2023	**22 639**
Profit for the year	2 623
Shareholders' equity at March, 31 2024	**25 262**

3.8 Provisions

(en K€)	March, 31 2023	Increase	Decrease used	Decrease not used	March, 31 2024
Warranty provision	374	138	4	10	498
Provision for foreign exchange losses	9	0	9	0	0
Provision loss at completion	114	6	0	0	120
Provision risk Aleris	85	0		7	78
Provision risks contracts Russia	679		0	0	679
Jubilees awards reserve	150	0	55	0	95
Pension reserve	2 112	73	155	0	2 030
Total	**3 523**	**217**	**223**	**17**	**3 500**

of which pension provision and commitment :

	K€
Pension reserve at 3/31/2023	**2 112**
Service cost	73
Interest cost	50
Amortization	(50)
Other	
Benefits paid by employer	(154)
Pension reserve at 3/31/2024	**2 030**

	K€
PBO at 3/31/2023	**1 349**
Service cost	73
Interest cost	50
Net Actuarial Loss or Gain	21
due to Plan Experience	*(23)*
due to Hypothesis change	*44*
Benefits paid by employer	(154)
PBO at 3/31/2024	**1 340**

The key assumptions to calculate the Pension liabilitiy as of March, 31 2024 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 2024, other payables are mainly made up of accruals for K€ 627 .

3.10 Deferred revenues

Deferred revenues are mainly linked with long term contracts. At March, 31 2024, they stand at K€ 9 738 .

3.11 Tax and social liabilities

(in K€)	**March, 31 2024**	**March, 31 2023**
Payroll	1 027	731
Employees' benefits	509	462
Income tax - payables	726	0
Other tax and social liabilities	66	27
Tax and social liabilities	**2 328**	**1 230**

3.12 Related companies

Balances resulting from transactions with related companies are the following:

(in K€)	March, 31 2024	March, 31 2023
Trade accounts receivable	324	579
Other receivable	21 719	24 306
Trade accounts payable	(25)	(73)
Paid down payment	(1 341)	(243)
Net balance	**20 677**	**24 569**

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 2024	March, 31 2023	Variance
France	379	512	(133)
Other countries	38 637	13 313	25 324
Total	**39 016**	**13 825**	**25 191**

4.2 Gains and charges with related companies

(in K€)	March, 31 2024	March, 31 2023
Sales	1 823	1 674
Financial gains	732	212
Financial charges	(0)	(0)

4.3 Financial gains and losses

(in K€)	**March, 31 2024**	**March, 31 2023**
Gain on sales of securities	0	0
Net interests on intercompany financing	732	212
Exchange gain/(loss)	(7)	(16)
Other financial gain/(loss)	(0)	(9)
Net gain / (loss)	**725**	**187**

4.4 Extraordinary profit and losses

(in K€)	**March, 31 2024**	**March, 31 2023**
Depreciation of purchased goodwill	0	0
Other	(2)	(0)
Net gain (charge)	**(2)**	**0**

4.6 Deferred tax position

The impact of tax timing differences at March 31, 2024 is to decrease future income tax charge by K€ 663 calculated with a tax rate of 25%.

4.7 Income tax

The income tax has been booked at 25% of the pre-tax profit.

4.8 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 241 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€ 502.

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, 2024.

5.3 Breakdown of average workforce

	2023-2024	2022-2023
- Managers	20	19
- Employees	23	22
Total	**43**	**41**

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.

Testatsexemplar

Novelis Deutschland GmbH
Göttingen

Jahresabschluss zum 31. März 2024
und Lagebericht für das Geschäftsjahr
vom 1. April 2023 bis zum 31. März 2024

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN
ABSCHLUSSPRÜFERS

Novelis Deutschland GmbH, Göttingen

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Novelis Deutschland GmbH, Göttingen

Novelis Deutschland GmbH, Göttingen

Lagebericht für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

1. Märkte, Gegenstand und Leistungsindikatoren des Unternehmens

Die Novelis Deutschland GmbH bietet mit 4 Produktionsstandorten in Deutschland marktführende Lösungen in der Aluminiumproduktion an.

Wir entwerfen, erneuern und verbessern kontinuierlich unsere Erzeugnisse nach den Wünschen und Bedürfnissen unserer Kunden. Novelis hilft gleichzeitig dabei, die typischen Eigenschaften von Aluminium zur Verbesserung der Nachhaltigkeitsprofile ihrer Produkte zu nutzen.

Das Werk in Göttingen ist ein auf flachgewalzte Aluminiumbleche spezialisierter Zulieferer. Die in Göttingen hergestellten Kernprodukte umfassen hochwertige Bleche für den Verpackungsmarkt sowie beschichtete Bänder für zahlreiche Anwendungen. Im Werk Göttingen werden darüber hinaus Flaschen, Kartuschen, Dosen und Gehäuse aus Aluminium mittels Fließpressverfahren hergestellt.

Das Werk in Nachterstedt verfügt über hochmoderne Produktionsanlagen und beliefert weltweit Kunden aus den Bereichen Industriegüter, Verpackung, Gebäudetechnik und Automobil. Darüber hinaus ist das Werk mit einer sehr guten Kaltwalztechnologie ausgestattet und verfügt über eine hochmoderne Roboter-Werkshalle zum Laserschneiden von Karosseriebauteilen für die Automobilindustrie. Mit der Durchlaufglüh- und Endbearbeitungsanlage in Nachterstedt sowie weiteren Anlagen zur Endbearbeitung kann geglühtes, entfettetes, gebeiztes, (anodisch oder chemisch) vorbehandeltes, beschichtetes oder nachgeschmiertes Material geliefert werden.

Das Werk in Plettenberg-Ohle ist auf das Walzen von Hochleistungslegierungen für unterschiedliche Anwendungen wie Behälter, Aluminium Converter Foil (ACF) und industrielle Produkte spezialisiert. Der Standort produziert des Weiteren Aluminiumschalen für die Lebensmittelindustrie (OHLER® Packaging Systems) sowie flexible Rohre für das Automobil und den Caravan wie auch Spulenkerne (OHLER® Flexible Tubes). Des Weiteren werden Lösungen für die Kabel- und Rohrbandproduktion angeboten.

Die Aluminium Norf GmbH (Werk Alu Norf) in Neuss wird als Joint Venture mit 50 % Beteiligung betrieben und ist das Zentrum für die Walzproduktion der Novelis Werke in Europa und liefert warm- und kaltgewalzte Aluminiumbänder an externe Kunden und an die Endbearbeitungsanlagen. Die Alu Norf arbeitet als Lohnfertiger für die Novelis Deutschland GmbH. Die Metallbestände werden in der Novelis Deutschland GmbH geführt.

Des Weiteren gehören zu der Gesellschaft als 100 % Tochtergesellschaften die Novelis Sheet Ingot GmbH („SIG“) sowie die Novelis Koblenz GmbH (“NK“) und die Novelis Casthouse Germany GmbH („NCG“) über die Novelis Deutschland Holding GmbH („NDH“).

Die SIG mit einem Recyclingwerk in Nachterstedt stellt Gießerzeugnisse auf Umarbeitungsbasis und ausschließlich für die Novelis AG, Küsnacht, her. Das Ergebnis der Gesellschaft bestimmt sich daher im Wesentlichen aus der Ausbringungsmenge und den Umarbeitungskosten. Das jährliche maximale Absatzvolumen beträgt 400 kt.

Die NK ist ein Lieferant von Aluminiumprodukten für die Luft- und Raumfahrtindustrie sowie ein Anbieter von Aluminium-Halbzeugen. Das jährliche Absatzvolumen liegt bei bis zu 170 kt. Die gefertigten Bleche, Platten und Bänder sind dabei keine Massenware, sondern hochspezialisierte Produkte aus mehr als 100 verschiedenen Legierungen für Anwendungen in allen Industriebereichen. Hauptmärkte sind im Wesentlichen die Luftfahrindustrie, der Wärmetauschermarkt sowie andere industrielle Anwendungen.

Gegenstand der NCG ist der Betrieb mehrerer Gießereien, der Handel mit Rohstoffen und Gießereiprodukten sowie das Halten und Verwalten der dafür benötigten Vermögensgegenstände.

Die weltweite Wirtschaftsleistung erhöhte sich im Jahr 2023 gegenüber dem Vorjahr um +3,0 %. Die US-Wirtschaft konnte dabei ein Wachstum von +2,4 % erreichen und im Euroraum reduzierte sich das Wirtschaftswachstum auf +0,4 %, wobei die deutsche Wirtschaft um -0,3% schrumpfte. Auf Jahressicht weist China mit +5,2 % im Vergleich zum Vorjahr erneut ein höheres Wirtschaftswachstum auf. (Quelle: 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 US$ 2.134 pro Tonne im August 2023 bis US$ 2.341 pro Tonne im April 2023. Im Durchschnitt des Geschäftsjahres ergab sich ein Preis von US$ 2.202 pro Tonne. Der Aluminiumpreis notierte zum 31. März 2024 bei US$ 2.183 pro Tonne, was im Vergleich zum 31. März 2023 (US$ 2.471 pro Tonne) eine Preisreduzierung von 11 % bedeutet. In Euro umgerechnet zeigte sich fast die gleiche Preisreduzierung durch eine kaum veränderte Währungsrelation von rund 11%.

Die Gesellschaft wendet als wichtigsten finanziellen Leistungsindikator das Operative EBITDA (operatives Ergebnis nach US GAAP Bilanzierungsregeln vor Abschreibung, 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).

Die wesentlichen nicht-finanziellen Leistungsindikatoren stellen die Absatztonnage von Walzprodukten dar und um die Qualität der Sicherheit in unseren Werken zu messen, berichten wir regelmäßig hauptsächlich die Kennzahlen „Total Recordable Incident Rate“ (TRI Rate)“ – meldepflichtige Unfälle und auch „Days Away From Work Rate“ (DAFW Rate)“ – Fehlzeiten aufgrund eines Arbeitsunfalls.

2. Geschäftsverlauf

Auch in diesem Fiskaljahr zeigte sich der negative Einfluss des Ukraine Krieges und die weiterhin erhöhte Inflation. Vor allem in unserem Werk Göttingen, wo wir die Linien für die Bau- und Dosenindustrie nicht so auslasten konnten, wie wir es prognostiziert hatten. Aber auch unser Joint Venture Alu Norf zeigte nicht die Auslastung wie erwartet, vor allem durch eine niedrigere Can Body Produktion als geplant, durch geringere Abrufe unserer Kunden.

Die anderen Novelis Deutschland GmbH Werke zeigten sich aus finanzieller Sicht in guter bis sehr guter Verfassung.

Insgesamt war das gesamte Absatzvolumen gegenüber dem Vorjahr (961,9 kt) mit 908,9 kt um 53,0 kt niedriger. Gegenüber dem geplanten gesamten Absatzvolumen (939,7 kt) verloren wir 30,8 kt. Die niedrigeren Absätze gegenüber dem Vorjahr lagen vor allem an Can und Specialties. Die geringeren Tonnagen vs. Vorhersage wurden durch niedrigere Absätze in den oben genannten Wertströmen verursacht.

Die Walzproduktetonnage wurde gegenüber dem Vorjahr (832,9 kt) mit 789,7 kt um 43,2 kt nicht erreicht. Gemäß Vorjahresprognose erwarteten wir eine leichte Steigerung des Absatzvolumens auf 858,2 kt für Walzprodukte im Geschäftsjahr 2023/24 und dieses wurde um 68,5 kt unterschritten. Wir lagen dabei in den Wertströmen Can und Specialties unter der Prognose.

Die Absätze der Novelis Deutschland GmbH im Segment Aluminium-Getränkedose (**Can**) lagen im Geschäftsjahr 2023/24 um 33,6 kt unter dem Niveau des Vorjahres. Hauptgründe des niedrigeren Absatzes sind der Abbau der Lagerbestände bei wichtigen Kunden und makroökonomische Entwicklungen in Europa, vor allem Inflation, die zu einer gedämpften Nachfrage an Getränkedosen führten.

Im Bereich Automotive lagen wir über den erwarteten Volumina für das Fiskaljahr, was vor allem auf den sog. „Pent-up Demand“ zurückzuführen ist, also dem Nachholbedarf nach der Halbleiterkrise und den anderen Verwerfungen in der Supply Chain der Vorjahre.

Die Nachfrage im Bereich Spezialitäten (**Specialties**) zeigte sich weiter schwach, was sich vor allem im Baubereich aufgrund höherer Zinsen und hoher Inflation zeigte.

Im Segment Eloxal ist der prognostizierte Rückgang in der Bauindustrie eingetroffen. Diese Entwicklung hatte Auswirkungen auf das Angebot- / Nachfrage-Gefüge. Durch den gesunkenen Bedarf konnte die Nachfrage nach Baumaterialien besser bedient werden. Folglich erhöht sich der Druck auf die Marktpreise. Das Bundesministerium für Bau-, Stadt-, und Raumforschung (BBSR) prognostiziert eine Veränderung der Baupreise gegenüber dem Vorjahr von -3,2% im Jahr 2024 und

-5,5% im Jahr 2025[1]. Trotz des enormen Drucks konnten die Preise im Bereich Eloxal stabil gehalten werden.

Im Segment Painted Products haben wir gegenüber dem Vorjahr einen Rückgang in der Absatztonnage. Eine höhere Marge konnte den Absatzverlust leicht kompensieren. Der Bereich Industrieprodukte entwickelte sich im Geschäftsjahr sehr positiv. Eine stabile Nachfrage bei Kartuschenprodukten und einem hohen Anteil von Flaschen & Gehäusen verbesserten das Produktmix zu höherer Fertigungstiefe. Der Ausblick für das Geschäftsjahr 2024/25 ist grundsätzlich positiv, da wichtige Kunden eine stabile Abnahme für das kommende Jahr in Aussicht gestellt haben.

Das Segment Continental Foil lag im Geschäftsjahr 2024 leicht unter Plan.

Das Jahr war geprägt von dem Verordnungsentwurf über Verpackungen und Verpackungsabfälle (PPWR), wovon Kaffeeeinzelportionen in Kapseln direkt betroffen wären. Die Europäische Union wollte dabei Vorgaben umsetzen, um die Nachhaltigkeit von Verpackungen zu maximieren. Dazu wurde im Entwurf vorgeschlagen, dass Kaffeeeinzelportionen kompostierbar sein müssen[2]. Erfreulicherweise wurde der Entwurf im Jahresverlauf geändert, sodass das Verbot von Einwegkapseln nicht zum Tragen kommt. Jedoch müssen Verpackungsmaterialien mehrfach recycelbar sein[3]. Weiter war das Jahr geprägt von Preiskämpfen der Einzelhandelsketten mit den Produktherstellern, sodass teilweise gewisse Produkte nicht in den Supermärkten verfügbar waren[4].

Das Segment Kabel war im Kalenderjahr 2023 geprägt von deutlichen, inflationsgetriebenen Kostensteigerungen. Unter anderem durch fünf Leitzins-Erhöhungen der EZB[5] entstand vor allem in der zweiten Jahreshälfte ein erheblicher Kostendruck auf das weitestgehend fremdfinanzierte Projektgeschäft im Bereich des Energieausbaus. Die Hersteller von Energiekabeln reagierten darauf mit einer massiven Reduzierung ihrer Lagerbestände im letzten Quartal des Kalenderjahres in Vorbereitung der Jahresabschlüsse.

Im Segment OHLER® Flexrohre konnte das zuletzt stark erhöhte Preisniveau in den abgeschlossenen Preisverhandlungen mit Kunden aus den Märkten Automotive und Caravan stabil gehalten werden. Die Umsatzentwicklung liegt auf Vorjahresniveau.

Die Nachfragezurückhaltung im Verpflegungsmarkt ist im Standardbereich von OHLER® Packaging deutlich spürbar. Auch eine weitere, zwar moderate Preissenkung im Handelssegment, hat aktuell

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[1] https://www.bbsr.bund.de/BBSR/DE/forschung/fachbeitraege/bauen/bauwirtschaft/baupreisprognose/baupreisprognose.html#:~:text=Im%20Jahr%202024%20wird%20mit,Auftrag%20des%20BBSR%20erstellt%20hat.

[2] European Bioplastics unterstützt EU-Vorschlag zu Kapseln - packaging journal (packaging-journal.de)

[3] https://www.europarl.europa.eu/doceo/document/PV-9-2023-11-22-VOT_EN.pdf

[4] https://www.rundschau.de/artikel/edeka-mars-hat-lieferstopp-verhaengt

[5] https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.en.html

nicht zu wieder steigenden Auftragseingängen führen können. Dagegen setzt sich die positive Entwicklung im Airline-Geschäft derzeit weiter fort. Der Anteil von Produkten aus High Recycling Content -Legierungen ist weiterhin auf einem für uns erfreulichen Niveau.

3. Ertragslage

Die Absatzmenge für Walzprodukte im Geschäftsjahr 2023/24 lag bei 789,7 kt und lag damit 8% unter unserer Prognose für das Jahr und auch ca. 5% unter den Vorjahresabsätzen.

Der Geschäftsbereich **Can** verzeichnete im zurückliegenden Geschäftsjahr 2023/24 einen Absatzrückgang und liegt unter Planniveau sowie Vorjahresniveau. Wesentliche Treiber hierfür sind zum einen eine Reduzierung der Lagerbestände wichtiger Kunden, die im Zuge von Covid und damit einhergehender stark gestiegener Nachfrage nach Getränkedosen Lagerbestände deutlich aufgestockt hatten. Zum anderen führten makroökonomische Entwicklungen in Europa (v.a. Inflation) zu einer gedämpften Nachfrage an Getränkedosen.

Im Bereich **Automotive** ist die Nachfrage nach neuen Fahrzeugen und dem zu Folge die Nachfrage im Geschäftsjahr 2023/24 nach Novelis Automotive Aluminium immer noch positiv durch den Nachholbedarf nach der Halbleiterkrise geprägt. Die Absätze lagen über dem Vorjahr und über dem Plan. Auch bei den Umarbeitungspreisen (Conversion Premium) konnten wir eine Verbesserung gegenüber den Planzahlen erreichen. Entsprechend können wir über ein äußerst erfolgreiches Geschäftsjahr für den Automotive Value Stream berichten.

Im Bereich **Specialties** konnten wir unsere Absatzmengen nicht erreichen und lagen auch getrieben durch die schwächere Bauindustrie vor allem bei Painted Produkten um 8% unter der Prognose, auch bei den anderen Produkten konnten wir unsere Prognosen nicht erreichen.

Trotz der niedrigeren Absatzmengen erzielten wir im Geschäftsjahr ein Operating EBITDA von € 111,2 Mio. (Vorjahr: € 57,9 Mio.), wobei wir unsere Prognose von € 85,2 Mio. für das Jahr deutlich überschritten haben. Hauptursache waren niedrigere Kostenbelastungen von unserem Joint Venture Alu Norf sowie geringere Energie-, Fracht- und Lackierkosten. Weiterhin konnte die mengengetriebene geringere Umarbeitsprämie teilweise durch höhere Preise kompensiert werden.

Über alle Werke wurde im Berichtsjahr ein **Umsatz** von € 3.097,0 Mio. (Vorjahr € 3.826,2 Mio.) erwirtschaftet. Dies ist eine Verringerung von 19 % im Vergleich zum Vorjahr, was neben der geringeren Absatzmenge vor allem durch einen geringeren durchschnittlichen Metallpreis (BMC €/to – 21 %) gegenüber Geschäftsjahr 2022/23 bedingt war. Der Metallpreis BMC in €/to setzt sich zusammen aus dem durchschnittlichen LME-Cash des Vormonats und des EC Premiums sowie einer fixen Frachtrate. Die Summe aus den 3 Faktoren in $ wird zum Umrechnungskurs €/$ am letzten Tag des Monats umgerechnet. Dieser BMC wird im Wesentlichen in unseren Umsätzen weiterbelastet und hat dabei kaum einen Einfluss auf unser operatives Ergebnis.

Das **Ergebnis nach Steuern** weist im Geschäftsjahr 2023/2024 einen Wert von € 33,2 Mio. (Vorjahr 130,1 Mio.) auf und basiert auf einem Betriebsergebnis von € 44,1 Mio. (Vorjahr €117,2 Mio.).

Die Gross Margin (Bruttoergebnis vom Umsatz) beträgt im Geschäftsjahr 2023/2024 € 204,6 Mio. (Vorjahr € 113,0 Mio.). Die höhere Marge gegenüber dem Vorjahr wurde hauptsächlich durch eine bessere Kostenstruktur in den Herstellungskosten sowie angepasste Umarbeitspreise generiert.

Das geringere Betriebsergebnis resultiert hauptsächlich aus den geringen sonstigen betrieblichen Erträgen im Wesentlichen bedingt durch geringere Erträge aus der Auflösung von Drohverlustrückstellungen aus Derivaten.

In den sonstigen betrieblichen Erträgen sind überwiegend Erträge aus der Auflösung von Rückstellungen und Kursgewinne enthalten. Die Rückstellungserträge beinhalten die Auflösung von Drohverlustrückstellungen aus Metall- und Währungsrisiken in Höhe von € 6,0 Mio. (Vorjahr € 172,3 Mio.). Ebenfalls in den sonstigen betrieblichen Erträgen sind Erträge aus Metall- und Währungsderivaten in Höhe von € 51,5 Mio enthalten. Des Weiteren ist eine Strompreiskompensationszahlung in Höhe von € 1,2 Mio. in den sonstigen betrieblichen Erträgen enthalten.

Die sonstigen betrieblichen Aufwendungen umfassen als wesentliche Posten Aufwendungen für Dienstleistungen, Aufwendungen für Forschungs- und Entwicklungsaufwendungen sowie Aufwendungen für drohende Verluste. Die Aufwendungen für Drohverlustrückstellungen für Metall- und Währungsderivate betragen € 27,0 Mio. (Vorjahr € 24,1 Mio.). Der Anstieg der sonstigen betrieblichen Aufwendungen resultiert im Wesentlichen aus gestiegenen Konzernumlagen. Die Verringerung der Vertriebsaufwendungen ist auf geringere Frachtkosten von € 8,4 Mio. sowie auf geringere Lagerkosten von € 3,0 Mio. zurückzuführen. Die Verwaltungskosten sind bedingt durch Anpassungen der Erwartungen an die Inflation für Pensionsverpflichtungen gesunken.

Das Finanzergebnis hat sich um € 23,7 Mio. auf € - 10,8 Mio. (Vorjahr € 12,9 Mio.) verschlechtert. Die Gewinnabführung der Novelis SIG GmbH hat sich auf € 13,0 Mio. (Vorjahr € 22,0 Mio.) verringert. Aus dem Cash Pool Abkommen mit der Novelis AG haben sich die Zinsaufwendungen um € 6,8 Mio. erhöht. Zudem erfolgte ein Teilwertabwertung der Beteiligung an der Novelis Italia S.p.A um € 4,0 Mio.

Die Tochtergesellschaft Novelis Sheet Ingot GmbH hat ein positives Ergebnis in Höhe von € 13,0 Mio. (Vorjahr € 22,0 Mio.) erzielt bei einer produzierten Menge leicht über Vorjahresniveau. Der Ergebnisrückgang liegt im Wesentlichen im Einmaleffekt aus dem Verkauf von CO2 Lizenzen im Vorjahr begründet. Die Produktionsziele für die Barrenproduktion wurden im Geschäftsjahr 2023/24 nicht erreicht, sind aber gegenüber dem Vorjahr um 4,6 kt gestiegen. Die weiterhin rückläufige Nachfrage aus dem Dosen- und Verpackungsmarkt konnte auch durch eine höhere Nachfrage der Automobilhersteller nicht vollständig kompensiert werden. Die Herstellkosten lagen auf Planniveau und über den Kosten des Vorjahres.

Bei unserer Tochtergesellschaft Novelis Deutschland Holding GmbH sind die Umsätze der Tochtergesellschaften Novelis Koblenz GmbH (NK) und der Novelis Casthouse Germany GmbH (NCG) zusammen aufgrund gefallener Metallpreise und einer reduzierten Nachfrage nach kommerziellen Platten und Intercompany Spezialitäten stark gefallen. € 126 Mio entfallen dabei auf das Geschäft der NK. Weitere Umsatzrückgange wurden im Verkauf von nicht-flachgewalzten

Produkten vom Standort Voerde verzeichnet. Der Umsatz mit Dritten brach bei NCG um € 58 Mio ein. Gleichzeitig konnten die Umsätze in den Value Streams Luftfahrt, Defense und Heatexchanger um insgesamt € 40 Mio. gesteigert werden. Ursächlich hierfür sind Volumensteigerungen im Geschäft mit Defense Produkten und Preiserhöhungen für Luftfahrt und Heatexchanger Produkte. Die Verkaufstonnage für Luftfahrtprodukte liegt weiterhin unterhalb der pre-covid Mengen. Die Herstellkosten lagen inflations- und kapazitätsbedingt über dem Vorjahr. Wesentliche Kostentreiber waren Energie und Personal und eine geringere Fixkostendegression infolge der geringeren Mengen.
Das Ergebnis vor Steuern der Novelis Deutschland Holding GmbH verringert sich von € 79,9 Mio. auf € 58,9 Mio.

4. Vermögens- und Finanzlage

Die Bilanzsumme hat sich um € 203,2 Mio. auf € 1.161,6 Mio. verringert. Das Anlagevermögen ist um € 69,0 Mio. gesunken. Treiber waren dabei der Rückgang des Beteiligungsbuchwerts der Novelis Deutschland Holding GmbH um € 65,0 Mio. aufgrund einer Ausschüttung aus der Kapitalrücklage, die Rückzahlung des Darlehens der SIG in Höhe von € 19 Mio, sowie die Abwertung der Beteiligung an der Novelis Italia S.p.A. um € 4 Mio. Gegenläufig wirkten Investitionen in Produktionsanlagen.

Das Umlaufvermögen ist um € 131,2 Mio. auf € 647,2 Mio. gesunken. Die Forderungen und sonstigen Vermögensgegenstände sanken um € 138,8 Mio. aufgrund geringerer Darlehensforderungen, einer geringeren Forderung gegen die SIG aus dem Ergebnisabführungsvertrag sowie gesunkener Metallpreise, die in den Umsätzen weitergegeben wurden als auch durch geringere Absatzvolumen.

Das Eigenkapital ist aufgrund des Ergebnisabführungsvertrages unverändert. Das Eigenkapital entspricht zum Stichtag einem Anteil von 30 % an der Bilanzsumme. Die Rückstellungen für Pensionen und ähnliche Verpflichtungen haben sich, im Wesentlichen durch Inflationsanpassungen, um € 7,8 Mio. verringert. Drohverlustrückstellungen für Metall- und Währungsrisiken haben sich um € 2,8 Mio. erhöht. Die Verbindlichkeiten aus Lieferungen und Leistungen gegenüber Dritten sowie gegenüber verbundenen Unternehmen haben sich zum Bilanzstichtag um € 190,7 Mio. im Wesentlichen aufgrund einer geringeren Verbindlichkeit aus der Ergebnisabführung vermindert.

Die gewährte Kreditlinie der Alu Norf GmbH liegt bei € 81,8 Mio. und die aktuelle Inanspruchnahme liegt bei € 24,4 Mio. Dies dient der Umsetzung von strategischen Erweiterungsprojekten und zur Finanzierung des Produktions- und Einkaufsvolumen, um die erhöhte Nachfrage nach Aluminiumprodukten zu decken.

Die Novelis Deutschland GmbH hat 2007 eine Cash-Pooling Vereinbarung mit der Novelis AG, Zürich, Schweiz, abgeschlossen. Die Bankkonten werden täglich auf Konten des Poolführers, der Novelis AG, verrechnet und marktüblich verzinst.

Im Geschäftsjahr 2023/24 bewirken Mittelzuflüsse aus laufender Geschäftstätigkeit von € 56,9 Mio., Mittelzuflüsse aus Investitionstätigkeit von € 50,8 Mio. und Mittelabflüssen aus Finanzierungstätigkeit von € 108,1 Mio. einen Rückgang des Finanzmittelfond um € 0,4 Mio. auf € - 41,3 Mio., der sich aus Kassen- und Bankguthaben sowie aus dem Cash Pooling mit der Novelis AG zusammensetzt.

Es besteht auch die Möglichkeit, bei Bedarf verzinsliche Mittel aufzunehmen. Zur kurzfristigen Umsatzfinanzierung wurden wie im Vorjahr Forderungen aus Lieferungen und Leistungen an ein Novelis Konzernunternehmen und an eine ausländische Bank verkauft. Die rechtswirksam verkauften Forderungen werden nicht mehr im Abschluss der Gesellschaft ausgewiesen.

Weiterhin besteht für die Novelis Deutschland GmbH die Möglichkeit auf den Cash Pool der Novelis AG zuzugreifen.

5. Umwelt, Gesundheit und Sicherheit

Bei Novelis 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 von Novelis 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 nun 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. Novelis 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. Zur Unterstützung unserer Co^2 Ziele und unserer Verpflichtung für das Klima haben wir einen langfristigen Abnahmevertrag mit einem Energieversorger über Ökostrom abgeschlossen. Diese Energie wird kombiniert aus Wind- und Solarkraft erzeugt.

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.

Unsere erreichte TRI Rate für das Geschäftsjahr 2023/2024 ist mit 0,30 auf dem Stand des Vorjahres (0,30). Die DAFW Rate hat sich im Geschäftsjahr 2023/2024 gegenüber dem Vorjahr (0,15) auf 0,08 verbessert.

6. Risikomanagement

Wie jedes Jahr hat die Novelis Inc. ihre Aktivitäten einer zentralen Koordinierung des Risikomanagements weiter optimiert.

Das Risikomanagement des Unternehmens ist ein strukturierter Prozess, der dem Unternehmen hilft, bei der proaktiven Identifizierung von potenziellen Risiken, Ereignissen oder Trends, um daraufhin Aktionspläne zu entwickeln, die das Unternehmen in die Lage versetzt, seine Geschäftsziele zu erreichen. Die Schwerpunkte der Risikoidentifizierung liegen auf der Fertigung, den Regularien für Handel und Zoll, der Metallversorgung, der Lieferkette, Cybersecurity und Personal, sowie auf den externen und internen Einflussfaktoren. Die Säulen sind die Risikoidentifizierung, wobei jährlich durch Interviews eine Meldung wesentlicher Risiken an das Management und den Prüfungsausschuss erfolgt. Dies wird auch an das lokale Management kommuniziert und soll zu einer verbesserten Risikokultur führen. Weiterhin werden Aktionen zur Minimierung oder Vermeidung von Risiken innerhalb der gesamten Novelis Gruppe geteilt.

Die identifizierten Risiken und Potentiale werden in den Strategie- und Jahresplan der lokalen Berichtseinheiten mit aufgenommen und regelmäßig innerhalb des Jahres überprüft und an das lokale, europäische und weltweite Management kommuniziert.

Die Novelis Gruppe setzt auf freiwilliger Basis die **Anforderungen nach SOX 404** (Sarbanes Oxley Act) analog um. SOX 404 verlangt die Einrichtung eines funktionsfähigen internen Kontrollsystems und dessen Prüfung durch den Wirtschaftsprüfer.

Nachfolgend werden die wesentlichen **Risiken** gemäß ihrer Rangfolge genannt:

Risiken der Novelis Deutschland GmbH resultieren im Wesentlichen aus Beschaffungsmarkt-entwicklungen, Währungsveränderungen und spezifischen Kundenrisiken. Der Überfall auf die Ukraine belastet die Unternehmen immer noch durch höhere Energiekosten. Trotz der immer noch unsicheren Lage haben sich die Probleme in den Lieferketten entschärft.

Wir haben in den vergangenen Jahren gezeigt, dass wir die negativen Einflüsse des Ukraine Konflikts mit unserem breiten Produktportfolio und Preissteigerungen an Kunden einigermaßen kompensieren konnten. Wir sind im engen Kontakt mit Kunden und Lieferanten, um potenzielle Auswirkungen auf Lieferungen, Absätze und Produktion zu erkennen, um geeignete Gegenmaßnahmen einzuleiten.

Erhöhen sich die Vormaterialpreise, ist es notwendig, diese Preissteigerungen zeitnah über die Verkaufspreise unserer Produkte weiterzugeben. Das Preisänderungsrisiko wird entweder von vornherein durch Kundenbeistellungen von Aluminium ausgeschlossen oder im Fall der eigenen Materialbeschaffung durch weitgehende Abstimmung der London Metal Exchange (LME)-Preisbasis für die Metalleinkauf- und Verkaufspreise auf ein vertretbares Risiko vermindert. Dies wird durch den Abschluss von Warentermingeschäften (LME Futures) erreicht. Bei den Absicherungen handelt es sich hauptsächlich um Portfolioabsicherungen aber im geringeren Maße arbeiten wir auch mit Einzelabsicherungen. Wir arbeiten kontinuierlich daran, die Effektivität unseres Offset-Hedging Prozesses zu überprüfen und zu verbessern. Durch die frühzeitige und systematische Kontrolle von Kreditrisiken bei der Auftragsabwicklung blieben die Forderungsausfälle auf einem sehr niedrigen Niveau. Zudem ist das Delkredererisiko aufgrund des Forderungsfactorings mit der Novelis AG deutlich reduziert.

Die Beschaffungsquelle von recycelten Barren, die Novelis SIG GmbH, wird ihren Anteil auch für das nächste Fiskaljahr an der Barrenversorgung für die Novelis Deutschland GmbH noch ausweiten. Neben der Used Beverage Can (UBC) Linie läuft auch eine weitere Produktionslinie („Flex-Linie“) mit hoher Produktion. Die Erhöhung des Schrottanteils des Einsatzmaterials, die Ausbeute und die Verarbeitung bis zum ausgelieferten Barren muss weiter verbessert werden. Die Novelis Deutschland GmbH übernimmt im Rahmen des mit der Novelis SIG GmbH bestehenden Ergebnisabführungsvertrags Gewinne und Verluste der Novelis SIG GmbH. Neben der Sicherstellung der Versorgung mit qualitativ hochwertigem Aluminium könnten Engpässe bei der Metallbeschaffung in Menge und Qualität direkten Einfluss auf das Ergebnis der Novelis Deutschland GmbH haben.

Die Preise für Aluminium werden in US$ quotiert, wodurch ein Wechselkursrisiko auftritt. Daneben bestehen weitere Währungsrisiken auf der Einkaufs- und der Verkaufsseite. Zur Absicherung dieser Risiken werden für die benötigten Währungen Sicherungsgeschäfte abgeschlossen, wobei Fehler bei der Eingabe zu Risiken führen könnte.

Weiterhin haben wir durch den Zukauf der Novelis Deutschland Holding GmbH (früherer Name Aleris Deutschland Holding GmbH) unser Produktportfolio erweitert. Das Ergebnis hat sich in den letzten beiden Jahren verbessert und die Auswirkungen aus der Vergangenheit durch die COVID-19-Pandemie, die die internationale Luftfahrtindustrie. Fluggesellschaften, Flughäfen und andere Marktteilnehmer einen erheblichen Rückgang der Umsätze beschert hatten, sind nicht mehr zu spüren.

In den Wertströmen Can und Automotive konzentriert sich das Geschäft auf wenige Großkunden, mit denen weitestgehend langfristige Lieferverträge bestehen. Hier sehen wir momentan ein geringes Risiko, da wir vor allem den Dosenmarkt sehr stabil mit gesundem Wachstum erwarten, trotz der momentanen etwas schwächeren Bestellungen eines Großkunden. Der Mitte- und Langfristtrend ist aber weiterhin intakt.

Im Bereich Auto arbeiten wir weiter an einem breiteren Kundenportfolio, um das Risiko von Ausfällen durch Zulieferteile, wie Kabelbäume und Halbleiter, sowie eine potentielle Schwäche bei einem Großkunden breiter zu streuen. Unsere Erwartungen haben sich bestätigt, indem sich die Lage und die Auftragslage verbessert hat.

Wir sehen für das Jahr 2024 geringere Risiken der Inflation, die sich aus unserer Sicht auf einem niedrigeren Niveau bewegen wird. Im Energiebereich erwarten wir weiterhin höhere Preise als vor dem Ukraine Krieg, die wir versuchen durch die gemachten Preiserhöhungen an Kunden und Kosteneinsparungen zu kompensieren.

Im Zusammenhang mit den im Anhang unter „Haftungsverhältnisse“ gemachten Angaben zu den begebenen Sicherheiten bestehen Risiken aus einer möglichen Inanspruchnahme für die Novelis Deutschland GmbH. Allerdings wurden bis zum Zeitpunkt der Jahresabschlusserstellung keine Sicherheiten in Anspruch genommen und das Management erwartet dies auch im Geschäftsjahr 2024/2025 nicht, da davon ausgegangen wird, dass der ursprünglich Verpflichtete in der Lage sein wird, seine vertraglichen Verpflichtungen zu erfüllen.

7. Forschung und Entwicklung

Die Forschung und Entwicklung der Region Novelis Europe ist im Wesentlichen an drei Standorten gebündelt, mit dem Ziel, sich durch mehr Kundennähe, Innovations- und Umsetzungsgeschwindigkeit vom Wettbewerb abzuheben. Das **Research & Development Center** im Werk Göttingen betreut die Marktsegmente Can, Speciality und Recycling, während die Einrichtung im Werk Sierre, Schweiz, für die Marktsegmente Automotive tätig ist und im Werk Koblenz, Deutschland, für die Marktsegmente Aerospace und Specialty tätig sind.

Am Standort Göttingen erfolgen **Entwicklungen** in den Bereichen Recycling, Architektur, Verpackung, Eloxalqualität und lackiertes Halbzeug. Mit dieser Einrichtung soll die beständige Vorreiterrolle der anspruchsvollen Produkte auf dem Weltmarkt auch zukünftig sichergestellt werden. Auch die übrigen Novelis-Werke partizipieren an den Ergebnissen.

Die Forschungs- und Entwicklungsaufwendungen beliefen sich im aktuellen Geschäftsjahr auf € 16,0 Mio. (Vorjahr € 20,0 Mio.), davon werden € 3,6 Mio. (Vorjahr € 3,9 Mio.) unter den Herstellungskosten und € 12,4 Mio. (Vorjahr € 16,1 Mio.) unter den sonstigen betrieblichen Aufwendungen ausgewiesen. Im Forschungs- und Entwicklungsbereich sind 22 Mitarbeiter beschäftigt.

8. Mitarbeitende

Als Novelis ist es uns ein großes Anliegen, in unsere Mitarbeitende zu investieren und sie zu entwickeln. Wir bieten interne und externe Ausbildungs- und Weiterbildungsmaßnahmen für Mitarbeitende und für Hochschulabsolventen/Hochschulabsolventinnen an. Es existieren Programme, die auf lokaler, regionaler sowie globaler Ebene angeboten werden. Beispiele hierfür sind das globale Engineering Development Program (EDP) für Hochschulabsolventen/Hochschulabsolventinnen mit Bachelor- und/oder Master-Abschluss, der globale Technical Talent Review (GTTR) sowie regionale und divisionsübergreifende Führungskräfteprogramme wie z.B. "Lead to impact" und "Frontline Shift Leader Program" sowie das standortübergreifende und modulare Führungskräfte-Curriculum. Weitere Trainings werden im Bereich Inclusive Leadership angeboten. Um individuelle Entwicklungspläne (IDP) zu erstellen, werden entsprechende Online-Trainings für Mitarbeitende und Führungskräfte angeboten. Über den implementierten Soft-Skill-Guide können die Mitarbeitenden bedarfsgesteuert Entwicklungsübungen im Soft-Skill-Bereich auswählen. Darüber hinaus wird allen Mitarbeitenden in der Novelis Europa ein Trainingskatalog zur Verfügung gestellt, der Schulungen in den folgenden Kategorien umfasst: Generelles Management, Führung, Selbst- und Teamentwicklung, technisches Training, IT Skills und Novelis spezifische Trainings (wie bspw. Aluminium Basics). Um das digitale Lernangebot in der Novelis zu bewerben, werden einmal im Quartal E-Learning Newsletter versendet. Neben den vorgenannten Trainings werden auch Instrumente wie 360º Feedback, Competency assessments/development und New Leader Assimilation Workshops genutzt. Außerdem gibt es ein spezielles Frauenförderungsprogramm „Women in Novelis“ (WiN) mit verschiedenen Schwerpunkten wie z.B. Mentorship Programm mit dem Ziel, insbesondere die Entwicklung von Frauen im Unternehmen zu fördern. Ein weiteres Instrument ist die monatliche Open-Job-Mail. Hier werden die Mitarbeitenden mit einem E-Mail-Account über alle offenen Positionen in Europa informiert.

Die Mitarbeitenden unterliegen den regionalen Manteltarifverträgen. Darüber hinaus sind Mitarbeitende in Führungspositionen außertariflich beschäftigt.

Das Unternehmen beschäftigte am Fiskaljahresende 1.802 Mitarbeitende. Die Belegschaft unterteilt sich in 1.526 Mitarbeitende in der Produktion, 233 Mitarbeitende im Vertrieb und in der Verwaltung und 43 ruhende Arbeitsverhältnisse. Zum Ende des Geschäftsjahres waren zudem 89 junge Menschen im Rahmen einer Berufsausbildung beschäftigt. Die Ausbildungsquote beträgt 4,7 %.

9. Zweigniederlassungen

Die Novelis Deutschland GmbH betreibt Zweigniederlassungen in Göttingen, Nachterstedt und Plettenberg-Ohle. Des Weiteren wurden im Geschäftsjahr Vertriebsbüros in Dordrecht (Niederlande), Espoo (Finnland), Belgien (Vilvoorde) und in Stuttgart unterhalten.

10. Erklärung zur Unternehmensführung (Angaben zur Frauenquote)

Vor dem Hintergrund des Gesetzes über die gleichberechtigte Teilhabe von Männern und Frauen an Führungspositionen in der Privatwirtschaft und im Öffentlichen Dienst hatte sich der Aufsichtsrat zum Ziel gesetzt, bis zum 30.06.2025 zu erreichen, dass bei 12 Mitgliedern eine Frau ein Mandat im Aufsichtsrat der Novelis Deutschland GmbH innehat. Dieses Ziel wurde zum 31.03.2024 mit zwei Frauen im Aufsichtsrat erreicht. Der Aufsichtsrat hatte sich ferner zum Ziel gesetzt bis zum 30.06.2025 zu erreichen, dass ab einer Anzahl von 3 Geschäftsführern bei der Novelis Deutschland GmbH eine Frau Mitglied der Geschäftsführung ist. Wir haben bewusst eine Zielquote größer Null erst ab der Anzahl von 3 Geschäftsführern festgelegt. Die Beschäftigung von Frauen, in Führungspositionen sowie generell, wird nicht nur als selbstverständlich erachtet, sondern auch als wichtigen Bestandteil in Hinsicht auf Vielfalt und Chance zur Weiterentwicklung wertgeschätzt. Offene Stellen werden unabhängig vom Geschlecht mit der/dem fachlich und persönlich geeignetsten Kandidatin bzw. Kandidaten besetzt. In der Novelis Deutschland GmbH zählt insbesondere das Leistungsprinzip und Chancengleichheit und nicht das Geschlecht. Es zählt Qualifikation und das Erreichte. Das Geschlecht allein ist keine Qualifikation. Wie überall muss die Diskrepanz zwischen der nötigen Akzeptanz von Unternehmensregelungen und einer drohenden Ablehnung im operativen Geschäft gewahrt werden. Bei einer zweiköpfigen Geschäftsführung handelt es sich um kleines Gremium, für welches die Festlegung einer starren Quote uns zu stark einschränken würde. Dieses Ziel wurde zum 31.03.2024 noch nicht erreicht.

Die Geschäftsführung hatte mit Billigung des Aufsichtsrates das Ziel formuliert, bis zum 30.06.2025 auf den zwei nachgelagerten Führungsebenen die Quote der Frauen in diesen Führungsebenen zu erhöhen. Bis zum 30.06.2025 soll in der Ebene direkt unterhalb der Geschäftsführung eine Quote von 18% auf der Ebene darunter eine Quote in Höhe von 20% erreicht werden. Zum 31.03.2024 wurden diese beiden Ziele erreicht. 2024 stieg die Quote in der Ebene unterhalb der Geschäftsführung zum 31.3.2024 auf 26 % (2023: 21 %). Eine Ebene darunter stieg die Quote auf 32 % (2023: 25 %).

11. Ausblick und Chancen

Für 2024 wird ein Wirtschaftswachstum von 2,6 % für die Weltwirtschaft erwartet, wobei für den Euroraum nur ein leichter Anstieg von 0,2 % (Deutschland -0,2%), für die USA eine Steigerung von 0,6 % und China um 4,7 % erwartet wird (Quelle: Deutsche Bank Research).

Für das Geschäftsjahr 2025 sind wir vorsichtig optimistisch und erwarten einen Absatzsteigerung in unseren drei Wertströmen Can, Automotive und Specialties über dem Niveau des Geschäftsjahres 2024.

Das Marktumfeld für die **Getränkedose** (Can) entwickelt sich ausgehend vom aktuellen Niveau positiv, unsere Kunden legen erhöhten Wert auf nachhaltige Materialien und sind an einer engen, langfristigen Zusammenarbeit mit Novelis interessiert, um auch in Zukunft den wachsenden Bedarf an Getränkedosen zu decken. Dazu wurden mit unseren größten Kunden langfristige Lieferverträge abgeschlossen.

Nachhaltigkeitsprojekte und eine Verringerung des CO2-Fußabdrucks unserer Produkte nehmen für die gesamte Lieferkette an Bedeutung zu. Aluminium bleibt weiterhin eines der nachhaltigsten Verpackungsmittel, da es vollständig und unendlich recycelbar ist. Es hat die höchste Recyclingrate, den höchsten Recyclinggehalt und ist einfach zu sammeln und zu sortieren. Als aus unserer Sicht größter Hersteller von Aluminiumblechen für den Getränkeverpackungsmarkt und größter Recycler gebrauchter Getränkedosen ist Novelis durch Innovation und Zusammenarbeit mit Kunden marktführend.

Im Bereich **Automotive** sind wir für das kommende Geschäftsjahr 2024/25 zuversichtlich, das Liefervolumen leicht über dem Niveau von Geschäftsjahr 2023/24 erreichen zu können. Insgesamt sind die Wachstumsaussichten leicht gedämpft aufgrund der Reduktion staatlicher Subventionen für Elektrofahrzeuge (z.B. Deutschland), verstärktem staatlichem Protektionismus (z.B. USA), anhaltenden Supply Chain Herausforderungen resultierend aus geopolitischen Konflikten (z.B. Frachtkrise im Roten Meer)[6], sowie durch die zunehmende Konkurrenz aus China im Segment der vollelektrischen (Klein- und Mittelklassen-) Fahrzeugen[7]. Mit unserem diversifizierten Kunden- und Produktportfolio, dem Fokus auf höherpreisiger und krisenresistentere Fahrzeugsegmente sowie mit unserer Nachhaltigkeit sind wir jedoch gegen negative Markteinflüsse gut gewappnet.

Unser anhaltender Fokus auf die Einführung neuer Produkte mit einem besonders hohen Rezyklat Anteil und niedrigem CO2-Fußabdruck hat sich als richtig erwiesen: Immer mehr OEMs setzen auf die Partnerschaft mit Novelis, um ihre Dekarbonisierungsziele umzusetzen.

Im Bereich **Specialties** erwarten wir, dass die Unsicherheit der Kunden aus dem Geschäftsjahr 2023/24 anhält. Der erste Eindruck für Geschäftsjahr 2024/25 ist, dass Kunden deutlich vorsichtiger in die Bedarfsplanung gegangen sind, und jetzt bereits in einigen Produktbereichen Bedarfsmengen nachschieben, was auf einen positiven Trend hindeuten könnte. Weiterhin belastend wirken sich die hohen Zinsen auf unsere Segmente Eloxal und Painted aus. Für die andere Segmente, vor allem aber für Continental Foil, erwarten wir eine Mengensteigerung, unterstützt durch die Investition in eine neue Annealing Line, die kürzlich angelaufen ist.

Für das Geschäftsjahr 2024/2025 gehen wir aus heutiger Sicht davon aus, die Absatztonnage für Walzprodukte gegenüber dem Geschäftsjahr 2023/24 moderat zu steigern. Wir gehen von einer Verbesserung des Operating EBITDA um ca. € 50 Mio. bis € 70 Mio. gegenüber dem Geschäftsjahr 2023/24 aus. Diese Verbesserung geht von höheren Umarbeitungsumsätzen aus, die durch höhere Absatztonnagen (und mit höheren Produktionstonnagen verbundene bessere Fixkostendegression) und Preiserhöhungen getrieben werden, was durch erwartete Kostensteigerungen teilweise kompensiert wird.

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[6] Electric Vehicles Sales Review Q4 2023, strategy&, January 2024

[7] Reuters, https://www.reuters.com/world/europe/eu-launches-anti-subsidy-investigation-into-chinese-electric-vehicles-2023-09-13/

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 Geschäftszweck zu verbessern und weiterzuentwickeln.

“Null Unfälle“ gilt weiterhin als oberste Zielvorgabe in Sachen Arbeitssicherheit für alle Novelis Werke weltweit. Für das Geschäftsjahr 2024/25 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.

Göttingen, den 30. April 2024

Novelis Deutschland GmbH

Dirk Nörthemann   Nils Leonhardt   Siegfried Adloff

Novelis Deutschland GmbH, Göttingen

Jahresabschluss für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

Novelis Deutschland GmbH, Göttingen

Bilanz zum 31. März 2024

Aktiva

	Anhang-Nr.	31.03.2024	31.03.2023
		€	€
A. Anlagevermögen	(3.1)		
I. Immaterielle Vermögensgegenstände	(3.2)	1.260.148	2.176.557
II. Sachanlagen		191.255.402	171.974.206
III. Finanzanlagen	(3.3)	309.884.333	397.884.333
		502.399.883	**572.035.096**
B. Umlaufvermögen			
I. Vorräte	(3.4)	437.950.138	430.486.723
II. Forderungen und sonstige Vermögensgegenstände	(3.5)	207.310.466	346.078.598
		645.260.604	776.565.321
III. Kassenbestand und Guthaben bei Kreditinstituten		1.959.532	1.892.512
		647.220.136	**778.457.833**
C. Rechnungsabgrenzungsposten		**12.021.629**	**14.356.193**
		1.161.641.648	**1.364.849.122**

Passiva

	Anhang-Nr.	31.03.2024	31.03.2023
		€	€
A. Eigenkapital	(3.6)		
I. Gezeichnetes Kapital		111.500.000	111.500.000
II. Kapitalrücklage		229.296.347	229.296.347
III. Gewinnvortrag		4.470.889	4.470.889
		345.267.236	**345.267.236**
B. Rückstellungen	(3.7)	**335.062.923**	**347.399.349**
C. Verbindlichkeiten	(3.8)	**481.311.489**	**672.055.633**
D. Rechnungsabgrenzungsposten		**0**	**126.904**
		1.161.641.648	**1.364.849.122**

Novelis Deutschland GmbH, Göttingen

Novelis Deutschland GmbH, Göttingen

Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

		Anhang-Nr.	2023/24	2022/23
			€	€
1.	Umsatzerlöse	(4.1)	3.096.967.725	3.826.206.168
2.	Herstellungskosten der zur Erzielung der Umsatzerlöse erbrachten Leistungen		-2.892.354.306	-3.713.164.557
3.	**Bruttoergebnis vom Umsatz**		**204.613.419**	**113.041.611**
4.	Vertriebskosten		-88.052.768	-100.229.313
5.	Allgemeine Verwaltungskosten	(4.2)	-52.884.440	-59.888.803
6.	Sonstige betriebliche Erträge	(4.3)	63.653.450	237.249.167
7.	Sonstige betriebliche Aufwendungen	(4.4)	-83.266.971	-73.010.205
	Betriebsergebnis		**44.062.690**	**117.162.457**
8.	Erträge aus Gewinnabführungsverträgen		13.011.018	21.981.906
9.	Erträge aus Ausleihungen des Finanzanlagevermögens	(4.5)	594.538	1.987.714
10.	Sonstige Zinsen und ähnliche Erträge	(4.5)	4.847.032	5.320.828
11.	Abschreibungen auf Finanzanlagen	(4.5)	-4.000.000	-30.000
12.	Zinsen und ähnliche Aufwendungen	(4.5)	-25.301.634	-16.365.954
	Beteiligungs- und Finanzergebnis		**-10.849.046**	**12.894.494**
	Ergebnis vor Steuern		**33.213.644**	**130.056.951**
13.	Steuern vom Einkommen und vom Ertrag	(4.6)	-7.987	-3.126
14.	**Ergebnis nach Steuern**		**33.205.657**	**130.053.825**
15.	Aufgrund eines Gewinnabführungsvertrags abgeführte Gewinne		-33.205.657	-130.053.825
16.	**Jahresüberschuss**		0	0

Novelis Deutschland GmbH, Göttingen

Novelis Deutschland GmbH, Göttingen

Anhang für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

(1) ALLGEMEINE ANGABEN

Die Gesellschaft unterliegt dem deutschen Handelsrecht. Sie ist wie folgt im Handelsregister eingetragen:

Firmenname:	Novelis Deutschland GmbH
Firmensitz:	Göttingen
Registergericht:	Amtsgericht Göttingen
Handelsregister-Nummer:	HRB 772

Die Novelis Deutschland GmbH ist zum Bilanzstichtag 31. März 2024 eine große Kapitalgesellschaft im Sinne des § 267 HGB. Der Jahresabschluss wird nach den Rechnungslegungsvorschriften für Kapitalgesellschaften des Handelsgesetzbuches (HGB) unter Berücksichtigung des Gesetzes betreffend die Gesellschaften mit beschränkter Haftung (GmbHG) aufgestellt. Als Geschäftsjahr ist der Zeitraum vom 1. April bis 31. März festgelegt.

Die Novelis Deutschland 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 der Novelis Deutschland 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 des Anlagevermögens, den unterschiedlichen Kriterien bei der Zuordnung des wirtschaftlichen Eigentums bei Leasinggeschäften und dem Ansatz und der Bewertung von Rückstellungen sowie dem Gewinnrealisierungszeitpunkt. Der Konzernabschluss und der Konzernlagebericht der Novelis Inc. werden in deutscher Sprache im elektronischen Bundesanzeiger veröffentlicht.

(2) BILANZIERUNGS-, BEWERTUNGS- UND AUSWEISMETHODEN

Aktiva

Erworbene immaterielle Vermögensgegenstände und Sachanlagen werden mit Anschaffungskosten, vermindert um lineare planmäßige Abschreibungen, bewertet. Erhaltene Investitionszuschüsse werden anschaffungskostenmindernd berücksichtigt.

Gebäude werden linear pro rata über 25 bis 50 Jahre abgeschrieben. Technische Anlagen und Maschinen sowie Betriebs- und Geschäftsausstattung, die vor dem 31. Dezember 2007 und in dem Zeitraum vom 1. Januar 2009 bis 31. März 2010 zugegangen sind, werden zuerst degressiv und später linear pro rata über 3 bis 25 Jahre abgeschrieben. Zugänge zwischen dem 1. Januar 2008 und dem 31. Dezember 2008 sowie Zugänge ab dem 1. April 2010 werden linear pro rata abgeschrieben. Außerplanmäßige Abschreibungen werden vorgenommen, soweit der Ansatz bei voraussichtlich dauernder Wertminderung erforderlich ist. Mehrschichtzuschläge sind berücksichtigt. Immaterielle Vermögensgegenstände werden grundsätzlich mit einer Nutzungsdauer von 3 Jahren planmäßig abgeschrieben. Ein aktiviertes Belieferungsrecht wird über die Nutzungsdauer von 10 Jahren abgeschrieben.

Geringwertige Vermögensgegenstände mit einem Wert bis € 250 netto werden im Jahr des Zugangs sofort als Aufwand erfasst. Für alle beweglichen Vermögensgegenstände mit Anschaffungskosten von mehr als € 250 netto und bis zu € 1.000 netto, wird analog zu § 6 Abs. 2a EStG ein Sammelposten gebildet, der über eine Dauer von fünf Jahren gleichmäßig verteilt abgeschrieben wird.

Anteile an verbundenen Unternehmen und Beteiligungen werden zu Anschaffungskosten oder zum niedrigeren beizulegenden Wert am Bilanzstichtag bewertet. Von dem Wahlrecht des § 253 Abs. 3 S. 6 HGB wird nicht Gebrauch gemacht.

Vorräte werden, mit Ausnahme des in ihnen enthaltenen Aluminiums, zu durchschnittlichen Anschaffungs- bzw. Herstellungskosten angesetzt. Die Herstellungskosten umfassen neben den Einzelkosten in angemessenem Umfang Gemeinkosten und Kosten der allgemeinen Verwaltung. Vertriebskosten werden nicht aktiviert. Das Aluminium wird zu Anschaffungskosten unter Anwendung der gewogenen Durchschnittsmethode bewertet. Die Rohstoffe werden zu Wiederbeschaffungskosten bewertet, falls diese unter den nach dem gewogenen Durchschnitt ermittelten Werten liegen, während für unfertige und fertige Erzeugnisse ein absatzmarktorientierter Niederstwerttest erfolgt. Den Risiken aus längerer Lagerdauer und beschränkter Verwertbarkeit wird durch angemessene Abschläge Rechnung getragen.

Emissionsrechte werden als immaterielle Vermögensgegenstände im Umlaufvermögen unter den Roh-, Hilfs- und Betriebsstoffen ausgewiesen. Unentgeltlich erworbene Emissionsrechte werden mit einem Wert von Null aktiviert. Für Emissionsrechte, die nach § 6 Abs. 1 TEHG bis zum 30.9. des Folgejahres zurückzugeben sind, wird eine Rückstellung für ungewisse Verbindlichkeiten gebildet.

Forderungen und sonstige Vermögensgegenstände werden zum Nominalwert angesetzt; alle erkennbaren Risiken sind durch individuelle oder pauschale Absetzungen berücksichtigt. Forderungen und Verbindlichkeiten gegen(über) verbundenen Unternehmen werden saldiert ausgewiesen, soweit eine Aufrechnungslage gemäß § 387 BGB gegeben ist.

Kassenbestände, Guthaben bei Kreditinstituten, gesperrte Guthaben sowie unterwegs befindliche Gelder werden zum Nominalwert angesetzt.

Als aktive Rechnungsabgrenzungsposten sind Ausgaben vor dem Abschlussstichtag angesetzt, soweit sie Aufwand für einen bestimmten Zeitraum nach diesem Zeitpunkt darstellen.

Passiva

Das Eigenkapital wird zum Nennwert bilanziert.

Die Pensionsrückstellungen werden unter Anwendung des Anwartschaftsbarwert-verfahrens zum diskontierten Erfüllungsbetrag ermittelt. Der Zinssatz entspricht dem von der Deutschen Bundesbank bekannt gegebenen durchschnittlichen Marktzinssatz der vergangenen zehn Jahre bei einer pauschalen Restlaufzeit der Pensionsverpflichtungen von 15 Jahren zum 31. März 2024 1,83 % p.a. (im Vorjahr: 1,79 % p.a.). Die jährliche Entgeltsteigerung ab 2025 wurde mit 2,75 % festgelegt, für das Jahr 2024 wurde die Entgeltsteigerung aus dem Metalltarif zugrunde gelegt (2024 3,3%). Für die Rentensteigerung erfolgte die Anpassung mit 2,0 %. Als Rechnungsgrundlage werden die Richttafeln 2018G von Prof. Dr. K. Heubeck verwendet.

Die Pensionsrückstellungen wurden bis zum 31. März 2010 gemäß dem Teilwertverfahren nach § 6a EStG mit einem Rechenzins von 6% p.a. ermittelt. Beim Übergang auf die Vorschriften des BilMoG zum 1. April 2010 ergab sich ein Unterschiedsbetrag von T€ 25.116. Dieser wird bis spätestens zum 31. März 2024 in jedem Geschäftsjahr zu mindestens T€ 1.757 als außerordentlicher Aufwand angesammelt. Die zum 31. März 2024 verbleibende Unterdeckung beläuft sich auf T€ 0.

Im Rahmen des Gesetzes zur Umsetzung der Wohnimmobilienkreditrichtlinie wurden auch die handelsrechtlichen Vorschriften zur Abzinsung von Pensionsrückstellungen angepasst. Die Änderungen sehen eine Verlängerung des Zeitraums vor, über den die Deutsche Bundesbank den durchschnittlichen Marktzinssatz ermittelt. Für Jahresabschlüsse, die nach dem 31. Dezember 2015 enden ist diesbezüglich ein Zeitraum von 10 Jahren (bisher: 7 Jahre) zugrunde zu legen. Zur Ermittlung der Rückstellung für Pensionen zum 31. März 2024 wurde ein Rechnungszins von 1,83 % p.a. verwendet.

Der von der Deutschen Bundesbank veröffentlichte durchschnittliche Marktzins der letzten sieben Jahre bei einer pauschalen Restlaufzeit der Verpflichtungen von 15 Jahren liegt zum 31. März 2024 bei 1,80 % p.a. (im Vorjahr: 1,50 % p.a.).

Der Unterschiedsbetrag nach § 253 Abs. 6 S. 1 HGB beträgt zum 31. März 2024 T€ 1.115.

Die Verpflichtungen aus Pensionen und ähnlichen Verpflichtungen werden mit den Vermögensgegenständen, die ausschließlich der Erfüllung der Altersversorgungs- und ähnlichen Verpflichtungen dienen und dem Zugriff fremder Dritter entzogen sind (sog. Deckungsvermögen), verrechnet. Die Bewertung des zweckgebundenen, verpfändeten und insolvenzgesicherten Deckungsvermögens erfolgt zum beizulegenden Zeitwert. Der Zeitwert entspricht den Anschaffungskosten.

Die sonstigen Rückstellungen sind so bemessen, dass sie allen erkennbaren Risiken Rechnung tragen. Sie wurden nach vernünftiger kaufmännischer Beurteilung in Höhe des notwendigen Erfüllungsbetrages angesetzt. Rückstellungen mit einer Restlaufzeit von mehr als einem Jahr sind mit dem ihrer Restlaufzeit entsprechenden durchschnittlichen Marktzinssatz der vergangenen 7 Geschäftsjahre abgezinst.

Langfristige Rückstellungen bestehen für Altersteilzeit und Jubiläumsverpflichtungen. Die Bewertung der Rückstellungen erfolgt nach versicherungsmathematischen Grundsätzen. Dabei wurden die jährlichen Entgeltsteigerungen ab 2025 mit 2,75 % p.a. festgelegt. Für das Jahr 2024 (3,3%) wurden die Entgeltsteigerung gemäß aktuellem Tarifvertrag bewertet.

Die versicherungsmathematischen Annahmen zur Bewertung der Verpflichtungen aus

Altersteilzeit und Jubiläumszahlungen wurden mit einem durchschnittlichen Marktzinssatz der vergangenen 7 Jahre angesetzt, der für Altersteilzeitverpflichtungen 1,15 % (Vorjahr 0,64 %) und für Jubiläumsverpflichtungen 1,80 % (Vorjahr 1,50 %) beträgt. Bei der Verpflichtung für Jubiläen wurde eine Restlaufzeit von 15 Jahren unterstellt. Die Verpflichtung aus Altersteilzeit wurde mit einer Restlaufzeit von 2 Jahren bewertet.

Rückstellungen für Verpflichtungen aus Altersteilzeit werden nach Maßgabe des Blockmodells gebildet. Für die Wahrscheinlichkeit der zukünftigen Inanspruchnahme der Altersteilzeitregelungen wurden 5 % angenommen. Dieser Wert basiert auf der tatsächlichen Inanspruchnahme der Altersteilzeit in den vergangenen Jahren. Die Altersteilzeitverpflichtungen werden mit dem Deckungsvermögen verrechnet. Die Bewertung des zweckgebundenen, verpfändeten und insolvenzgesicherten Deckungsvermögens erfolgt zum beizulegenden Zeitwert, der den Anschaffungskosten entspricht.

Verbindlichkeiten sind mit ihrem Erfüllungsbetrag angesetzt.

Fremdwährung

Forderungen und Verbindlichkeiten in Fremdwährung sind in der Regel durch Devisentermingeschäfte abgesichert. Bei Vorliegen eines Sicherungsgeschäftes wird der Kurs des Deckungsgeschäftes verwendet. Bei Nichtvorliegen eines Sicherungsgeschäftes werden Forderungen und Verbindlichkeiten mit dem Kurs im Entstehungszeitpunkt gebucht.

Langfristige Fremdwährungsforderungen werden zum Devisenkassamittelkurs am Buchungstag oder zum jeweils niedrigeren Kurs am Abschlussstichtag angesetzt (Imparitätsprinzip). Kurzfristige Fremdwährungsforderungen mit einer Restlaufzeit von bis zu einem Jahr sowie liquide Mittel oder andere kurzfristige Vermögensgegenstände in Fremdwährungen werden zum Devisenkassamittelkurs am Bilanzstichtag umgerechnet.

Langfristige Fremdwährungsverbindlichkeiten werden mit dem Devisenkassamittelkurs am Buchungstag der Verbindlichkeit oder dem jeweils höheren Kurs am Abschlussstichtag, bewertet (Imparitätsprinzip). Kurzfristige Fremdwährungsverbindlichkeiten mit einer Restlaufzeit von bis zu einem Jahr werden zum Devisenkassamittelkurs am Bilanzstichtag umgerechnet.

Aluminiumtermingeschäfte

Die Herstellungskosten der Fertigerzeugnisse bestehen zu einem wesentlichen Anteil aus den Kosten für das Aluminium. Da das Aluminium nicht beigestellt wird, sondern von Novelis zum branchenüblichen Durchschnittspreis LME Cash des Liefermonats beschafft wird, unterliegt Novelis bei einem fixen Verkaufspreis und gleichzeitig variablen Einkaufspreis einem Aluminiumpreisänderungsrisiko. Um dieses auszuschalten, schließt Novelis ein Warentermingeschäft (LME Future) über den Kauf von Aluminium zu einem festen Terminpreis im Verkaufszeitpunkt des Fertigerzeugnisses ab. Der dadurch fixierte Terminpreis wird im Rahmen eines Fixed-Forward-Price oder vertraglich vereinbarten Floating Price Geschäftes an den Kunden weitergegeben. Das Warentermingeschäft wird später in bar ausgeglichen (Cash Settlement). Ca. zwei Monate vor dem Verkaufszeitpunkt des Fertigerzeugnisses schließt Novelis ein physisch zu erfüllendes Beschaffungsgeschäft über das für die Produktion benötigte Aluminium zum Durchschnittspreis (LME Cash) des Liefermonats ab. Aus dem fixierten Absatzpreis des Aluminiums ergibt sich ein weiteres Aluminiumpreisänderungsrisiko was durch Warentermingeschäfte kompensiert wird. Die Warentermingeschäfte erfolgen im überwiegenden Umfang als Macro-Hedges auf Novelis

Europa Ebene und werden zwischen den Novelis Gesellschaften im Verhältnis der langfristigen Lagerbestände in den Werken der jeweiligen rechtlichen Einheit aufgeteilt. Single-Hedges werden nur in geringem Umfang abgeschlossen. Der Nachweis der Wirksamkeit der Hedges erfolgt durch eine prospektive und retrospektive Beurteilung.

Latente Steuern

Mit der Novelis Aluminium Holding Unlimited Company, Dublin, Irland, mit der Novelis Sheet Ingot GmbH, Göttingen, der Novelis Deutschland Holding GmbH, Koblenz, der Novelis Koblenz GmbH, Koblenz, und der Novelis Casthouse Germany GmbH, Koblenz, besteht eine Organschaft hinsichtlich der Körperschaftssteuer und Gewerbesteuer. Die Novelis Deutschland GmbH, die Novelis Sheet Ingot GmbH, die Novelis Deutschland Holding GmbH, die Novelis Koblenz Germany GmbH und die Novelis Casthouse Germany GmbH sind Organgesellschaften und die Novelis Aluminium Holding Unlimited Company Zweigniederlassung Deutschland, Göttingen, ist die Organträgerin. Latente Steuern der Organgesellschaften sind vollständig in dem Jahresabschluss der Organträgerin auszuweisen, da sie allein die Besteuerungsfolgen treffen.

Mindestbesteuerung

Mit der Einführung der Regelungen zur globalen Mindestbesteuerung in Deutschland, die auf einer OECD-Initiative basieren, soll eine effektive Mindeststeuer in Höhe von 15% weltweit sichergestellt werden. Diese Vorschriften werden auch unter dem Begriff Pillar 2 gefasst. In Deutschland wurden die entsprechenden Regelungen (nachfolgend auch als MinStG bezeichnet) am 15.12.2023 durch den Bundesrat beschlossen und am 27. Dezember 2023 im Bundesgesetzblatt verkündet. Somit sind diese Regelungen am 28.12.2023 in Kraft getreten und gelten erstmals für Abschlüsse, die nach dem 30.12.2023 beginnen. Gemäß dem MinStG ist eine Ergänzungssteuer für jede Jurisdiktion zu zahlen, die einen effektiven Steuersatz unter 15% aufweist. Die Bestimmung des effektiven Steuersatzes nach dem MinStG ist sehr komplex und beinhaltet eine Vielzahl von spezifischen Anpassungen. Für Novelis finden diese Regelungen damit ab dem Wirtschaftsjahr 2025 Anwendung, welches am 1.4.2024 beginnt. Da das MinStG für das Geschäftsjahr 2023/24 für die Gesellschaft noch keine Anwendung findet, entsteht für das Geschäftsjahr 2023/24 keine Steuerbelastung aus dem MinStG.

Auf die Gesellschaft wird zukünftig grundsätzlich keine Steuermehrbelastung aus der nationalen Ergänzungssteuer entfallen, da sie weder oberste Muttergesellschaft noch Gruppenträgerin der Mindeststeuergruppe im Sinne der § 3 MinStG ist. Allerdings ist sie der Gruppenträgerin, die künftig entstehende Steuermehrbelastungen für alle in Deutschland belegenen Geschäftseinheiten zu tragen hat, zum Ausgleich für etwaige durch die Gesellschaft verursachte nationale Ergänzungssteuerbeträge verpflichtet.

Um den Einfluss für Deutschland ermitteln zu können, wurden von Novelis erste Berechnungsmodelle aufgestellt, die die verschiedenen Bestandteile der neuen Pillar 2 Regularien entsprechend berücksichtigen. Aufgrund der Komplexität der Anwendung der Pillar 2 Gesetzgebung und der Berechnung der möglichen steuerlichen Auswirkungen, sind derzeit die quantitativen und qualitativen Auswirkungen für zukünftige Geschäftsjahre noch nicht zuverlässig abschätzbar. Ab dem Wirtschaftsjahr 2025 sind durch diese Regelung zusätzliche Compliance-Verpflichtung in Form zusätzlicher Steuererklärungen zu berücksichtigen.

(3) BILANZ

(3.1) Entwicklung des Anlagevermögens

Die Entwicklung des Anlagevermögens ist im Anlagespiegel dargestellt, der dem Anhang nachfolgend als Anlage beigefügt ist.

(3.2) Immaterielle Vermögensgegenstände

Im Wesentlichen enthalten die immateriellen Vermögensgegenstände EDV-Lizenzen und ein Belieferungsrecht.

(3.3) Anteilsbesitz

	Eigenkapital T€	**Beteiligungs-quote**	**Ergebnis T€**
Novelis Deutschland Holding GmbH, Koblenz	401.890	100,0 %	58.850 [1]
Novelis Casthouse Germany GmbH, Koblenz	44.113	100,0 %	- 5.609 [2,6]
Novelis Koblenz GmbH, Koblenz	141.319	100,0 %	64.365 [2,6]
Novelis Sheet Ingot GmbH, Göttingen	20.000	100,0 %	13.011 [2]
ALUMINIUM NORF GmbH, Neuss	117.659	50,0 %	1.248 [3]
Novelis Italia S.p.A., Bresso, Italien	68.435	37,5 %	- 9.288 [4]
France Aluminium Recyclage S.A., Paris, Frankreich	298	20,0 %	61 [5]

[1] Jahresüberschuss, betrifft den Zeitraum 1. April 2023 bis 31. März 2024

[2] vor Ergebnisabführungsvertrag, betrifft den Zeitraum 1. April 2023 bis 31. März 2024

[3] Betrifft den Zeitraum 1. Januar 2023 bis 31. Dezember 2023

[4] Betrifft den Zeitraum 1. April 2022 bis 31. März 2023

[5] Betrifft den Zeitraum 1. Januar 2022 bis 31. Dezember 2022

[6] 100 % Beteiligung der Novelis Deutschland Holding Koblenz GmbH

Im Geschäftsjahr 2012/2013 wurde die Novelis Sheet Ingot GmbH gegründet. Es besteht ein Gewinnabführungsvertrag mit der Novelis Deutschland GmbH.

Des Weiteren hat die Gesellschaft der Novelis Sheet Ingot GmbH zum 25. Oktober 2013 ein Darlehen über € 40,0 Mio. zur Verfügung gestellt. Das Darlehen mit einem Restwert von € 19,0 Mio. zum 31.03.2023 wurde im laufenden Geschäftsjahr 2023/24 vollständig getilgt.

Im Dezember 2020 hat die Novelis Deutschland GmbH die Novelis Deutschland Holding GmbH, Koblenz (vormals Aleris Deutschland Holding GmbH), als Beteiligung erworben.

Die Gesellschaft hat eine Ausschüttung aus der Kapitalrücklage in Höhe von € 65,0 Mio. an die Novelis Deutschland GmbH vorgenommen. Die Novelis Deutschland GmbH hat entsprechend den Beteiligungswert um € 65,0 Mio. gemindert. Es besteht ein Gewinnabführungsvertrag mit der Novelis Deutschland GmbH.

(3.4) Vorräte

	31.03.2024 T€	31.03.2023 T€
C02 Zertifikate	1.302	0
Roh-, Hilfs- und Betriebsstoffe	228.717	216.340
Unfertige Erzeugnisse	67.449	63.068
Fertige Erzeugnisse und Waren	140.482	151.079
	437.950	**430.487**

Das Aluminium-Vorratsvermögens wird zu Anschaffungskosten unter Anwendung der gewogenen Durchschnittsmethode bewertet.

Es wurde eine Abwertung gemäß strengen Niederstwertprinzips von T€ 4 vorgenommen. Es wurde der niedrigere beizulegende Wert angesetzt. Bei den Rohstoffen wird auf die Wiederbeschaffungskosten zum Börsenpreis zum Stichtag 31. März 2024 abgeschrieben, während bei den unfertigen und fertigen Erzeugnissen ein absatzmarktorientierter Niederstwerttest durchgeführt wird.

Für die Jahre 2021 bis 2025 wurden der Gesellschaft Emissionsrechte kostenfrei zugeteilt. Im Geschäftsjahr 2023/24 wurden 29.797 Zertifikate mit Anschaffungskosten in Höhe von € 1,5 Mio. hinzugekauft, die unter den Roh-, Hilfs- und Betriebsstoffen ausgewiesen sind. Es wurde eine Abwertung zum strengen Niederstwertprinzip von T€ 184 auf den Marktpreis zum Stichtag 31. März 2024 vorgenommen.

(3.5) Forderungen und sonstige Vermögensgegenstände

	31.03.2024 T€	31.03.2023 T€
Forderungen aus Lieferungen und Leistungen	35.383	53.254
Forderungen gegen verbundene Unternehmen	131.759	248.476
Forderungen gegen Unternehmen, mit denen ein Beteiligungsverhältnis besteht	24.446	23.675
Sonstige Vermögensgegenstände	15.722	20.674
	207.310	**346.079**

Aufgrund des im Jahr 2007 mit der Novelis AG, Zürich, Schweiz geschlossenen Factoringvertrages werden bestimmte Forderungen aus Lieferungen und Leistungen an die Novelis AG monatlich verkauft (siehe auch Haftungsverhältnisse in Abschnitt 10 und 11).

Zur kurzfristigen Umsatzfinanzierung werden zudem Forderungen aus Lieferungen und Leistungen an eine ausländische Bank verkauft. Die rechtswirksam verkauften Forderungen werden nicht mehr im Abschluss der Gesellschaft ausgewiesen.

Die Forderungen sowie die sonstigen Vermögensgegenstände sind innerhalb eines Jahres fällig. Zur Deckung des allgemeinen Kreditrisikos wurde von den Forderungen aus Lieferungen und Leistungen eine Pauschalwertberichtigung abgesetzt. Der Wertberichtigungssatz liegt zwischen 0,5 % und 1,32 %.

Die Forderungen gegen verbundene Unternehmen enthalten T€ 89.155 (Vorjahr T€ 176.908) an Finanzforderungen, davon T€ 85.000 aus Darlehen gegen die alleinige Gesellschafterin Novelis Aluminium Holding Unlimited Company.

Die Forderungen umfassen Forderungen aus Lieferungen und Leistungen gegen verbundene Unternehmen in Höhe von T€ 29.593 (Vorjahr T€ 49.586). Die Forderungen aus Lieferungen und Leistungen gegen verbundene Unternehmen sind innerhalb eines Jahres fällig.

Des Weiteren besteht zum Bilanzstichtag eine Forderung gegen die Novelis SIG GmbH von T€ 13.011 (Vorjahr T€ 21.982) aus der Ergebnisabführung 2023/2024.

Die Forderungen gegen Unternehmen, mit denen ein Beteiligungsverhältnis besteht, in Höhe von T€ 24.446 (Vorjahr T€ 23.674), betreffen kurzfristige Finanzforderungen.

(3.6) Eigenkapital

Alleiniger Gesellschafter der Novelis Deutschland GmbH ist die Novelis Aluminium Holding Unlimited Company, Dublin, Irland.

(3.7) Rückstellungen

	31.03.2024 T€	**31.03.2023 T€**
Rückstellungen für Pensionen und ähnliche Verpflichtungen	240.053	247.816
Sonstige Rückstellungen	95.010	99.583
	335.063	**347.399**

Die Rückstellungen für Pensionsverpflichtungen belaufen sich zum 31. März 2024 auf T€ 240.053 (Vorjahr T€ 247.816). Der hierbei zu Grunde gelegte Zinssatz beträgt 1,83%. Die Entgeltsteigerung wurde für das Jahr 2024 mit 3,3% bewertet und ab 2025 wurde die jährliche Entgeltsteigerung mit 2,75 % festgelegt. Für die Rentensteigerung erfolgt eine Anpassung mit 2,0 %.

Zum 31. März 2024 werden die Rückstellungen für Pensionsverpflichtungen mit Deckungsvermögen in Höhe von T€ 728 verrechnet. Es ergibt sich ein Erfüllungsbetrag aus Pensionsverpflichtungen – inklusive verbleibender Unterdeckung von T€ 0 (Vorjahr 1.757) - in Höhe von T€ 240.781. Die Erträge aus dem Deckungsvermögen (T€ 32) wurden von der Aufzinsung der Rückstellung (T€ 2.915) abgezogen. Der sich ergebende

Saldo von T€ 2.883 wird unter den „Sonstige Zinsen und ähnliche Aufwendungen“ ausgewiesen.

Die Rückstellung für Pensionen gegenüber früheren Mitgliedern der Geschäftsführung der Gesellschaft belaufen sich am 31. März 2024 auf T€ 3.367 (Vorjahr T€ 6.265).

Der Unterschiedsbetrag nach § 253 Abs. 6 S. 1 HGB, der sich aus der Anwendung des durchschnittlichen Marktzinssatzes der vergangenen 10 statt 7 Jahre ergibt, beträgt T€ 1.115.

Die versicherungsmathematischen Annahmen zur Bewertung der Verpflichtungen aus Altersteilzeit und Jubiläumszahlungen wurden mit einem durchschnittlichen Marktzinssatz der vergangenen 7 Jahre angesetzt; die Verpflichtung Jubiläum wurde mit einer Restlaufzeit von 15 Jahren unterstellt. Die Verpflichtung aus Altersteilzeit wurde mit einer Restlaufzeit von 2 Jahren bewertet. Die jährliche Entgeltsteigerung wurde ab 2025 mit 2,75 % festgelegt, für 2024 mit der festgelegten Steigerung laut Tarifvertrag bewertet.

Die Altersteilzeitverpflichtungen werden zum 31. März 2024 mit Deckungsvermögen in Höhe von T€ 3.375 verrechnet. Der Erfüllungsbetrag aus Altersteilzeitverpflichtungen besteht in Höhe von T€ 7.071. Erträge aus dem Deckungsvermögen wurden nicht realisiert, eine Saldierung gemäß § 246 Abs. 2 Satz 2 HGB konnte nicht angewendet werden. Der Zinsaufwand von T€ 8 ist unter dem Posten „Zinsen und ähnliche Aufwendungen“ enthalten.

Die sonstigen Rückstellungen enthalten im Wesentlichen Rückstellungen für noch nicht berechnete Lieferungen und Leistungen (T€ 27.838; Vorjahr T€ 28.478), Rückstellungen für Restrukturierungsmaßnahmen (T€ 1.171; Vorjahr T€ 1.194), Rückstellungen für Mehrarbeit und Urlaubsentgelt (T€ 7.914; Vorjahr T€ 8.131), Rückstellungen für Leistungsprämien (T€ 3.495; Vorjahr T€ 3.566) Rückstellungen für Altersteilzeit nach Saldierung mit Deckungsvermögen (T€ 3.697; Vorjahr T€ 4.155) sowie Reklamationsrückstellungen (T€ 3.534; Vorjahr T€ 5.862). Des Weiteren besteht eine Rückstellung für Rückzahlungsverpflichtungen gegenüber Kunden infolge gesunkener Metallpreise (T€ 8.690; Vorjahr T€ 15.011).

Die Rückstellungen für drohende Verluste aus schwebenden Geschäften (T€ 2.181; Vorjahr T€ 183) wurden, ausgehend von den Verkaufspreisen der Aufträge des Auftragsbestands, mit Hilfe der Rückrechnung auf Basis von Vollkosten ermittelt. Darüber hinaus wurde eine Rückstellung für drohende Verluste aus Devisentermin- und Aluminiumtermingeschäften (T€ 26.940; Vorjahr T€ 24.116) passiviert.

(3.8) Verbindlichkeiten

	31.03.24 T€	Fällig innerhalb 1 Jahres T€	Fälligkeit größer als 1 Jahr T€	31.03.23 T€	Fällig innerhalb 1 Jahres T€	Fälligkeit größer als 1 Jahr T€
Verbindlichkeiten aus Lieferungen und Leistungen	200.442	200.442	0	244.058	244.058	0
Verbindlichkeiten gegenüber verbundenen Unternehmen 1), 2), 3), 4)	207.729	207.729	0	335.755	335.755	0
Verbindlichkeiten gegenüber Unternehmen, mit denen ein Beteiligungs-verhältnis besteht 5)	54.116	54.116	0	57.815	57.815	0
Sonstige Verbindlichkeiten 6)	19.024	16.518	2.506	34.428	30.393	4.035
	481.311	**478.805**	**2.506**	**672.056**	**668.021**	**4.035**
1) Davon aus Lieferungen und Leistungen	131.215			162.835		
2) Davon aus Cash Pooling	43.309			42.866		
3) Davon Verbindlichkeit aus Verlustübernahme Novelis Deutschland Holding GmbH Koblenz	0			39		
4) Davon Verbindlichkeit aus Ergebnisabführung	33.206			130.015		
5) Davon aus Lieferungen und Leistungen	54.116			57.815		
6) Davon aus Steuern	13.423			18.726		

Verbindlichkeiten mit einer Restlaufzeit von mehr als 5 Jahren bestehen zum Bilanzstichtag nicht.

Es besteht gegenüber der Gesellschafterin Novelis Aluminium Holding Unlimited Company, Dublin, Irland, eine Verbindlichkeit von T€ 33.206 aus der Ergebnisabführung 2023/2024.

(4) GEWINN- UND VERLUSTRECHNUNG

(4.1) Umsatzerlöse

Geographische Aufteilung	2023/24	2022/23
	T€	T€
Inland	645.542	799.576
Europäische Union ohne Inland	1.271.387	1.715.511
Restliches Europa	1.100.496	1.168.035
Fernost	22.315	30.090
Nordamerika	38.878	90.115
Übriges Ausland	18.350	22.878
	3.096.968	**3.826.206**

Aufteilung nach Tätigkeitsbereichen	2023/24	2022/23
	T€	T€
Walzprodukte	2.982.095	3.702.037
Folien und Folienprodukte	63.016	71.225
Industrieprodukte	28.570	29.526
Nebenumsätze	23.287	23.418
	3.096.968	**3.826.206**

(4.2) Allgemeine Verwaltungskosten

Die allgemeinen Verwaltungskosten umfassen unter anderem die Umlage der Novelis Inc. Wesentliche periodenfremde Aufwendungen sind im Berichtszeitraum nicht angefallen.

(4.3) Sonstige betriebliche Erträge

Der Posten enthält periodenfremde Erträge in Höhe von T€ 10.592 (Vorjahr T€174.859) aus der Auflösung von Rückstellungen, davon entfallen T€ 5.974 (Vorjahr T€ 172.255) auf Erträge aus der Auflösung von Drohverlustrückstellungen für Derivate, sowie periodenfremde Erträge in Höhe von T€ 1.222 aus öffentlichen Zuschüssen. Erträge von außergewöhnlicher Größenordnung sind aus realisierten Derivaten in Höhe von T€ 51.496 enthalten.

(4.4) Sonstige betriebliche Aufwendungen

Wesentliche Posten innerhalb der sonstigen betrieblichen Aufwendungen sind die Aufwendungen für Dienstleistungsgebühren, Aufwendungen für Forschung und Entwicklung, die von verbundenen Unternehmen in Rechnung gestellt worden sind, sowie Aufwendungen für die Bildung von Rückstellungen für Sicherungsgeschäfte. Wesentliche periodenfremde Aufwendungen sind im Berichtszeitraum nicht angefallen. Die in den sonstigen betrieblichen Aufwendungen ausgewiesenen sonstigen Steuern betragen T€ 167 (Vorjahr T€ 717).

Aufwendungen ergeben sich aus der Zuführung zur Drohverlustrückstellung für Metallderivate in Höhe von T€ 26.213 (Vorjahr T€ 21.178) sowie für Währungsderivate in Höhe von T€ 728 (Vorjahr T€ 2.936).

Die Aufwendungen für Dienstleistungsgebühren von verbundenen Unternehmen betragen T€ 40.839 (Vorjahr T€ 30.760) sowie für Forschung- und Entwicklung T€ 12.412 (Vorjahr T€ 16.080).

Des Weiteren sind in den sonstigen Aufwendungen in Folge der BilMoG-Umstellungen zur Berücksichtigung von Erfüllungswerten bei der Ermittlung der Pensionsrückstellungen T€ 1.757 (Vorjahr T€ 1.757) erfasst (Aufwendungen nach Artikel 67 Absatz 1 und 2 EGHGB).

(4.5) Ertrag aus Gewinnübernahme, Erträge aus Ausleihungen des Finanzanlagevermögens, sonstige Zinsen und ähnliche Erträge sowie Zinsen und ähnliche Aufwendungen

Die Erträge aus Ausleihungen des Finanzanlagevermögens enthalten Zinsen aus verbundenen Unternehmen in Höhe von T€ 595 (Vorjahr T€ 1.773).

Die sonstigen Zinsen und ähnlichen Erträge beinhalten in Höhe von T€ 4.705 (Vorjahr T€ 5.126) Darlehenszinsen aus verbundenen Unternehmen.

Die Zinsen und ähnlichen Aufwendungen enthalten Zinsen an verbundene Unternehmen in Höhe von T€ 21.958 (Vorjahr T€ 11.108).

Für die Aufzinsung von langfristigen Rückstellungen nach Saldierung von Zinserträgen aus dem jeweiligen Deckungsvermögen sind T€ 2.891 (Vorjahr T€ 4.783) angefallen.

Als Ertrag von außergewöhnlicher Größenordnung ist der Ertrag aus der Gewinnübernahme des Ergebnisses der Novelis Sheet Ingot GmbH in Höhe von T€ 13.011 (Vorjahr T€ 21.982) zu nennen.

(4.6) Steuern vom Einkommen und vom Ertrag

Es besteht ein Organschaftsverhältnis mit der Novelis Aluminium Holding Unlimited Company als Organträgerin. Sämtliche inländischen Ertragsteuern werden auf Ebene der Organträgerin erfasst. Ein Ertragssteueraufwand ist in den von der Novelis Deutschland GmbH unterhaltenen ausländischen Vertriebsbüros im Vertriebsbüro Finnland in Höhe von T€ 2,6 sowie im Vertriebsbüro Niederlande in Höhe von T€ 5,4 angefallen.

(5) MATERIALAUFWAND

	2023/24 T€	2022/23 T€
Roh-, Hilfs- und Betriebsstoffe	2.435.367	3.213.384
Bezogene Waren	4.959	5.926
	2.440.326	**3.219.309**
Bezogene Leistungen	292.676	314.154
	2.733.022	**3.533.463**

(6) PERSONALAUFWAND

	2023/24 T€	2022/23 T€
Löhne und Gehälter	129.376	126.036
Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung	24.327	56.531
davon Aufwendungen für Altersversorgung	-1	32.547
	153.703	**182.567**

(7) AUFWENDUNGEN FÜR ORGANE DER GESELLSCHAFT

	2023/24 T€
Aufsichtsrat	64
Beiträge zur Lebensversicherung für frühere Geschäftsführer und Hinterbliebene von Geschäftsführern	6
	70

Unter Verweis auf § 286 Abs. 4 HGB unterbleibt die Angabe der Geschäftsführerbezüge. Die Gesamtbezüge an frühere Geschäftsführer und Hinterbliebene von Geschäftsführern betrugen im Geschäftsjahr T€ 983.

(8) ORGANE DER GESELLSCHAFT

Mitglieder des Aufsichtsrats

Emilio Braghi	Senior Vice President Novelis Inc., President Novelis Europe, Vorsitzender Aufsichtsrat
Heiko Henne*	Vorsitzender GBV
Axel Weber *	1. Bevollmächtigter, IG Metall Magdeburg-Schönebeck

Dieter Salewski*	Betriebsratsvorsitzender Nachterstedt, Stellvertretender Vorsitzender
Fortunato Llamido Lucido	Regional Counsel, Novelis Europe
André Sander*	Gewerkschaftssekretär, IG Metall Süd-Niedersachsen-Harz (Niederlegung seines Amtes zum 31.12.2023; ein Antrag auf Bestellung von Herrn Ali Yener als Nachfolger ist erfolgt)
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
Denis Hammer *	Betriebsratsmitglied Novelis Koblenz GmbH
Gabriella Honti	Director Regional Procurement

* Vertreter der Arbeitnehmer

Mitglieder der Geschäftsführung

Dirk Nörthemann	Geschäftsführer Produktion, Supply Chain, Umwelt, Arbeitssicherheit und Gesundheitsschutz
Siegfried Adloff	Geschäftsführer Finanzen und Controlling, Steuern und Abgaben, Zoll, Kommerzielle Verträge
Nils Leonhardt	Geschäftsführer Personal, Datenschutz, Recht, IT

(9) MITARBEITER (durchschnittliche Mitarbeiterzahl)

	2023/24	**2022/23**
Produktion	1.548	1.568
Verwaltung und Vertrieb	228	217
Sonstige	41	56
	1.817	1.841
Auszubildende	86	73
	1.903	**1.914**

(10) 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 GmbH stehen, zur Sicherheit übereignet.

Im April 2020 wurden Darlehen in Höhe von 775 Mio. USD zur teilweisen Finanzierung der Übernahme von Aleris in Anspruch genommen. Nach teilweiser Tilgung waren im September 2023 noch 750 Mio. USD in Anspruch genommen. Im September 2023 wurde der Restbetrag von 750 Mio. US$ durch neue Term Loans in Höhe von 750 Mio. US$ refinanziert, wodurch sich das Fälligkeitsdatum bis September 2026 verlängerte.

Im März 2021 wurden neue Term Loans in Höhe von 500 Mio. US$ ausgegeben, um einen Teil der 1,8 Mrd. US$ Term Loan Facility zurückzuzahlen. Ein weiterer Teil davon wurde im März 2021 durch die Ausgabe einer grünen Anleihe in Höhe von 500 Mio. € (entspricht 588 Mio. US$) zurückgezahlt.

Von allen Term Loans verbleiben am Ende des Geschäftsjahres 2024 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.

Sie hat nach wie vor in diesem Zusammenhang einen Großteil ihrer bestehenden und zukünftigen Forderungen aus Lieferungen und Leistungen an die Novelis AG, Schweiz, verkauft. Die Novelis AG tritt die so erworbenen Forderungen zur Sicherheit an die Sicherungsnehmer ab. Die Forderungen werden weiterhin von der Gesellschaft verwaltet und auf ein Konto der Novelis AG eingezahlt.

Die Gesellschaft hat sämtliche Forderungen an die Sicherungsnehmer zur Sicherheit abgetreten (Globalzession). Der Ergebnisabführungsvertrag zwischen der Novelis Deutschland GmbH und der Novelis Aluminium Holding Unlimited Company ist aufrecht zu erhalten. 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.

Das Unternehmen hat alle Rechte an geistigem Eigentum als Sicherheit an den Sicherungsnehmer abgetreten.

Die Gesellschaft hat als Sicherungsgeberin den Sicherungsnehmern sämtliche gewerbliche Schutzrechte, die im Eigentum der Novelis Deutschland GmbH 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.

(11) SONSTIGE FINANZIELLE VERPFLICHTUNGEN UND AUSSERBILANZIELLE GESCHÄFTE

Sonstige finanzielle Verpflichtungen setzen sich zusammen aus Miet- und Operating-Lease-Verträgen in Höhe von € 16,6 Mio. sowie Verpflichtungen aus Bestellobligo für Investitionen in Höhe von € 9,5 Mio. Davon sind im Geschäftsjahr 2024/2025 € 16,9 Mio. auszahlungswirksam. € 9,2 Mio. sind auszahlungswirksam bis zum 31. März 2030.

Die Novelis Deutschland GmbH hat im Jahr 2003 ein Joint Venture Agreement mit der ALUMINIUM NORF GmbH, Neuss, über deren Tätigkeit als Lohnfertiger für die Gesellschaft geschlossen. Vorteile aus dieser Vereinbarung ergeben sich als Folge der Errichtung eines der größten Aluminiumwalz- und Schmelzwerke der Welt und konkretisieren sich in niedrigen Durchschnittskosten, effizienten Prozessen und einem hohen Fertigungs-Know-how. Risiken und Chancen aus der Markt- und Produktentwicklung sowie der Aluminiumversorgung liegen unmittelbar bei der Novelis Deutschland GmbH.

Gemäß einer Vereinbarung mit dem Mitgesellschafter Speira GmbH (vormals Hydro Aluminium Rolled Products GmbH) sind die Gesellschafter verpflichtet, an die ALUMINIUM NORF GmbH, Neuss, eine Bereitstellungsgebühr entsprechend ihrer Beteiligungsquote zu zahlen. Diese Gebühr wird im Geschäftsjahr 2024/2025 € 87,2 Mio. betragen.

Die Gesellschaft hat im Jahr 2007 einen Factoring-Vertrag mit dem verbundenen Unternehmen Novelis AG, Zürich, Schweiz, geschlossen sowie im Jahr 2015 einen weiteren Factoring-Vertrag mit einer ausländischen Bank. Mit dem Factoring werden die Liquidität und der Finanzmittelfond der Gesellschaft gestärkt. Das Risiko von Forderungsausfällen geht vollständig auf die Novelis AG, Zürich, Schweiz, bzw. die ausländische Bank über, da die Forderungen abschließend verkauft werden.

(12) DERIVATIVE FINANZINSTRUMENTE

Derivative Finanzinstrumente werden zur Absicherung von Risikopositionen aus Rohstoffpreis- und Währungsschwankungen eingesetzt.

Die Aluminiumtermingeschäfte decken zum Bilanzstichtag Aluminiumpreisrisiken aus vertraglich vereinbarten Grundgeschäften. Bis zum 31. März 2012 bildeten das vertraglich vereinbarte Grundgeschäft und das Sicherungsgeschäft eine Bewertungseinheit. Im Berichtsjahr 2013 wurde zur Einzelbewertung optiert.

Der Marktwert der Rohstoffpreissicherungsgeschäfte enthält negative beizulegende Zeitwerte in Höhe von € 26,2 Mio., für die eine Drohverlustrückstellung passiviert wird.

Die Devisentermingeschäfte decken zum Bilanzstichtag Fremdwährungsrisiken aus vertraglich vereinbarten Grundgeschäften. Hauptsächlich sind sie auf eine Beschaffung von US$ (€ 28,3 Mio.), GBP (€ 43,7 Mio.) und CHF (€ 11,9 Mio.) sowie den Verkauf von US$ (€ 33,8 Mio.), GBP (€ 14,0 Mio.) und CHF (€ 12,3 Mio.) gerichtet. Der Marktwert der Währungssicherungsgeschäfte enthält negative beizulegende Zeitwerte in Höhe von € 0,7 Mio., für die eine Drohverlustrückstellung passiviert wird. Zum Bilanzstichtag wurden keine Bewertungseinheiten mit Währungssicherungsgeschäften gebildet.

Der Nominal- und Marktwert der am Bilanzstichtag bestehenden derivativen Finanzinstrumente stellen sich wie folgt dar:

Mio. €	**Nominalvolumen**			**Marktwerte**	
	Kauf	**Verkauf**	**Summe**	**Summe**	**Summe Vorjahr**
Devisentermingeschäfte	83,9	60,1	144,0	0,06	0,16
Devisenswaps	0,0	0,0	0,0	0,00	0,00
Währungssicherungsgeschäfte	**83,9**	**60,1**	**144,0**	**0,06**	**0,16**
Aluminiumtermingeschäfte	32,4	134,1	166,5	-9,36	3,88
Rohstoffpreissicherungsgeschäfte	**32,4**	**134,1**	**166,5**	**-9,36**	**3,88**

Die Nominalwerte sind die Summe aller den Geschäften zugrundeliegenden Kauf- oder Verkaufsbeträge. Die ausgewiesenen Marktwerte entsprechen dem Saldo aus positiven und negativen Marktwerten. Die Marktwerte entsprechen den beizulegenden Zeitwerten, die auf der Basis von Bloomberg-Kursen ermittelt wurden.

Die Währungskursgewinne und -verluste aus Devisenderivaten und den entsprechenden Grundgeschäften werden in der Gewinn- und Verlustrechnung als Nettoausweis dargestellt, um den Gesamtwährungseffekt zu zeigen und somit die Aussagekraft des Jahresabschlusses zu erhöhen. Zum Bilanzstichtag setzen sich, die unter den sonstigen betrieblichen Erträgen dargestellten Kursgewinne wie folgt zusammen:

Mio. €	**Aufwand**	**Ertrag**	**Summe**	**Summe Vorjahr**
Grundgeschäfte	-152,2	152,2	0,0	2,0
Devisengeschäfte	-15,0	16,5	1,5	5,9
			1,5	**7,9**

In den Kursverlusten sind unrealisierte Aufwendungen aus der Umrechnung zum Devisenkassamittelkurs in Höhe von € 2,1 Mio. (Vorjahr: unrealisierte Erträge i.H.v. € 1,6 Mio.) enthalten.

(13) SONSTIGE ANGABEN

Da die vorhandenen Verlustvorträge in der Novelis Deutschland Holding GmbH, Koblenz, den Gewinn des Geschäftsjahres 2023/2024 übersteigen, kommt es zu keiner

Gewinnausschüttung an die Novelis Deutschland GmbH. Eine Gewinnausschüttung von der Novelis Deutschland Holding GmbH kann erst erfolgen, wenn diese ihre Verlustvorträge vollständig ausgeglichen hat.

(14) GESCHÄFTE MIT NAHE STEHENDEN UNTERNEHMEN UND PERSONEN

Im Rahmen der normalen Geschäftstätigkeit unterhält die Novelis Deutschland GmbH Geschäftsbeziehungen zu zahlreichen Unternehmen, darunter auch verbundene Unternehmen. Soweit 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.

Die Einkäufe vom Beteiligungsunternehmen ALUMINIUM NORF GmbH werden der Novelis Deutschland GmbH nach der Kostenaufschlagsmethode mit einem Risikozuschlag von 0,7 % berechnet. Die sich daraus ergebenden Herstellungskosten belaufen sich im Geschäftsjahr 2023/2024 auf € 257,2 Mio. (Vorjahr: € 302,5 Mio.) Weiterhin wird der ALUMINIUM NORF GmbH zu einem festen Zinssatz von 1,1 % ein Darlehen gewährt. Das Darlehen wurde in Höhe von € 24,4 Mio. im FY24 gezogen.

(15) GESAMTHONORAR DES ABSCHLUSSPRÜFERS

Das berechnete Gesamthonorar des Abschlussprüfers für Abschlussprüfungsleistungen beträgt T€ 501 (Vorjahr: T€ 441). Es sind Leistungen für Energieanträge in Höhe von T€ 42 in der Novelis Deutschland GmbH angefallen.

(16) Ergebnisverwendung

Das positive Jahresergebnis für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024 wird aufgrund des bestehenden Ergebnisabführungsvertrages an die Novelis Aluminium Holding Unlimited Company, Dublin, Irland, abgeführt. Eine entsprechende Verbindlichkeit gegenüber verbundenen Unternehmen ist erfasst.

(17) Nachtragsbericht

Vorgänge von besonderer Bedeutung nach dem Schluss des Geschäftsjahres haben sich nicht ereignet.

Göttingen, den 30. April 2024

Novelis Deutschland GmbH

Siegfried Adloff Dirk Nörthemann Nils Leonhardt

Novelis Deutschland GmbH, Göttingen

Anlagenspiegel (Anlage zum Anhang)

Entwicklung des Anlagevermögens
im Geschäftsjahr vom 1. April 2023 bis 31. März 2024

	Anschaffungskosten				
	01.04.2023	Zugänge	Umbu-chungen	Abgänge	31.03.2024
	€	€	€	€	€
I. Immaterielle Vermögensgegenstände					
Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte, und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	**30.066.313**	0	288.713	63.345	**30.291.681**
	30.066.313	0	288.713	63.345	**30.291.681**
II. Sachanlagen					
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	**132.186.616**	0	3.295.351	59.053	**135.422.914**
2. Technische Anlagen und Maschinen	**427.170.181**	0	8.626.614	6.444.468	**429.352.327**
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	**120.701.525**	0	8.663.385	6.453.977	**122.910.933**
4. Geleistete Anzahlungen und Anlagen im Bau	**37.751.971**	45.433.411	-20.874.063	0	**62.311.318**
	717.810.293	45.433.411	-288.713	12.957.498	**749.997.492**
III. Finanzanlagen					
1. Anteile an verbundenen Unternehmen	**379.934.333**	0	0	65.000.000	**314.934.333**
2. Ausleihungen an verbundene Unternehmen	**19.000.000**	0	0	19.000.000	**0**
3. Beteiligungen	**30.836.000**	0	0	0	**30.836.000**
	429.770.333	**0**	**0**	**84.000.000**	**345.770.333**
	1.177.646.939	**45.433.411**	**0**	**97.020.843**	**1.126.059.506**

Abschreibungen				Restbuchwerte	
01.04.2023	Zugänge	Abgänge	31.03.2024	31.03.2024	31.03.2023
€	€	€	€	€	€
27.889.756	1.205.122	63.345,00	**29.031.533**	**1.260.148**	**2.176.557**
27.889.756	1.205.122	63.345	**29.031.533**	**1.260.148**	**2.176.557**
82.415.839	2.850.392	59.052,00	**85.207.179**	**50.215.735**	**49.770.777**
376.851.822	12.775.866	6.296.356	**383.331.332**	**46.020.995**	**50.318.359**
86.568.426	7.230.800	3.595.647	**90.203.579**	**32.707.354**	**34.133.099**
0	0	0	**0**	**62.311.318**	**37.751.971**
545.836.087	22.857.058	9.951.055	**558.742.090**	**191.255.402**	**171.974.206**
31.750.000	4.000.000	0	**35.750.000**	**279.184.333**	**348.184.333**
0	0	0	**0**	**0**	**19.000.000**
136.000	0	0	**136.000**	**30.700.000**	**30.700.000**
31.886.000	4.000.000	0	**35.886.000**	**309.884.333**	**397.884.333**
605.611.843	**28.062.180**	**10.014.400**	**623.659.623**	**502.399.883**	**572.035.096**

Novelis Deutschland GmbH, Göttingen

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

An die Novelis Deutschland GmbH, Göttingen

Prüfungsurteile

Wir haben den Jahresabschluss der Novelis Deutschland GmbH, Göttingen, – bestehend aus der Bilanz zum 31. März 2024 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft. Darüber hinaus haben wir den Lagebericht der Novelis Deutschland GmbH für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 geprüft. Die Erklärung zur Unternehmensführung nach § 289f Abs. 4 HGB (Angaben zur Frauenquote) haben wir in Einklang mit den deutschen gesetzlichen Vorschriften nicht inhaltlich 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 2024 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 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. Unser Prüfungsurteil zum Lagebericht erstreckt sich nicht auf den Inhalt der oben genannten Erklärung zur Unternehmensführung.

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.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen die Erklärung zur Unternehmensführung nach § 289f Abs. 4 HGB (Angaben zur Frauenquote) als nicht inhaltlich geprüften Bestandteil des Lageberichts.

Unsere Prüfungsurteile zum Jahresabschluss und zum Lagebericht erstrecken sich nicht auf die sonstigen Informationen, und dementsprechend geben wir weder ein Prüfungsurteil noch irgendeine andere Form von Prüfungsschlussfolgerung hierzu ab.

Im Zusammenhang mit unserer Prüfung haben wir die Verantwortung, die oben genannten sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen

- wesentliche Unstimmigkeiten zum Jahresabschluss, zu den inhaltlich geprüften Lageberichtsangaben oder zu unseren bei der Prüfung erlangten Kenntnissen aufweisen oder
- anderweitig wesentlich falsch dargestellt erscheinen.

Verantwortung der gesetzlichen Vertreter und des Aufsichtsrats 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.

Der Aufsichtsrat ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft zur Aufstellung des Jahresabschlusses und des Lageberichts.

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 30. April 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

digitally signed by

Christian Kwasni
Wirtschaftsprüfer

digitally signed by

ppa. Jürgen Körbel
Wirtschaftsprüfer

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
WIRTSCHAFTS-PRÜFUNGS-GESELLSCHAFT
SIEGEL
FRANKFURT AM MAIN

Novelis Deutschland GmbH, Göttingen

Leerseite aus bindetechnischen Gründen

Novelis Deutschland GmbH, Göttingen

Novelis Deutschland GmbH

Goettingen

Annual Financial Statements as of March 31, 2024
and Management Report for Financial Year 2023/2024

Auditor's Report

(Translation - the German text is authoritative)

Novelis Deutschland GmbH, Göttingen

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Novelis Deutschland GmbH, Göttingen

Novelis Deutschland GmbH, Goettingen

Management Report for Financial Year 2023/2024

1. Markets, objects, and performance indicators of the company

With 4 production sites in Germany, Novelis Deutschland GmbH offers 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 excellent 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, aluminum converter foil (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). Furthermore, solutions for extruded cable and tube strip production are offered.

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. Metal inventories are managed by Novelis Deutschland GmbH. The company also includes Novelis Sheet Ingot GmbH ("SIG"), Novelis Koblenz GmbH ("NK") and Novelis Casthouse Germany GmbH ("NCG") as wholly owned subsidiaries via Novelis Deutschland Holding GmbH ("NDH"). SIG, which has a recycling plant in Nachterstedt, manufactures cast products on a reworking basis and exclusively for Novelis AG, Küsnacht. The company's earnings are therefore essentially determined by the output volume and the reworking costs. The maximum annual sales volume is 400 kt.

NK 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 the holding and management of the assets required for this purpose.

Global economic output increased by +3.0% year-on-year in 2023. The US economy achieved growth of +2.4% and economic growth in the eurozone fell to +0.4%, with the German economy shrinking by -0.3%. Over the year as a whole, China once again recorded higher economic growth of +5.2% compared to the previous year. (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$ 2,134 per tonne in August 2023 to US$ 2,341 per tonne in April 2023. The average price for the financial year was US$ 2,202 per tonne. Aluminum price as of March 31, 2024, was US$ 2,183 per tonne which represents a price decrease of 11% compared to March 31, 2023 (US$ 2,471 per tonne). In Euro, the price decreased was almost identical by approximately 22% due to the almost unchanged currency relation.

The company applies the operating EBITDA (earnings according to US GAAP rules before depreciation, amortization, interest, taxes, unrealized gains and losses from hedging and group allocations) as the most important financial performance indicator. Differences to EBITDA in accordance with German Commercial Law (HGB) result primarily from different measurement of inventories and provisions (in particular pension obligations)

The main non-financial performance indicators represent the sales tonnage of rolled products 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 continued rise in inflation. In particular, in our Goettingen plant, where we were unable to utilize the lines for the construction and can industry as we had forecast. However, our Alu Norf joint venture also failed to achieve the expected level of capacity utilization, mainly due to lower than planned can body production because of lower call-offs from our customers.

The other Novelis Deutschland GmbH plants were in good to very good shape.

Overall, the total sales volume of 908.9 kt was 53.0 kt lower than the previous year (961.9 kt). Compared to the planned total sales volume (939.7 kt), we lost 30.8 kt. The lower sales volumes compared to the previous year were mainly due to Can and Specialties. The lower tonnages vs. forecast were mainly driven by the above-mentioned value streams.

At 789.7 kt, rolled product tonnage was 43.2 kt below the previous year (832.9 kt). For financial year 2023/2024 we expected a slightly increased sales volume of 858.2 kt for rolled products and this was missed by 68.5 kt. Therefore, we were lower than forecasted in the value streams Can und Specialties.

In the financial year 2023/2024 sales volume of Novelis Deutschland GmbH in segment aluminum beverage can (**Can**) was 33.6 kt below the previous year. The main reasons for the lower sales volume are the reduction in inventories at key customers and macroeconomic developments in Europe, particularly inflation, which led to subdued demand for beverage cans.

In the Automotive business, we exceeded the expected volumes for the fiscal year, which is primarily due to the so-called "pent-up demand", i.e., the pent-up demand following the semiconductor crisis and other disruptions in the supply chain in previous years.

Demand in the **Specialties** division remained weak, which was particularly evident in the construction sector due to higher interest rates and high inflation.

In the anodizing segment, the predicted decline in the construction industry materialized. This development had an impact on the supply/demand structure. Due to the lower demand, the demand for building materials could be better met. As a result, the pressure on market prices has increased. The Federal Ministry for Research on Building, Urban Affairs and Spatial Development (BBSR) forecasts a year-on-year change in construction prices of -3.2% in 2024 and -5.5% in 2025[1]. Despite the enormous pressure, prices in the anodizing sector have remained stable.

In the Painted Products segment, we recorded a decline in sales tonnage compared to the previous year. A higher margin slightly compensated for the loss in sales. The Industrial Products segment developed very positively in the financial year. Stable demand for cartridge products and a high proportion of bottles & housings improved the product mix towards greater vertical integration. The outlook for the 2024/25 financial year is generally positive, as key customers have held out the prospect of stable sales in the coming year.

The Continental Foil segment was slightly below plan in the 2024 financial year. The year was dominated by the draft regulation on packaging and packaging waste (PPWR), which would directly affect single-serve coffee capsules. The European Union wanted to implement requirements to maximize the sustainability of packaging. To this end, the draft proposed that individual coffee portions must be compostable[2]. Fortunately, the draft was amended during the year so that the ban on single-use capsules does not come into effect. However, packaging materials must be recyclable multiple times[3]. The year was also characterized by price wars between retail chains and product manufacturers, meaning that some products were not available in supermarkets[4].

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[1] https://www.bbsr.bund.de/BBSR/DE/forschung/fachbeitraege/bauen/bauwirtschaft/baupreisprognose/baupreisprognose.html#:~:text=Im%20Jahr%202024%20wird%20mit,Auftrag%20des%20BBSR%20erstellt%20hat.

[2] European Bioplastics supports EU-proposal for capsules - packaging journal (packaging-journal.de)

[3] https://www.europarl.europa.eu/doceo/document/PV-9-2023-11-22-VOT_EN.pdf

[4] https://www.rundschau.de/artikel/edeka-mars-hat-lieferstopp-verhaengt

The Cable segment was characterized by significant, inflation-driven cost increases in the calendar year. Among other things, the ECB's[5] five key interest rate hikes put considerable cost pressure on the largely debt-financed project business in the area of energy expansion, particularly in the second half of the year. Manufacturers of energy cables responded by massively reducing their inventories in the last quarter of the calendar year in preparation for the annual financial statements.

In the OHLER® Flexrohre segment, the recently sharply increased price level was kept stable in the price negotiations concluded with customers from the automotive and caravan markets. Sales development is at the previous year's level.

The restrained demand in the food service market is clearly noticeable in OHLER® Packaging's standard range. Even a further, albeit moderate, price reduction in the retail segment has not yet led to an increase in incoming orders. In contrast, the positive trend in the airline business is currently continuing. The proportion of products made from High Recycling Content alloys remains at a pleasing level for us.

3. Earning position

The sales volume for rolled products in the financial year 2023/2024 amounted to 789.7 kt and was therefore 8% below our forecast for the year and approximately 5% below the previous year's sales volume.

The **Can** segment recorded a decline in sales in the past financial year 2023/2024 and is below the planned level and the previous year's level. The main drivers for this are, on the one hand, a reduction in inventories at key customers, who had significantly increased their stocks in the wake of Covid and the associated sharp rise in demand for beverage cans. Secondly, macroeconomic developments in Europe (especially inflation) led to subdued demand for beverage cans.

In the **Automotive** segment, demand for new vehicles and, as a result, demand for Novelis Automotive Aluminium in the financial year 2023/2024 is still positively influenced by pent-up demand following the semiconductor crisis. Sales volumes were up on the previous year and above plan. We were also able to achieve an improvement in conversion prices (conversion premium) compared to the target figures. Accordingly, we can report an extremely successful financial year for the Automotive Value Stream.

In the Specialties segment, we were unable to achieve our sales volumes and, driven by the weaker construction industry, were 8% below forecast, particularly for Painted products; we were also unable to achieve our forecasts for the other products.

Despite the lower sales volumes, we achieved operating EBITDA of € 111.2 million in the financial year (previous year: € 57.9 million), significantly exceeding our forecast of € 85.2 million for the year. This was mainly due to lower costs from our Alu Norf joint venture as well as lower energy, freight and

[5] https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.en.html

painting costs. Furthermore, the lower volume-driven reworking premium was partially offset by higher prices.

All plants together generated **sales** of € 3,097.0 million (prior year € 3,826.2 million) in the reporting period. This is a decrease of 19% compared to the previous year, which, in addition to the lower sales volume, was primarily due to a lower average metal price (BMC €/tonne - 21%) compared to the financial year 2022/2023. The BMC metal price in €/tonne is made up of the average LME cash of the previous month and the EC premium as well as a fixed freight rate. The sum of the 3 factors in $ is converted at the €/$ exchange rate on the last day of the month. This BMC is essentially passed on in our sales and has hardly any impact on our operating result.

The **result after taxes** was a profit of € 33.2 million in 2023/2024 (prior year € 130.1 million) and is based on an operating profit of € 44.1 million (prior year € 117.2 million).

Gross margin for the financial year 2023/2024 was € 204.6 million (previous year € 113.0 million). The higher margin compared to the previous year was mainly realized by an improved cost structure in the cost of sales and adjusted reworking prices.

The lower operating result is mainly due to lower other operating income, mainly because of lower income from the reversal of provisions for onerous derivative contracts.

Other operating income includes predominantly income from the release of provisions and currency gains. The income from release of includes reversal of provisions for anticipated losses from metal and currency risks of € 6.0 million (previous year € 172.3 million). Also included is income from metal derivatives of € 51.5 million. Furthermore, an electricity price compensation payment of € 1.2 million is included in other operating income.

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 € 27.0 million (previous year € 24.1 million). The increase in other operating expenses is mainly due to higher group allocations. The decrease in selling expenses is attributable to lower freight costs of € 8.4 million and lower warehousing costs of € 3.0 million. Administrative expenses decreased due to adjusted inflation expectations for pension obligations.

The financial result deteriorated by € 23.7 million to € -10.8 million (prior year € 12.98 million). The profit transfer from Novelis SIG GmbH decreased to € 13.0 million (prior year profit € 22.0 million). Interest expenses from the cash pool agreement with Novelis AG increased by € 6.8 million. In addition, the carrying amount of the investment in Novelis Italia S.p.A. was written down by € 4.0 million.

The subsidiary Novelis Sheet Ingot GmbH achieved a positive result of € 13.0 million (previous year € 22.0 million) with a production volume slightly above the previous year's level. The decline in earnings is mainly due to the one-off effect from the sale of CO_2 licenses in the previous year. The production targets for ingot production were not achieved in the financial year 2023/2024 but increased by 4.6 kt compared to the previous year. The continued decline in demand from the can and packaging market could not be fully offset by higher demand from the automotive industry. Production costs were at the planned level and higher than in the previous year.

At our subsidiary Novelis Deutschland Holding GmbH, the combined sales of the subsidiaries Novelis Koblenz GmbH (NK) and Novelis Casthouse Germany GmbH (NCG) decreased sharply due to lower metal prices and reduced demand for commercial sheets and intercompany specialties, with the business of NK accounting for € 126 million. Further declines in sales were recorded in the sale of non-flat rolled products from the Voerde site. Sales to third parties at NCG decreased by € 58 million. At the same time, sales in the Aviation, Defense and Heat exchanger value streams increased by a total of € 40 million. This was due to volume increases in the business with defense products and price increases for aviation and heat exchanger products. The sales tonnage for aviation products remains below the pre-Covid volumes. Production costs were higher than in the previous year due to inflation and capacity. The main cost drivers were energy and personnel and lower fixed cost degression due to lower volumes.

The earnings before taxes of Novelis Deutschland Holding GmbH decreased from € 79.9 million to € 58.9 million.

4. Net assets and financial position

Total assets decreased by € 203.2 million to € 1.161.6 million. Fixed assets decreased by € 69.0 million. This was driven by the € 65.0 million decrease in the carrying amount of the investment in Novelis Deutschland Holding GmbH due to a distribution from the capital reserve account, the repayment of the loan to SIG in the amount of € 19 million and the € 4 million impairment of the investment in Novelis Italia S.p.A. Capital expenditures in production facilities had the opposite effect.

Current assets decreased by € 131.2 million to € 647.2 million. Receivables and other assets decreased by € 138.8 million due to lower loan receivables, a lower receivable from SIG from the profit and loss transfer agreement and lower metal prices, which were passed on in sales, as well as lower sales volumes.

Equity remained unchanged due to the profit and loss transfer agreement. The ratio of equity to total assets is 30 % as of balance sheet date. Provisions for pensions and similar obligations decreased primarily due to inflation adjustments by € 7.8 million. Provisions for anticipated losses in respect of metal and currency risks increased by € 2.8 million. Trade payables to third as well as payables to affiliated parties decreased by € 190.7 million primarily due to a lower profit transfer liability.

The credit facility of Alu Norf GmbH is € 81.8 million. Currently, € 24.4 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 2023/2024, cash inflows from operating activities in the amount of € 56.9 million, cash inflows from investing activities in the amount of € 50.8 million and cash outflows from financing activities in the amount of € 108.1 million decreased cash and cash equivalents by € 0.4 million to € -41.3 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, Novelis Deutschland GmbH has 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. To support our CO_2 targets and our commitment to the climate, we have concluded a long-term purchase agreement with an energy supplier for green electricity. This energy is generated from a combination of wind and solar power.

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 2023/2024 is at prior year level (0.30). At 0.08, the DAFW rate in financial year 2023/2024 improved compared to the previous year (0.15).

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 too 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 complies with the **provisions of SOX 404** (Sarbanes Oxley Act) on a voluntary basis. 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 still burdening companies with rising energy costs. Despite the still uncertain situation, problems in the supply chains uneased.

In the last years, 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). The hedges are mainly portfolio hedges, but we also work with individual hedges to a lesser extent. 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 an extremely low level. Furthermore, credit risks are mitigated significantly due to the factoring agreement with Novelis AG.

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 two financial years. The effects from the COVID-19 pandemic, which caused significant sales declines in the international aviation industry, airlines, airports, and other market participants, are not 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 some current weakness in orders of a major customer. However, the medium- and long-term trend remains intact.

In the Automotive sector, we are continuing to work on a broader customer portfolio to spread the risk of failures due to supplier parts, such as cable harnesses and semiconductors, as well as a potential weakness at a major customer. Our expectations have been confirmed as the situation and order situation have improved.

We expect for the year 2024 lower inflation risks. In our view, the inflation rate will be further at a lower level. In the energy sector 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 2024/2025. 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 € 16.0 million (prior year € 20.0 million), thereof € 3.6 million (prior year € 3.9 million) are recognized in cost of sales and € 12.4 million (prior year € 16.1 million) in other operating expenses. In research and development 22 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 local, regional as well as global level. Examples include the global Engineering Development Program (EDP) for bachelor and master graduates, the global Technical Talent Review (GTTR) as well as regional and cross-divisional management programs such as "Lead to impact" and "Frontline Shift Leader Program" 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, all employees in Novelis Europe are provided with a training catalog that includes training in the following categories: general management, leadership, self and team development, technical training, IT Skills and Novelis specific trainings (such as aluminum aasics). E-learning newsletters are sent out once a quarter to promote the digital learning opportunities at Novelis. In addition to the aforementioned training programs, instruments such as 360º Feedback, Competency assessment/development and New Leader Assimilation Workshops are used. There is also a special women promotion program like “Women at Novelis (WiN)” with various focal points in example “Mentorship Program” targeting to promote women in the company. Another tool is the monthly Open-Job-Mail. Here, employees with email-account are informed about all open positions in Europe.

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 1,802 employees at financial year-end. Headcount is subdivided in 1,526 employees in production, 233employees in selling and administration and 43 non-active employment contracts. At year-end, 89 young apprentices were employed. The apprentice ratio is 3.7 %.

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. Corporate 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, 2024, 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. This target was not achieved up to March 31, 2024. We have deliberately set a target quota greater than zero only from a number of 3 managing directors. The employment of women, both in management positions and in general, is not only considered a matter of course, but is also valued as a key component in terms of diversity and the opportunity for further development. Vacancies are filled with the most suitable candidate, both professionally and personally, regardless of gender. At Novelis Deutschland GmbH, the principle of merit and equal opportunities, not gender, is what counts. Qualifications and achievements count. Gender alone is not a qualification. As everywhere, the discrepancy between the necessary acceptance of company regulations and the threat of rejection in operational business must be maintained. A two-member management board is a small body for which the setting of a rigid quota would restrict us too much. This goal had not yet been achieved as of March 31, 2024.

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, 2024. In 2024, the quota at the level below management increased to 26% as of March 31, 2024 (2023: 21%). One level below, the quota increased to 32% (2023: 25%).

11. Forecast

For the year 2024 global economic growth is expected to be at 2.6%, with a slight increase of 0.2% for the euro area (Germany -0.2%), 0.6% for the USA and 4.7% for China (source: Deutsche Bank Research).

For financial year 2024/2025, we are cautiously optimistic and expect a sales volumes increase in our three value streams Can, Automotive and Specialties compared to the financial year 2023/2024.

The market environment for **beverage cans** (Can) is developing positively from the current level. Our customers are attaching greater importance to sustainable materials and are interested in close, long-term cooperation with Novelis to continue to meet the growing demand for beverage cans in the future. Therefore, long-term supply agreements have been concluded with our largest customers.

Sustainability projects and reducing the carbon footprint of our products are becoming increasingly important for the entire supply chain. 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. From our view, 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 the **Automotive** segment, we are confident that we will be able to achieve delivery volumes slightly above the financial year 2023/2024 level in the coming financial year 2024/2025. Overall, growth prospects are slightly subdued due to the reduction in government subsidies for electric vehicles (e.g. Germany), increased government protectionism (e.g. USA), ongoing supply chain challenges resulting from geopolitical conflicts (e.g. cargo crisis in the Red Sea)[6] and increasing competition from China in the all-electric (small and mid-size) vehicle segment[7]. However, with our diversified customer and product portfolio, our focus on higher-priced and more crisis-resistant vehicle segments and our sustainability, we are well equipped to withstand negative market influences.

Our continued focus on introducing new products with a particularly high recycled content and low carbon footprint has proven to be the right approach: More and more OEMs rely on the partnership with Novelis to realize their decarbonization goals.

In the **Specialties** segment, we expect the uncertainty among customers from financial year 2023/2024 to continue. The initial impression for financial year 2024/2025 is that customers have become much more cautious in their demand planning and are already increasing their demand in some product areas, which could indicate a positive trend. The high interest rates continue to have a negative impact on our Anodizing and Painted segments. For the other segments, but above all for Continental Foil, we expect an increase in volumes, supported by the investment in a new annealing line, which has recently started up.

For the 2024/2025 financial year, we currently expect a moderate increase in sales tonnage for rolled products compared to the 2023/2024 financial year. We anticipate an improvement in operating EBITDA of around € 50 million to € 70 million compared to the 2023/2024 financial year. 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.

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[6] Electric Vehicles Sales Review Q4 2023, strategy&, January 2024

[7] Reuters, https://www.reuters.com/world/europe/eu-launches-anti-subsidy-investigation-into-chinese-electric-vehicles-2023-09-13/

“Zero accidents” is still the ultimate objective in work safety in all Novelis plants worldwide. Regarding financial year 2024/2025 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, April 30, 2024

Novelis Deutschland GmbH

Dirk Noerthemann Nils Leonhardt Siegfried Adloff

Novelis Deutschland GmbH, Göttingen

Annual Financial Statements
from April 1, 2023 to March 31, 2024

Novelis Deutschland GmbH, Goettingen

Balance Sheet as of March 31, 2024

Assets

	Notes	2024	2023
		€	€
A. Non-current assets	(3.1)		
I. Intangible assets	(3.2)	1,260,148	2,176,557
II. Property, plant and equipment		191,255,402	171,974,206
III. Financial assets	(3.3)	309,884,333	397,884,333
		502,399,883	**572,035,096**
B. Current assets			
I. Inventories	(3.4)	437,950,138	430,486,723
II. Receivables and other assets	(3.5)	207,310,466	346,078,598
		645,260,604	776,565,321
III. Cash and cash equivalents		1,959,532	1,892,512
		647,220,136	**778,457,833**
C. Prepaid expenses		**12,021,629**	**14,356,193**
		1,161,641,648	**1,364,849,122**

Equity and Liabilities

	Notes	2024	2023
		€	**€**
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)	**335,062,923**	**347,399,349**
C. Liabilities	(3.8)	**481,311,489**	**672,055,633**
D. Deferred income		**0**	**126,904**
		1,161,641,648	**1,364,849,122**

Novelis Deutschland GmbH, Göttingen

Novelis Deutschland GmbH, Goettingen

Income Statement for Financial Year April 1, 2023 to March 31, 2024

		Notes	2023/24	2022/23
			€	€
1.	Sales	(4.1)	3,096,967,725	3,826,206,168
2.	Cost of sales		-2,892,354,306	-3,713,164,557
3.	**Gross profit / (loss)**		**204,613,419**	**113,041,611**
4.	Selling expenses		-88,052,768	-100,229,313
5.	General and administrative expenses	(4.2)	-52,884,440	-59,888,803
6.	Other operating income	(4.3)	63,653,450	237,249,167
7.	Other operating expenses	(4.4)	-83,266,971	-73,010,205
	Operating profit / (loss)		**44,062,690**	**117,162,457**
8.	Income from profit and loss transfer agreements		13,011,018	21,981,906
9.	Income from long-term loans	(4.5)	594,538	1,987,714
10.	Other interest and similar income	(4.5)	4,847,032	5,320,828
11.	Write-down financial assets	(4.5)	-4,000,000	-30,000
12.	Interest and similar expenses	(4.5)	-25,301,634	-16,365,954
	Financial result		**-10,849,046**	**12,894,494**
	Profit / (Loss) from ordinary activities		**33,213,644**	**130,056,951**
13.	Income taxes	(4.6)	-7,987	-3,126
14.	**Profit / (Loss) after tax**		**33,205,657**	**130,053,825**
15.	Profit transferred due to profit and loss transfer agreement		-33,205,657	-130,053,825
16.	**Profit / (Loss) for the year**		0	0

Novelis Deutschland GmbH, Göttingen

Novelis Deutschland GmbH, Goettingen

Notes to the Financial Statements for Financial Year 2023/2024

(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, 2024. 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.

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 and raw materials are measured at acquisition cost using the weighted average-Method or at lower cost of replacement. Work in progress and finished goods are measured net realizable value, if lower than production cost. Risks due to slow- moving items or limited usability are considered by appropriate allowances.

Emission rights are recognized as intangible assets in current assets under raw materials and supplies. Emission rights acquired free of charge are measured at a value of zero. A provision for contingent liabilities is recognized for emission rights that must be returned by 30 September of the following year in accordance with Section 6 (1) TEHG.

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 (1.83 %, prior year 1.79%), 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 2024 (3.3 %).

Annual pension increase was 2.0 %. 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, 2024, the unrecognized amount was K€ 0.

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 1.83 % was applied to calculate the pension provision as of March 31, 2024.

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, 2024, is 1.80 % (prior years: 1.50 %).

The difference in accordance with § 253 (6) Sentence 1 HGB amounts to K€ 1,115 as of March 31, 2024.

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 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 early retirement was discounted at an interest rate of 1,15% p.a. (previous year: 0.64% p.a.) for a remaining term of 2 years. The provision for jubilee benefit was discounted at an interest rate of 1.80% p.a. (previous year: 1.50% p.a.) for a remaining term of 15 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 by contract. 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 and trade 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.

Minimum taxation

The introduction of the regulations on global minimum taxation in Germany, which are based on an OECD initiative, is intended to ensure an effective minimum tax of 15% worldwide. These regulations are also referred to as Pillar 2. In Germany, the corresponding regulations (hereinafter also referred to as MinStG) were adopted by the Bundesrat on December 15, 2023, and promulgated in the Federal Law Gazette on December 27, 2023. These regulations therefore came into force on December 18, 2023, and apply for the first time to financial statements that begin after December 30, 2023. According to the MinStG, a supplementary tax is payable for each jurisdiction that has an effective tax rate below 15%. Determining the effective tax rate under the MinStG is very complex and involves a large number of specific adjustments. For Novelis, these regulations will therefore apply from the 2025 financial year, which begins on April 1, 2024. As the MinStG does not apply to the company for the 2023/24 financial year, there will be no tax burden from the MinStG for the 2023/24 financial year.

In principle, the company will not incur any additional tax burden from the national supplementary tax in the future, as it is neither the ultimate parent company nor the group parent company of the minimum tax group within the meaning of Section 3 MinStG. However, it is the group parent company that will have to bear the additional tax burden arising in future for all companies in Germany.

In order to be able to determine the influence for Germany, Novelis has set up initial

calculation models that take into account the various components of the new Pillar 2

regulations accordingly. Due to the complexity of the application of the

Pillar 2 legislation and the calculation of the potential tax effects, the quantitative and

the quantitative and qualitative effects for future financial years cannot yet be reliably estimated.

cannot yet be reliably estimated. From the 2025 financial year, this regulation will result in

additional compliance obligations in the form of additional tax returns.

be taken into account.

(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 software licenses and a supply contract.

(3.3) Shareholdings

	Equity K€	Participation	Result K€
Novelis Deutschland Holding GmbH, Koblenz	401,890	100.0 %	58,850 [1)]
Novelis Casthouse Germany GmbH, Koblenz	44,113	100.0 %	- 5,609 [2,6)]
Novelis Koblenz GmbH, Koblenz	141,319	100.0 %	64,365 [2,6)]
Novelis Sheet Ingot GmbH, Göttingen	20,000	100.0 %	13,011 [2)]
ALUMINIUM NORF GmbH, Neuss	117,659	50.0 %	1,248 [3)]
Novelis Italia S.p.A., Bresso, Italy	68,435	37.5 %	-9,288 [4)]
France Aluminium Recyclage S.A., Paris, France	298	20.0 %	61 [5)]

[1)] Result for the period April 1, 2023, to March 31, 2024

[2)] Before profit and loss transfer for the period April 1, 2023, to March 31, 2024

[3)] For the period January 1, 2023, to December 31, 2023

[4)] For the period April 1, 2022, to March 31, 2023

[5)] For the period January 1, 2022, to December 31, 2022

[6)] 100% subsidiary of Novelis Deutschland Holding Koblenz GmbH

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 remaining loan in the amount of € 19 million as of March 31, 2023, was fully redeemed in the financial year 2024.

In December 2020, Novelis Deutschland GmbH acquired Novelis Deutschland Holding GmbH, Koblenz (formerly Aleris Deutschland Holding GmbH). The company made a payment of € 65 million from the capital reserve account to Novelis Deutschland GmbH. Correspondingly, Novelis Deutschland GmbH reduced the investment by € 65 million.

(3.4) Inventories

	2024 K€	2023 K€
CO^2-Certificates	1,302	0
Raw material	228,717	216,340
Work in progress / Unfinished goods	67,449	63,068
Finished goods and merchandise	140,482	151,079
	437,950	**430,487**

Aluminum inventories are valued at acquisition cost using the weighted average method.

An impairment loss of K€ 4 to measure with the lower fair value was recognized. Raw materials are written down to the replacement cost at the market price as at the reporting date of 31 March 2024. Work in progress and finished goods written down to net realizable value.

Emission rights for the years 2021 to 2025 were allocated to the company free of charge. In FY 2024, 29,797 certificates with acquisition costs of € 1.5 million were purchased, which are reported under raw materials and supplies. A write-down of K€ 184 to the market price as at the reporting date of 31 March 2024 was carried out in accordance with the strict lower of cost or market principle.

(3.5) Receivables and other assets

	2024 K€	2023 K€
Trade receivables	35,383	53,254
Receivables from affiliated companies	131,759	248,476
Receivables from associated companies	24,446	23,675
Other assets	15,722	20,674
	207,310	**346,079**

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€ 89,155 (prior year K€ 176,908). Thereof result K€ 85,000 from a loan to the sole shareholder Novelis Aluminium Holding Unlimited Company

The remaining receivables result from sale of goods and services in the amount of K€ 29,593 (prior year K€ 49,586). Trade receivables from affiliated companies are due within a year.

Furthermore, a receivable from Novelis SIG GmbH in the amount of K€ 13,011 (prior year K€ 21,982) due to the profit transfer 2023/2024 exists at the balance sheet date.

Receivables from associated companies in the amount of K€ 24,446 (prior year K€ 24,446) 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

	2024 K€	2023 K€
Pensions and similar obligations	240,053	247,816
Other provisions and accruals	95,010	99,583
	335,063	**347,399**

Provisions for pension obligations are K€ 240,053 as of March 31, 2024 (prior year K€247.816). The underlying interest rate is 1.83%. Annual salary increases for 2024 is set at 3.32% and starting with 2025 annual salary increase is set at 2.75%. Pension increase is set at 2.0 %.

As of March 31, 2024, Pension obligations are net off plan assets in the amount of K€ 728. The settlement amount, including the remaining funding gap of K€ 0 (prior year K€ 1,757), is K€ 240,781. Income from plan assets (K€ 32) were netted with the interest expense on the provision (K€ 2,915). The net expense of K€ 2,883 is included in “Other interest and similar expenses”.

Pension provisions for former managing directors of the company and of former subsidiaries are K€ 3,367 as of March 31, 2024 (prior year K€ 6,265).

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€ 1,115.

Actuarial assumptions in measuring early retirement and jubilee benefit obligations are the average market interest of the last 7 years, a remaining term of 15 years for jubilee obligations and 2 years for early retirement obligations. For both obligations salary increases of 2.75% starting with 2025 are assumed and the increase of the applicable collective bargaining agreement is used for 2024.

Provisions for early retirement obligations as of March 31, 2024, are net off plan assets in the amount of K€ 3,375. The settlement amount is K€ 7,071. 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€ 8 is included in “Other interest and similar expenses”.

Other provisions and accruals comprise primarily accruals for goods and services received but not invoiced (K€ 27,838; prior year K€ 28,478), restructuring (K€ 1,171; prior year K€ 1,194), overtime and vacation (K€ 7,914; prior year K€ 8,131), performance bonuses (K€ 3,495; prior year € 3,566), early retirement provisions net of plan assets (K€ 3,697; prior year K€ 4,155) as well as complaint provisions (K€ 3,534; prior year K€ 5,862). Furthermore, a provision for metal price reimbursements to customer (K€ 8,690; prior year K€ 15,011) is recognized.

Provisions for onerous contracts (K€ 2,181; prior year K€ 183) were recognized 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€ 26,940; prior year K€ 24,116).

(3.8) Liabilities

	2024 K€	Due within a year K€	Due after more than a year K€	2023 K€	Due within a year K€	Due after more than a year K€
Trade payables	200,442	200,442	0	244,058	244,058	0
Liabilities to affiliated companies [1), 2), 3), 4)]	207,729	207,729	0	335,755	335,755	0
Liabilities to associated companies [5)]	54,116	54,116	0	57,815	57,815	0
Other liabilities [6)]	19,024	16,518	2,506	34,428	30,393	4,035
	481,311	**478,805**	**2,506**	**672,056**	**668,021**	**4,035**

	2024	2023
[1)] Thereof from purchase of goods and services	131,215	162,835
[2)] Thereof from cash-pooling	43,309	42,866
[3)] Thereof liability from loss absorption Novelis Deutschland Holding GmbH, Koblenz	0	39
[4)] Thereof liability from profit transfer	33,206	130,015
[5)] Thereof from purchase of goods and services	54,116	57,815
[6)] Thereof from taxes	13,423	18,726

As of the balance sheet date, no liabilities are due in more than five years.

There is a liability of K€ 33,206 to the shareholder Novelis Aluminium Holding Unlimited Company, Dublin, Ireland, due to the profit transfer 2023/2024.

INCOME STATEMENT

(4.1) Sales

Sales by region	2023/24	2022/23
	K€	K€
Germany	645,542	799,576
European Union - excluding Germany	1,271,387	1,715,511
Remaining Europe	1,100,496	1,168,035
Far East	22,315	30,090
North America	38,878	90,115
Other foreign countries	18,350	22,878
	3,096,968	**3,826,206**

Sales by product line	2023/24	2022/23
	K€	K€
Rolled products	2,982,095	3,702,037
Foil and foil products	63,016	71,225
Industrial products	28,570	29,526
Other	23,287	23,418
	3,096,968	**3,826,206**

(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€ 10,592 (prior year K€ 174,859). Thereof K€ 5,974 (prior year K€ 172,255) is income from the reversal of provisions for anticipated losses for derivative contracts, as well as prior period income of K€ 1,222 from public subsidies. Exceptionally high income in the amount of K€ 51,496 results from realized derivatives.

(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€ 167 (prior year K€ 717).

Expenses result from provisions for anticipated losses from metal derivative contracts in the amount of K€ 26,213 (prior year K€ 21,178) as well as from foreign currency derivatives in the amount of K€ 728 (prior year K€ 2,936).

Expenses for service fees from affiliated companies amount to K€ 40,839 (prior year K€ 30,760) and for research and development amount to K€ 12,412 (prior year K€ 16,080).

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) Income from profit transfer, 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 affiliated companies in the amount of K€ 595 (prior year K€ 1,773)

Other interest and similar income include interest income from loans to affiliated companies in the amount of K€ 4,705 (prior year K€ 5,126).

Interest and similar expenses include interest payable to affiliated companies in the amount of K€ 21,958 (prior year K€ 11,108).

The accumulation of interest expense on long-term provisions net of interest income from the respective plan assets resulted in K€ 2,891 (prior year K€ 4,783) expenses.

Exceptionally high income results from the profit transfer of Novelis Sheet Ingot GmbH in the amount of K€ 13,011 (prior year K€ 21,982).

(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. Tax expenses in relation to Novelis Deutschland GmbH’s foreign distribution offices in Finland (K€ 2.6) and Netherland (K€ 5.4) were recognized.

(5) MATERIAL EXPENSES

	2023/24	**2022/23**
	K€	**K€**
Raw materials	2,435,367	3,213,384
Merchandise	4,959	5,926
	2,440,326	**3,219,309**

Services received	292,676	314,154
	2,733,022	**3,533,463**

(6) PERSONNEL EXPENSES

	2023/24 K€	2022/23 K€
Salaries and wages	129,376	126,036
Social security	24,327	56,531
Thereof pension costs	-1	32,547
	153,703	**182,567**

(7) EXPENSES FOR INSTITUTIONS OF THE COMPANY

	2023/24 K€
Supervisory board	64
Insurance premiums for former managing directors and surviving family members	6
	70

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€ 983.

(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 IG Metall Magdeburg-Schoenebeck
Dieter Salewski*	Chairman Workers' Council Nachterstedt, Vice Chairman
Fortunato Llamido Lucido	Regional Counsel of Novelis Europe

André Sander*	Trade union secretary, IG Metall Süd-Niedersachsen-Harz (Resignation from office as of December 31, 2023; an application has been made to appoint Mr. Ali Yener as his successor)
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

* Representative of employees

Managing Directors

Dirk Noerthemann	Managing director Production, Supply Chain, Environment, Work Safety and Health Security
Siegfried 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)

	2023/24	2022/23
Production	1,548	1,568
Administration and sales	228	217
Other	41	56
	1,817	1,841
Apprentices / Trainees	86	73
	1,903	**1,914**

(10) CONTINGENCIES

The Novelis Group partially refinanced itself in the financial year. Financing is provided against assignment as security. The company as collateral provider has transferred all movable property owned by Novelis Deutschland GmbH to the collateral taker as collateral.

US$ 775 million of term loans were drawn in April 2020 to finance partially the acquisition of Aleris. After redemption, US$ 750 million remained drawn as of September 2023. In September 2023 the balance of US$ 750 million was refinanced with new Term Loans of US $750 million, extending the maturity date to September 2026.

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. Of all term loans, a total of US$ 1.2 billion remains drawn at the end of the financial year 2024.

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.

The company is exposed to the risk of the above-mentioned contingent liabilities materializing. 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 € 16.6 million as well as purchasing contracts in respect of capital expenditures in the amount of € 9.5 million. Thereof € 16.9 million will result in cash payments in the financial year 2024/25. € 9.2 million will result in cash payments until March 31, 2030.

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 to construct one of the world's largest aluminum rolling and melting plants 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, accordingly to their shareholdings. The commitment fee will be € 87.2 million in the financial year 2024/2025.

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 € 26.2 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$ (€ 28.3 million), GBP (€ 43.7 million) and CHF (€ 11.9 million) as well as the sale of US$ (€ 33.8 million), GBP (€ 14.0 million) and CHF (€ 12.3 million). Market values of the currency forward contracts comprise negative fair values of € 0.7 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	83.9	60.1	144.0	0.06	0.16
Currency swaps	0.0	0.0	0.0	0.00	0.00
Currency hedge contracts	**83.9**	**60.1**	**144.0**	**0.06**	**0.16**
Aluminum forward contracts	32.4	134.1	166.5	-9.36	3.88
Raw material hedge contracts	**32.4**	**134.1**	**166.5**	**-9.36**	**3.88**

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	-152.2	152.2	0.0	2.0
Currency derivatives	-15.0	16.5	1.5	5.9
			1.5	**7.9**

Currency losses include unrealized losses from the conversion with the spot exchange rate in the amount of € 2.1 million (prior year unrealized gains € 1.6 million).

(13) OTHER INFORMATION

As the existing loss carryforwards in Novelis Deutschland Holding GmbH, Koblenz, exceed the profit for financial year 2023/2024, 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 € 257.2 million in 2023/2024 (prior year € 302.5 million). Furthermore, ALUMINIUM NORF GmbH received a loan with a fixed interest rate of 1.1%. The loan amounted to € 24.4 million in the financial year 2024.

(15) AUDITOR RENUMERATION

Total auditor fees for audit services in the financial year were K€ 501 (prior year K€ 441). Service fees for energy applications of Novelis Deutschland GmbH amounted to K€ 42.

(16) APPROBRIATION OF THE EARNINGS

The positive result for the financial year April 1, 2023, to March 31, 2024, 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, April 30, 2024

Novelis Deutschland GmbH

Siegfried Adloff Dirk Nörthemann Nils Leonhardt

Novelis Deutschland GmbH, Göttingen

Movement in Fixed Assets

(Appendix to the Notes)

Novelis Deutschland GmbH, Goettingen

Movement in Fixed Assets
Financial year 2023/2024

	Historical cost				
	April 1, 2023	Additions	Reclassi-fications	Disposals	March 31, 2024
	€	€	€	€	€
I. Intangible assets					
1. Concessions, intellectual property rights, licences and similar rights	**30,066,313**	0	288,713	63,345	**30,291,681**
	30,066,313	0	288,713	63,345	**30,291,681**
II. Property, plant and equipment					
1. Property, buildings and similar property rights	**132,186,616**	0	3,295,351	59,053	**135,422,914**
2. Technical equipment and machinery	**427,170,181**	0	8,626,614	6,444,468	**429,352,327**
3. Other plant, furniture and office equipment	**120,701,525**	0	8,663,385	6,453,977	**122,910,933**
4. Advance payments and construction in progress	**37,751,971**	45,433,411	-20,874,063	0	**62,311,318**
	717,810,293	45,433,411	-288,713	12,957,498	**749,997,492**
III. Financial assets					
1. Investments in affiliated companies	**379,934,333**	0	0	65.000.000	**314,934,333**
2. Loans to affiliated companies	**19,000,000**	0	0	19,000,000	**0**
3. Investments in associated companies	**30,836,000**	0	0	0	**30,836,000**
	429,770,333	0	0	84,000,000	**345,770,333**
	1,177,646,939	**45,433,411**	**0**	**97,020,843**	**1,126,059,506**

Amortization and depreciation				Book value	
April 1, 2023	Additions	Disposals	March 31, 2024	March 31, 2024	March 31, 2023
€	€	€	€	€	€
27,889,756	1,205,122	63,345	**29,031,533**	**1,260,148**	**2,176,557**
27,889,756	1,205,122	63,345	**29,031,533**	**1,260,148**	**2,176,557**
82,415,839	2,850,392	59,052	**85,207,179**	**50,215,735**	**49,770,777**
376,851,822	12,775,866	6,296,356	**383,331,332**	**46,020,995**	**50,318,359**
86,568,426	7,230,800	3,595,647	**90,203,579**	**32,707,354**	**34,133,099**
0	0	0	**0**	**62,311,318**	**37,751,971**
545,836,087	22,857,058	9,951,055	**558,742,090**	**191,255,402**	**171,974,206**
31,750,000	4,000,000	0	**35,750,000**	**279,184,333**	**348,184,333**
0	0	0	**0**	**0**	**19,000,000**
136,000	0	0	**136,000**	**30,700,000**	**30,700,000**
31,886,000	4,000,000	0	**35,886,000**	**309,884,333**	**397,884,333**
605,611,843	**28,062,180**	**10,014,400**	**623,659,623**	**502,399,883**	**572,035,096**

Novelis Deutschland GmbH, Goettingen

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 2024, and the statement of profit and loss for the financial year from 1 April 2023 to 31 March 2024 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 2023 to 31 March 2024. 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 2024 and of its financial performance for the financial year from 1 April 2023 to 31 March 2024 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, 30 April 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd.) Christian Kwasni	(sgd.) ppa. Jürgen Körbel
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Testatsexemplar

Novelis Sheet Ingot GmbH
Göttingen

Jahresabschluss zum 31. März 2024
und Lagebericht für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

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NOVELIS SHEET INGOT GMBH, GÖTTINGEN

LAGEBERICHT für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

GRUNDLAGEN DES UNTERNEHMENS

Die **Novelis Sheet Ingot GmbH** (‚SIG') mit Sitz in Göttingen verfügt über eine Betriebsstätte in Nachterstedt.

Das Unternehmen stellt Gießerzeugnisse auf Umarbeitungsbasis und ausschließlich für die Novelis AG, Küsnacht her. Das betriebliche **Ergebnis der Gesellschaft** bestimmt sich daher im Wesentlichen aus der Ausbringungsmenge und aus Risikozuschlägen auf die Umarbeitungskosten.

Die SIG ist über den Verband der Metall- und Elektroindustrie Sachsen-Anhalt in den **Tarifvertrag** Metall Sachsen-Anhalt (ERA Entgelt- und Entgeltrahmenabkommen) eingebunden. Für die Werkleitung sowie leitende und außertarifliche Angestellte ist ein Zielvereinbarungssystem etabliert. Dessen variable Entgeltbestandteile orientieren sich sowohl an den Unternehmenszielen als auch an persönlichen Zielvereinbarungen.

Die SIG erfüllt die Zertifizierungsanforderungen des **Energiemanagementsystems** nach ISO 50001:2011, des **Qualitätsmanagementsystems** nach ISO 9001:2015, des **Umweltmanagementsystems** nach ISO 14001:2015 und des **Arbeitssicherheits- und Gesundheitssystems** nach ISO 45001:2018.

Forschung und Entwicklung der Region Novelis Europa werden in enger Zusammenarbeit mit den Novelis Forschungseinrichtungen im Werk Göttingen für Marktsegmente Dosen- und Verpackung und im Werk Sierre (Schweiz) für das Marktsegment Automotive betrieben. Die eigenen Aktivitäten dienen der weiteren Optimierung der Prozesse zum Umschmelzen sowie der Anlagentechnik und zur nachhaltigen Reduzierung des CO_2-Fußabdruckes.

WIRTSCHAFTSBERICHT

Gesamtwirtschaftliche und branchenbezogene Rahmenbedingungen

Die weltweite Wirtschaftsleistung erhöhte sich im Jahr 2023 gegenüber dem Vorjahr um +3,0 %. Die US-Wirtschaft konnte dabei ein Wachstum von +2,4 % erreichen und im Euroraum reduzierte sich das Wirtschaftswachstum auf +0,4 %, wobei die deutsche Wirtschaft um -0,3% schrumpfte. Auf Jahressicht weist China mit +5,2 % im Vergleich zum Vorjahr erneut ein höheres Wirtschaftswachstum auf. Die Inflation hat möglicherweise ihren Höhepunkt erreicht, doch bestehen aufgrund des anhaltenden Preisdrucks weiterhin Aufwärtsrisiken. Geopolitische Risiken erhöhen die Anfälligkeit der Lieferketten, insbesondere am Roten Meer, im Nahen Osten und in der Ukraine. Die Verschärfung des Wettbewerbs zwischen den USA und China trägt bei.
(Quelle: Deutsche Bank Research)

Finanzielle und nichtfinanzielle Leistungsindikatoren

Umarbeitungsstückkosten und das Investitionsvolumen sind die bedeutenden finanziellen Leistungsindikatoren der Gesellschaft; die nichtfinanziellen sind Umarbeitungsmenge und die Qualitätskennzahlen TRI-Rate und DAFW-Rate.

Im Geschäftsjahr 2023/2024 wurden 366,9 Tsd Tonnen als Aluminiumbarren umgearbeitet. Das angestrebte Geschäftsjahresziel von 404,3 Tsd wurde nicht erreicht.
Die rückläufige Nachfrage aus dem Dosen- und Verpackungsmarkt konnte nicht durch eine höhere Automobilnachfrage vollständig kompensiert werden. Die monatliche Auftragslage war über das Geschäftsjahr stabil, wenn auch nicht auf Planniveau.

Während des Geschäftsjahres haben wir den spezifischen Energieverbrauch optimiert. Durch unser System zur kontinuierlichen Verbesserung „WCM – World Class Manufacturing“ konnten wir Routinen anpassen und damit unseren spezifischen Energieverbrauch reduzieren. Die gesteigerte Nachfrage an Automobillegierungen mit hohem Recyclinganteil führte zu neuen Entwicklungen und Optimierung des Schrotteinsatzes und damit zu noch nachhaltigeren Recyclinglegierungen. Die Effekte aus den Projekten haben einen positiven Einfluss auf die Novelis Nachhaltigkeitsstrategie.
Die steigenden Kosten für Energie, Hilfs- und Betriebsstoffe im Vergleich zum vorherigen Geschäftsjahr belasten unsere Kostenstruktur in besonderem Maße und stellen eine besondere Herausforderung dar.

Die durchschnittlichen Umarbeitungsstückkosten betragen 4.054 €/ Barren und sind gegenüber dem Vorjahr um 50,48 € je Barren gestiegen. Der Anstieg der Umarbeitskosten zum Vorjahr ist auf gestiegene Energiekosten sowie auf höhere Kosten für Hilf- und Betriebsstoffe zurückzuführen. Damit lagen die Umarbeitungsstückkosten unter den im Vorjahr prognostizierten 9% höheren Umarbeitungsstückkosten.

Im Geschäftsjahr 2023/2024 haben wir 15,4 Mio € investiert. Durch zeitliche Projektanpassungen konnten wir die prognostizierten 17,0 Mio € nicht vollständig realisieren.

Die Novelis internen Focused 5 Ziele wurden hinsichtlich Arbeitssicherheit mit meldepflichtigen Unfällen, Kundenorientierung mit externer Reklamationsrate, ökologischer Fußabdruck mit Einsatzquote von Primäraluminium, wurden erreicht und teilweise übertroffen.

Im Bereich Arbeitssicherheit wurden weitere Fortschritte zur Risikominimierung durch die Installation von visuellen Sicherheitseinrichtungen zur Schnelldetektierung von Undichtigkeiten an den Ofenabstichstopfen erzielt. Weiterhin konnten wir sicherheitsrelevante Verbesserungen im Heißbereich durch Austausch auf wärmebeständige LED Beleuchtung umsetzen und verbessern dadurch die Arbeits- und Sicherheitsstandards.

Um die Qualität der Sicherheit in unseren Werken zu messen, berichten wir regelmäßig hauptsächlich die Kennzahlen „Total Recordable Incidents (TRI-Rate)“ – meldepflichtige Unfälle und auch „Days Away From Work (DAFW-Rate)“ – Fehlzeiten durch Verletzung und Krankheit. Im Geschäftsjahr 2023/2024 erreichten wir bei der TRI-Rate 0 und bleiben damit auf einem sehr guten Ergebnis. Die DAFW-Rate verblieb wie auch im Vorjahr bei 0 und entspricht dem prognostizierten Wert. Diese sehr positiven Trends halten bei der Arbeitssicherheit wie im Vorjahr an. Maßnahmen zur präventiven Unfallvermeidung werden kritisch hinterfragt und weiterentwickelt, um unser Ziel „Null Unfälle“ nachhaltig zu erreichen. Der Fokus auf die hohen Arbeits- und Sicherheitsstandards und die nachhaltige Priorisierung dieser, führte zu konstant guten Ergebnissen in den letzten Jahren. Nun gab es die Bestätigung dafür und die Novelis Sheet Ingot GmbH wurde mit dem Novelis Platin Award für 4 Jahre unfallfreies Arbeiten ausgezeichnet.

Geschäftsverlauf

Im Geschäftsjahr 2023/2024 hat die Novelis Sheet Ingot GmbH die Inbetriebnahme der neuen Barrenfräse gestartet. Zusammen mit der bestätigten Investition zur Erweiterung der Sortierung an der Flexline werden beide Projekte weitere wichtige Bausteine zur CO_2 Reduktion werden. Die Erweiterung des Produktportfolios durch neue nachhaltige 6xxx Legierungen mit einem noch höheren Recyclinganteil, ist ein wesentlicher Bestandteil zur strategischen und nachhaltigen Portfolioausrichtung.

Die Reklamationsrate von 151ppm (parts per million) ist ein gutes Ergebnis (Vorjahr von 0 ppm). Das Geschäftsjahr war durch die rückläufige Nachfrage der Dosen und

Verpackungsmaterial geprägt. Gegenüber dem Vorjahr erhöhte sich die Marktnachfrage aus der Automobilindustrie.

Trotz aller operativen Herausforderungen und Marktentwicklungen während des Geschäftsjahres, ist die Produktion im Vergleich zum Vorjahr von 362,3 Tsd Tonnen auf 366,9 Tsd Tonnen leicht angestiegen. Die Umarbeitspreise für Aluminiumbarren blieben auf Vorjahresniveau aus.

Ertrags-, Vermögens- und Finanzlage

Die **Umsatzerlöse** im Berichtsjahr erhöhten sich im Vergleich zum Vorjahr um 1,5 Mio € auf 120,7 Mio €. Ursächlich hierfür sind die höheren Umarbeitserlöse €/Tonne im Vergleich zum Vorjahr. Den Umsatzerlösen stehen Aufwendungen aus der Überarbeitung von Anlagenteilen und der Sicherung der Betriebsbereitschaft gegenüber. Im Vergleich zum Vorjahr stiegen die Herstellkosten im Wesentlichen bei den Energiekosten, Instandhaltungskosten und Personalkosten. Der veränderte Auftragsmix und die installierten Vakuumbandfilter nach den Entlackungsöfen wirkten sich positiv auf die Abfallkosten aus. Die Gesellschaft ist langfristig über im Geschäftsjahr 2020/2021 ausgegebene Anleihen finanziert. Einen Teil der Finanzierung hat sie als Ausleihungen an Konzerngesellschaften weitergegeben. Neben der langfristigen Finanzierung über Anleihen nimmt die Gesellschaft am Cash-Pooling des Konzerns teil. Das Zinsergebnis beläuft sich auf 3,4 Mio € (Vorjahr 5,0 Mio €), resultierend aus der planmäßigen Tilgung eines seitens eines verbundenen Unternehmens ausgereichten Darlehens. Aufgrund des Ergebnisabführungsvertrages wurde das positive Jahresergebnis in Höhe von 13,0 Mio € (Vorjahr 22,0 Mio €) an die Gesellschafterin Novelis Deutschland GmbH übertragen.

Die **Bilanzsumme** ging von insgesamt 597,6 Mio € auf 571,1 Mio € zurück. Insgesamt ergibt sich ein Rückgang der Forderungen gegen verbundene Unternehmen in Höhe von 27,8 Mio €.

Das Anlagevermögen ist von 524,4 Mio € auf 524,0 Mio € gesunken. Durch die Beseitigung der technischen Schwachstellen und Kapazitätserweiterung sind die Investitionen von prognostizierten 17 Mio € durch zeitliche Projektanpassung nicht im vollen Umfang realisiert worden. Die Ausgaben aus Investitionen beliefen sich auf 15,4 Mio €.
Wesentliche Investitionen waren Feuerfest Modifikationen an den Schmelzöfen, die Anzahlung für die Erweiterung der Sortierung der Flexline, die Fertigstellung des Filterhaus B, neue Filtersätze für das Filterhaus A, weitere Bauabschnitte der Fräsmaschine für gesägte Barren, die Verbesserung der Entlackungsöfen und die nachgeschalteten Vakuumbandfilter, die infrastrukturelle Erweiterung des Barrenlagerplatz und Umrüstung auf LED Beleuchtung im Heißbereich.

Der Rückgang des Umlaufvermögens um 25,7 Mio € resultiert im Wesentlichen aus den rückläufigen Forderungen gegen verbundene Unternehmen. Die bilanzierte Forderung zum 31. März 2024 aus dem Cash Pool ging von 37,5 Mio € auf 17,1 Mio € zurück. Das Eigenkapital verbleibt auf dem Vorjahrswert von 20,0 Mio €; die Eigenkapitalquote stieg von 3,3 % des Vorjahres auf 3,5 %. Die Verbindlichkeiten gegenüber verbundenen Unternehmen aus Finanzierung sind durch Tilgungen in Höhe von 19,0 Mio € auf 0 Mio € gesunken.

PROGNOSE-, CHANCEN- UND RISIKOBERICHT

Die oberste Zielvorgabe in Sachen Arbeitssicherheit für alle Novelis Werke weltweit, ist „Null Unfälle“. Daher werden weiterhin hohe Anstrengungen zur Arbeitssicherheit und zur präventiven Unfallvermeidung unternommen. Es werden eine TRI-Rate und eine DAFW-Rate von 0 angestrebt.

Nachhaltigkeit ist die strategische Ausrichtung für die nächsten Jahre. Durch die Erhöhung des Recyclinganteils wollen wir unter anderem den Einsatz von Primäraluminium reduzieren, Materialkreisläufe schließen, um nachhaltige Beschaffungsprozesse zu intensivieren und den CO_2 Fußabdruck deutlich reduzieren. Unsere CO_2 Emissionen sollen auf Netto-Null bis 2050 sein, um ein klimaneutrales Unternehmen zu werden.

Für das Geschäftsjahr 2024/2025 sind 16,1 Mio € Investitionsausgaben vorgesehen. Die Schwerpunkte liegen hierbei auf der Installation der neuen Sortierung der Flexline, der Modifizierung der Eigenstromerzeugungsanlage und der Weiterführung des Filteraustausches zur energetischen Verbesserung im Filterhaus.

Für das Geschäftsjahr 2024/2025 sind mit der Novelis AG Mengensteigerungen auf 387,7 Tsd Tonnen geplant.

Den Beitrag hierzu sollen die oben genannten Investitionen sowie weitere Maßnahmen kontinuierlicher Verbesserung, insbesondere aus dem WCM-World Class Manufacturing leisten. Die Reduzierung der spezifischen Energieausbeute wird intensiv weiterverfolgt. Zudem soll der positive Effekt der höheren Ausbringung von Aluminiumbarren einen positiven Einfluss von 3% auf die Umarbeitungsstückkosten (Anstieg von 4.054€/ Barren auf 4.174€/ Barren) leisten.

Chancen und Risiken der SIG bestehen in der Effizienz der Produktionsprozesse insbesondere des Ressourceneinsatzes sowie der Optimierung der Durchlaufzeiten.
Die uneingeschränkte Medienverfügbarkeit stellt eine besondere Herausforderung dar. Der massive Anstieg der Gas- und Stromkosten im Geschäftsjahr 2023/2024 führte zu Preiserhöhungen. Diese wiederholte Entwicklung erwarten wir nicht im laufenden Geschäftsjahr 2024/2025. Der Trend der reduzierten Nachfrage aus der Automobilbranche hat sich als Annahme vom Vorjahr nicht bestätigt. Wir erwarten im neuen Geschäftsjahr eine Stabilisierung der Automobilbranche und eine Fortsetzung der nachhaltigen Entwicklung im Dosen- und Verpackungsmarkt. Der Produktionsmix und weitere regionale Produktionsroutenanpassungen sollen zu weiteren Verbesserungen führen.

Da die SIG ausschließlich Umarbeiter ist, und in Euro fakturiert, gibt es keine Einflüsse durch Marktpreisentwicklungen des Aluminiums und durch Wechselkurse.
Chancen und Risiken aus der Entwicklung und dem Vertrieb von Produkten sowie der Aluminiumversorgung liegen bei der Novelis AG. Mit der Novelis AG wurde vertraglich vereinbart, dass die SIG ausschließlich für die Novelis AG tätig werden darf. Risiken hieraus können sich für die SIG durch Nichterreichen der kostendeckenden Umarbeitungsmengen und durch fehlende Umarbeitungsaufträge ergeben. Durch die Novelis Strategie und Langfristlieferverträge der Novelis AG sind diese Risiken eher gering. Die Ergebnisse der SIG fließen durch einen Ergebnisabführungsvertrag der Novelis Deutschland GmbH zu.

Die eigene **Risikoerkennung und –vorsorge** konzentriert sich auf die Weiterentwicklung der Managementsysteme zur Qualitätssicherung, Umwelt-, Sicherheits- und Arbeitsschutz und zur sicheren Verfügbarkeit der Fertigungskapazitäten (Reliability) und zum optimierten Ablauf aller Prozesse am Standort sowie die ständige Schulung und Qualifizierung aller Mitarbeiter. Weitere Schwerpunkte des Chancen- und Risikomanagements liegen in der Fertigungsplanung einschließlich frühzeitiger Diskussion von Entwicklungen der Energie- und Umweltpolitik mit den politischen Entscheidungsträgern. Schutz vor größeren Vermögens- und Ausfallschäden bietet unverändert eine umfassende All-Risks-Versicherung. Darüber hinaus sehen wir zurzeit keine wesentlichen Risiken oder solche der zukünftigen Entwicklung.

Göttingen, den 30.04.2024

Novelis Sheet Ingot GmbH
Die Geschäftsführung

Peter Haycock | Marc Mathiot

Jahresabschluss für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

Novelis Sheet Ingot GmbH, Göttingen

Bilanz zum 31. März 2024

Aktiva

	31.03.2024	31.03.2023
	€	€
A. Anlagevermögen		
I. Immaterielle Vermögensgegenstände		
1. Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	83.938	100.527
2. geleistete Anzahlungen	2.556	2.556
	86.494	103.083
II. Sachanlagen		
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	59.772.856	62.763.288
2. technische Anlagen und Maschinen	36.832.120	43.007.303
3. andere Anlagen, Betriebs- und Geschäftsausstattungen	671.426	713.210
4. geleistete Anzahlungen und Anlagen im Bau	27.809.253	18.910.830
	125.085.655	125.394.631
III. Finanzanlagen		
Ausleihungen an verbundene Unternehmen	398.855.833	398.855.833
	398.855.833	398.855.833
	524.027.982	**524.353.547**
B. Umlaufvermögen		
I. Vorräte		
Hilfs- und Betriebsstoffe	10.024.324	8.966.242
II. Forderungen und sonstige Vermögensgegenstände		
1. Forderungen gegen verbundene Unternehmen	30.066.503	57.860.644
2. Sonstige Vermögensgegenstände	4.743.583	3.673.000
	44.834.410	70.499.886
III. Kassenbestand	190	190
	44.834.600	**70.500.076**
C. Rechnungsabgrenzungsposten	**2.278.767**	**2.702.266**
	571.141.349	**597.555.889**

Passiva

	31.03.2024	31.03.2023
	€	**€**
A. Eigenkapital		
I. Gezeichnetes Kapital	20.000.000	20.000.000
	20.000.000	**20.000.000**
B. Rückstellungen		
1. Rückstellungen für Pensionen und ähnliche Verpflichtungen	619.220	0
2. Sonstige Rückstellungen	10.006.373	11.958.319
	10.625.593	**11.958.319**
C. Verbindlichkeiten		
1. Anleihen	500.000.000	500.000.000
2. Verbindlichkeiten aus Lieferungen und Leistungen	18.330.018	15.147.210
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	14.300.008	42.715.515
4. Sonstige Verbindlichkeiten	7.885.730	7.734.845
	540.515.756	**565.597.570**
	571.141.349	**597.555.889**

Novelis Sheet Ingot GmbH, Göttingen

Gewinn- und Verlustrechnung für den Zeitraum vom 1. April 2023 bis 31. März 2024

	01.04.2023 bis 31.03.2024	01.04.2022 bis 31.03.2023
	€	€
1. Umsatzerlöse	120.672.456	119.198.813
2. Herstellungskosten der zur Erzielung der Umsatzerlöse erbrachten Leistungen	-107.375.512	-101.466.860
3. Bruttoergebnis vom Umsatz	**13.296.944**	**17.731.953**
4. Allgemeine Verwaltungskosten	-63.275	-255.801
5. Sonstige betriebliche Erträge	3.555.591	10.510.845
6. Sonstige betriebliche Aufwendungen	-390.267	-1.028.999
7. Sonstige Zinsen und ähnliche Erträge	14.082.986	13.672.847
8. Zinsen und ähnliche Aufwendungen	-17.470.961	-18.648.939
9. Ergebnis nach Steuern	**13.011.018**	**21.981.906**
10. Aufgrund eines Gewinnabführungsvertrages abgeführte Gewinne	-13.011.018	-21.981.906
11. Jahresüberschuss	**0,00**	**0,00**

Novelis Sheet Ingot GmbH, Göttingen

Anhang für den Zeitraum vom 1. April 2023 bis 31. März 2024

(1) ALLGEMEINE ANGABEN

Die Gesellschaft unterliegt dem deutschen Handelsrecht. Sie ist wie folgt im Handelsregister eingetragen:

Firmenname:	Novelis Sheet Ingot GmbH
Firmensitz:	Göttingen
Registergericht:	Amtsgericht Göttingen
Handelsregister-Nummer:	HRB 201875

Die Novelis Sheet Ingot GmbH ist zum Bilanzstichtag 31. März 2024 eine große Kapitalgesellschaft im Sinne des § 267 HGB. Der Jahresabschluss für den Zeitraum vom 1. April 2023 bis 31. März 2024 wird nach den Rechnungslegungsvorschriften für Kapitalgesellschaften des Handelsgesetzbuches (HGB) unter Berücksichtigung des Gesetzes betreffend die Gesellschaften mit beschränkter Haftung (GmbHG) aufgestellt.

Alleinige Gesellschafterin der Novelis Sheet Ingot GmbH ist die Novelis Deutschland GmbH, Göttingen.

Der Kreis der verbundenen Unternehmen der Novelis Sheet Ingot GmbH umfasst gemäß § 271 Abs. 2 HGB das oberste Mutterunternehmen, Hindalco Industries Ltd., Mumbai, Indien, und sämtliche Tochterunternehmen dieses Mutterunternehmens.

Die Novelis Sheet Ingot GmbH ist in den Konzernabschluss der Hindalco Industries Ltd., Mumbai, Indien (größter Konsolidierungskreis), sowie in den Konzernabschluss der Novelis Inc., Toronto, Kanada (kleinster Konsolidierungskreis), einbezogen. Die Abschlüsse sind jeweils am Sitz der Gesellschaften erhältlich.

(2) BILANZIERUNGS-, BEWERTUNGS- UND AUSWEISMETHODEN

Aktiva

Entgeltlich erworbene immaterielle Vermögensgegenstände und Sachanlagen werden mit Anschaffungskosten oder Herstellungskosten, vermindert um planmäßige Abschreibungen, bewertet. Erhaltene Investitionszuschüsse werden erfolgsneutral, die Anschaffungskosten mindernd, berücksichtigt. Gebäude werden linear über 10 bis 33 Jahre abgeschrieben. Technische Anlagen und Maschinen sowie Betriebs- und Geschäftsausstattung werden linear über 3 bis 33 Jahre abgeschrieben. Außerplanmäßige Abschreibungen werden vorgenommen, soweit der Ansatz mit einem niedrigeren Wert erforderlich ist. Immaterielle Vermögensgegenstände werden mit einer Nutzungsdauer von 3 Jahren planmäßig linear abgeschrieben. Geleistete Anzahlungen werden zum Nennwert angesetzt.

Geringwertige Vermögensgegenstände mit einem Wert bis € 250 netto werden im Jahr des Zugangs vollständig als Betriebsausgaben erfasst.

Finanzanlagen (ausschließlich Ausleihungen an verbundene Unternehmen) werden mit den Anschaffungskosten oder bei voraussichtlich dauerhafter Wertminderung mit den niedrigeren beizulegenden Werten bewertet. Bei Wegfall der Gründe für die Abschreibungen werden entsprechende Zuschreibungen vorgenommen.

Vorräte werden zu durchschnittlichen Anschaffungskosten angesetzt. Den Risiken aus längerer Lagerdauer und beschränkter Verwertbarkeit wird durch angemessene Abschläge Rechnung getragen.

Forderungen und sonstige Vermögensgegenstände werden zum Nennwert angesetzt; alle erkennbaren Risiken sind durch individuelle oder pauschale Absetzungen berücksichtigt. Forderungen und Verbindlichkeiten gegen(über) verbundenen Unternehmen werden saldiert ausgewiesen, soweit eine Aufrechnungslage gemäß § 387 BGB gegeben ist.

Kassenbestände werden zum Nennwert angesetzt.

Als aktive Rechnungsabgrenzungsposten sind Ausgaben vor dem Abschlussstichtag angesetzt, soweit sie Aufwand für einen bestimmten Zeitraum nach diesem Zeitpunkt darstellen.

Passiva

Das Eigenkapital (ausschließlich gezeichnetes Kapital) wird zum Nennwert bilanziert.

Die Pensionsrückstellungen werden unter Anwendung des Anwartschaftsbarwertverfahrens zum diskontierten Erfüllungsbetrag ermittelt. Der Zinssatz entspricht dem von der Deutschen Bundesbank bekannt gegebenen durchschnittlichen Marktzinssatz der vergangenen zehn Jahre bei einer pauschalen Restlaufzeit der Pensionsverpflichtungen von 15 Jahren zum 31. März 2024 1,83 % p.a.. Die jährliche Entgeltsteigerung ab 2025 wurde mit 2,75 % festgelegt, für das Jahr 2024 wurde die Entgeltsteigerung aus dem Metalltarif zugrunde gelegt (2024 3,3%). Der Rentenanpassungsfaktor beträgt 2,0 %. Als Rechnungsgrundlage werden die Richttafeln 2018G von Prof. Dr. K. Heubeck verwendet. Der Unterschiedsbetrag nach § 253 Abs. 6 S. 1 HGB beträgt zum 31. März 2024 T€ 5.

Die sonstigen Rückstellungen sind so bemessen, dass sie allen erkennbaren Risiken Rechnung tragen. Sie wurden nach vernünftiger kaufmännischer Beurteilung in Höhe des notwendigen Erfüllungsbetrages angesetzt. Rückstellungen mit einer Restlaufzeit von mehr als einem Jahr sind mit dem ihrer Restlaufzeit entsprechenden durchschnittlichen Marktzinssatz der vergangenen sieben Geschäftsjahre abgezinst.

Die versicherungsmathematischen Annahmen zur Bewertung der Verpflichtungen aus Altersteilzeit und Jubiläumszahlungen wurden mit einem durchschnittlichen Marktzinssatz der vergangenen 7 Jahre angesetzt; die Verpflichtung Jubiläum wurde mir einer Restlaufzeit von 15 Jahren unterstellt. Der zugrundeliegende Zinssatz zum Jahresende beträgt 1,8% (im Vorjahr: 1,5%). Die Verpflichtung aus Altersteilzeit (Blockmodell) wurde mit einer Restlaufzeit von 2 Jahren bewertet. Der zugrundeliegende Zinssatz zum Jahresende beträgt 1,15% (im Vorjahr: 0,64%).

Verbindlichkeiten sind mit ihrem Erfüllungsbetrag angesetzt.

Fremdwährung

Langfristige Fremdwährungsforderungen werden zum Devisenkassamittelkurs am Buchungstag oder zum jeweils niedrigeren Kurs am Abschlussstichtag angesetzt (Imparitätsprinzip). Kurzfristige Fremdwährungsforderungen mit einer Restlaufzeit von bis zu einem Jahr sowie liquide Mittel oder andere kurzfristige Vermögensgegenstände in Fremdwährungen werden zum Devisenkassamittelkurs am Bilanzstichtag umgerechnet.

Langfristige Fremdwährungsverbindlichkeiten werden mit dem Devisenkassamittelkurs am Buchungstag der Verbindlichkeit oder dem jeweils höheren Kurs am Abschlussstichtag, bewertet (Imparitätsprinzip).

Kurzfristige Fremdwährungsverbindlichkeiten mit einer Restlaufzeit von bis zu einem Jahr werden zum Devisenkassamittelkurs am Bilanzstichtag umgerechnet.

Latente Steuern

Mit der Novelis Aluminium Holding Unlimited Company, Dublin, Irland, der Novelis Deutschland GmbH, Göttingen, der Novelis Holding GmbH, Koblenz, sowie der Novelis Koblenz GmbH, Koblenz, und der Novelis Casthouse Germany GmbH, Koblenz, besteht eine Organschaft. Die Novelis Deutschland GmbH, die Novelis Sheet Ingot GmbH und die Novelis Holding GmbH, die Novelis Koblenz Germany GmbH und die Novelis Casthouse Germany GmbH sind Organgesellschaft und die Novelis Aluminium Holding Unlimited Company Organträgerin. Latente Steuern der Organgesellschaften sind vollständig in dem Jahresabschluss der Organträgerin auszuweisen, da sie allein die Besteuerungsfolgen treffen.

Einführung der globalen Mindestbesteuerung

Mit der Einführung der Regelungen zur globalen Mindestbesteuerung in Deutschland, die auf einer OECD-Initiative basieren, soll eine effektive Mindeststeuer in Höhe von 15% weltweit sichergestellt werden. Diese Vorschriften werden auch unter dem Begriff Pillar 2 gefasst. In Deutschland wurden die entsprechenden Regelungen (nachfolgend auch als MinStG bezeichnet) am 15.12.2023 durch den Bundesrat beschlossen und am 27. Dezember 2023 im Bundesgesetzblatt verkündet. Somit sind diese Regelungen am 28.12.2023 in Kraft getreten und gelten erstmals für Abschlüsse, die nach dem 30.12.2023 beginnen. Gemäß dem MinStG ist eine Ergänzungssteuer für jede Jurisdiktion zu zahlen, die einen effektiven Steuersatz unter 15% aufweist. Die Bestimmung des effektiven Steuersatzes nach dem MinStG ist sehr komplex und beinhaltet eine Vielzahl von spezifischen Anpassungen. Für Novelis finden diese Regelungen damit ab dem Wirtschaftsjahr 2025 Anwendung, welches am 1.4.2024 beginnt. Da das MinStG für das Geschäftsjahr 2023/24 für die Gesellschaft noch keine Anwendung findet, entsteht für das Geschäftsjahr 2023/24 keine Steuerbelastung aus dem MinStG.

Auf die Gesellschaft wird zukünftig grundsätzlich keine Steuermehrbelastung aus der nationalen Ergänzungssteuer entfallen, da sie weder oberste Muttergesellschaft noch Gruppenträgerin der Mindeststeuergruppe im Sinne der § 3 MinStG ist. Allerdings ist sie der Gruppenträgerin, die künftig entstehende Steuermehrbelastungen für alle in Deutschland belegenen Geschäftseinheiten zu tragen hat, zum Ausgleich für etwaige durch die Gesellschaft verursachte nationale Ergänzungssteuerbeträge verpflichtet.

Um den Einfluss für Deutschland ermitteln zu können, wurden von Novelis erste Berechnungsmodelle aufgestellt, die die verschiedenen Bestandteile der neuen Pillar 2 Regularien entsprechend berücksichtigen. Aufgrund der Komplexität der Anwendung der Pillar 2 Gesetzgebung und der Berechnung der möglichen steuerlichen Auswirkungen, sind derzeit die quantitativen und qualitativen Auswirkungen für zukünftige Geschäftsjahre noch nicht zuverlässig abschätzbar. Ab dem Wirtschaftsjahr 2025 sind durch diese Regelung zusätzliche Compliance-Verpflichtung in Form zusätzlicher Steuererklärungen zu berücksichtigen.

(3) BILANZ

(3.1) Entwicklung des Anlagevermögens

Die Entwicklung des Anlagevermögens ist auf den Seiten 18 bis 19 dargestellt.

In den Finanzanlagen ist per 31. März 2024 das Darlehen an die Novelis Aluminium Holding Unlimited Company zu Anschaffungskosten in Höhe von T€ 398.856 aktiviert. Das Darlehen hat eine Restlaufzeit von 5 Jahren und wird mit einem Zinssatz von 3,375% verzinst.

(3.2) Forderungen und sonstige Vermögensgegenstände

Die Forderungen gegen verbundene Unternehmen sowie die sonstigen Vermögensgegenstände sind wie im Vorjahr innerhalb eines Jahres fällig. Weiterhin besteht eine Forderung gegen die Novelis Aluminium Holding Unlimited Company, Dublin in Höhe von T€ 5.051 (Vorjahr T€ 5.997), davon T€ 4.812 (Vorjahr T€ 5.744) aus der Übernahme der Provisionszahlung, welche für die Platzierung der Anleihen am Kapitalmarkt im Geschäftsjahr 2020/2021 geleistet wurden. Die übrigen Forderungen gegen verbundene Unternehmen sind Forderungen aus Cash Pooling mit der Novelis AG, Zürich, Schweiz in Höhe von T€ 17.062 (Vorjahr T€ 37.471). Außerdem bestehen Forderungen gegen verbundene Unternehmen in Höhe von T€ 6.170 (Vorjahr T€ 13.461) aus Zinsforderungen Darlehen gegenüber der Novelis Aluminium Holding Unlimited Company, Dublin und eine Forderung in Höhe von T€ 1.639 (Vorjahr T€ 1.166) gegen die alleinige Gesellschafterin Novelis Deutschland GmbH.

(3.3.) Aktiver Rechnungsabgrenzungsposten

Der Posten aktive Rechnungsabgrenzung beinhaltet Gebühren, welche für die Ausgabe, der im Geschäftsjahr 2020/2021 ausgegebenen Anleihen angefallen sind, in Höhe von T€ 1.938 (Vorjahr T€ 2.323) und wird über die Laufzeit der Anleihen von 8 Jahren amortisiert.

(3.4) Rückstellungen für Pensionen und ähnliche Verpflichtungen

Die Rückstellungen für Pensionen belaufen sich zum 31. März 2024 auf T€ 619 (Vorjahr T€ 0). Die Rückstellung wurde im Fiskaljahr 2024 von der Novelis Deutschland GmbH übertragen.

(3.5) Sonstige Rückstellungen

Die sonstigen Rückstellungen enthalten im Wesentlichen Rückstellungen für noch nicht berechnete Lieferungen und Leistungen (T€ 8.014; Vorjahr T€ 9.604) und Personalrückstellungen (T€ 1.992; Vorjahr T€ 2.355), davon Rückstellungen für Jubiläumszahlungen in Höhe von T€ 230 (Vorjahr T€ 102).

Der Erfüllungsbetrag aus Altersteilzeitverpflichtungen besteht in Höhe von T€ 355 (Vorjahr T€ 452). Erträge aus dem Deckungsvermögen wurden nicht realisiert, eine Saldierung gemäß § 246 Abs. 2 Satz 2 HGB konnte nicht angewendet werden.

(3.6) Verbindlichkeiten

	31.03.2024	**davon mit Restlaufzeit**			**31.03.2023**
		bis 1 Jahr	**Größer 1 Jahr**	**Davon über 5 Jahre**	
	€	**€**	**€**	**€**	**€**
Anleihen	500.000.000	0	500.000.000	500.000.000	500.000.000
Verbindlichkeiten aus Lieferungen und Leistungen	18.330.018	18.330.018	0	0	15.147.210
Verbindlichkeiten gegenüber verbundenen Unternehmen [1), 2), 3)]	14.300.008	14.300.008	0	0	42.715.515
Sonstige Verbindlichkeiten[4)]	7.885.730	7.885.730			7.734.845
	540.515.756	**40.515.756**	**500.000.000**	**500.000.000**	**565.597.570**
[1)] Davon aus Lieferungen und Leistungen	1.196.949				1.733.609
[2)] Davon aus Finanzierung	0				19.000.000
[3)] Davon gegenüber der Gesellschafterin	14.207.967				41.802.784
[4)] Davon aus Steuern	151.856				138.336

Am Bilanzstichtag bestehen keine Verbindlichkeiten gegenüber der alleinigen Gesellschafterin Novelis Deutschland GmbH (Vorjahr T€ 19.000) aus Finanzierung. Das im Vorjahr bestehende Darlehen gegenüber der Novelis Deutschland GmbH in Höhe von T€ 19.000 wurde im Oktober 2023 komplett getilgt.

Zum 31. März 2024 bestanden Verbindlichkeiten gegenüber der alleinigen Gesellschafterin Novelis Deutschland GmbH in Höhe von T€ 14.208 (Vorjahr T€ 41.803). Diese setzen sich zusammen aus der Gewinnabführung im Zuge des Ergebnisabführungsvertrages in Höhe von T€ 13.011 (Vorjahr T€ 21.982) und Verbindlichkeiten aus Lieferungen und Leistungen in Höhe von T€ 1.197 (Vorjahr T€ 821).

Im Geschäftsjahr 2020/2021 wurden festverzinsliche Anleihen (Green Bonds) im Gesamtvolumen von T€ 500.000 und einem Zinssatz von 3,375% am Kapitalmarkt platziert, welche von diversen institutionellen Anlegern erworben wurden. Die Anleihen haben eine Restlaufzeit von 5 Jahren und sind fällig am 15. April 2029. Die Zinszahlung erfolgt halbjährlich jeweils per 15. April und 15. Oktober.

Die Anleihen sind gelistet an der TISE (The International Stock Exchange, WKN XS2326533614 - Rule 144A und XS2326493728 - Regulation S). Die Anleihen sind handelbar, der Schlusskurs der Anleihen lag am 31. März 2024 an der Deutschen Börse in Frankfurt bei 94,02. Auf Basis dieses Kurses betrug der beizulegende Zeitwert am 31. März 2024 T€ 470.100.

(4) GEWINN- UND VERLUSTRECHNUNG

(4.1) Umsatzerlöse

Die erzielten Umsatzerlöse gliedern sich wie folgt auf:

Aufteilung nach Tätigkeitsbereichen	**2023/24 €**	**2022/23 €**
Gießerzeugnisse auf Umarbeitungsbasis	119.986.032	118.475.398
Nebenumsätze	686.424	723.415
	120.672.456	**119.198.813**

Geographische Aufteilung	**2023/24 €**	**2022/23 €**
Inland	686.424	723.415
Schweiz	119.986.032	118.475.398
	120.672.456	**119.198.813**

(4.2) Periodenfremde Erträge/Aufwendungen

Wesentliche periodenfremde Erträge/Aufwendungen sind im Berichtszeitraum nicht angefallen.

(4.3) sonstige betriebliche Erträge

Der Posten sonstige betriebliche Erträge enthält Erträge aus Währungskursdifferenzen in Höhe von T€ 53 (Vorjahr T€ 125), sowie Erträge aus der Energiesteuerentlastung (EEG) für Strom T€ 1.052 (Vorjahr T€ 979) und Gas T€ 2.430 (Vorjahr T€ 2.690).

Erträge von außergewöhnlicher Größenordnung ergaben sich in diesem Geschäftsjahr nicht (im Vorjahr T€ 6.705 aus dem Verkauf von EU-Emissionszertifikaten).

(4.4) sonstige betriebliche Aufwendungen

Der Posten sonstige betriebliche Aufwendungen enthält Aufwendungen aus Kursdifferenzen in Höhe von T€ 42 (Vorjahr T€ 127).

(4.5) sonstige Zinsen und ähnliche Erträge

Die sonstigen Zinsen und ähnlichen Erträge enthalten Zinsen von verbundenen Unternehmen in Höhe von T€ 14.083 (Vorjahr T€ 13.673).

(4.6) Zinsen und ähnliche Aufwendungen

Die Zinsen und ähnlichen Aufwendungen enthalten Zinsen an verbundene Unternehmen in Höhe von T€ 595 (Vorjahr T€ 1.773) und Zinsen für die festverzinsliche Anleihen (Green Bonds) an Dritte in Höhe von T€ 16.875 (Vorjahr T€ 16.875).

Für die Aufzinsung von langfristigen Rückstellungen sind wie im Vorjahr keine Zinsen angefallen. In diesem Jahre ist eine Abzinsung angefallen von T€ 11 (Vorjahr T€ 2).

(4.7) Steuern vom Einkommen und vom Ertrag

Es besteht über die Gesellschafterin Novelis Deutschland GmbH ein Organschaftsverhältnis mit der Novelis Aluminium Holding Unlimited Company als Organträgerin. Sämtliche inländischen Ertragsteuern werden auf Ebene der Organträgerin erfasst.

(5) MATERIALAUFWAND

	4/2023 bis 3/2024 €	**4/2022 bis 3/2023 €**
Hilfs- und Betriebsstoffe	17.367.722	15.789.869
Bezogene Leistungen	39.735.165	33.186.643
	57.102.887	**48.976.512**

(6) PERSONALAUFWAND

	4/2023 bis 3/2024 €	**4/2022 bis 3/2023 €**
Löhne und Gehälter	14.394.943	14.582.168
Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung	3.207.829	3.031.434
davon Aufwendungen für Altersversorgung	1.248.382	1.207.358
	17.602.772	**17.613.602**

(7) MITGLIEDER DER GESCHÄFTSFÜHRUNG

Marc Mathiot, Plant Manager Novelis Sheet Ingot GmbH

Peter James Haycock, Controller Novelis Deutschland GmbH, Plant Nachterstedt Rolling

Die Geschäftsführer bezogen kein Gehalt von der Gesellschaft für ihre Geschäftsführertätigkeit.

(8) MITARBEITER (durchschnittliche Mitarbeiterzahl)

	4/2023 bis 3/2024	4/2022 bis 3/2023
Produktion	201	201
Verwaltung und Vertrieb	36	37
	237	**238**

(9) HAFTUNGSVERHÄLTNISSE

Im April 2020 wurden Darlehen in Höhe von USD 775 Mio. zur teilweisen Finanzierung der Übernahme von Aleris in Anspruch genommen. Nach der Tilgung wurden bis September 2023 noch USD 750 Mio. in Anspruch genommen. Im September 2023 wurde der Restbetrag von USD 750 Mio. durch neue Term Loans in Höhe von USD 750 Mio. refinanziert, wodurch sich das Fälligkeitsdatum bis September 2026 verlängerte.

Im März 2021 wurden neue Term Loans in Höhe von USD 500 Mio. ausgegeben, um einen Teil der USD 1,8 Mrd. Term Loan Facility zurückzuzahlen. Ein weiterer Teil davon wurde im März 2021 durch die Ausgabe einer grünen Anleihe in Höhe von € 500 Mio. (entspricht USD 588 Mio.) zurückgezahlt.

Von allen Term Loans verbleiben am Ende des Geschäftsjahres 2023/2024 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 € 500 Mio. (entspricht USD 543 Mio. per März 2023) wurden bis zum Ende des Geschäftsjahres 2022/2023 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.

Die Gesellschaft hat sämtliche Forderungen an die Sicherungsnehmer zur Sicherheit abgetreten (Globalzession).

Der Ergebnisabführungsvertrag zwischen der Novelis Sheet Ingot GmbH, Göttingen und der Novelis Deutschland GmbH, Göttingen, ist aufrecht zu erhalten.

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 Sheet Ingot GmbH, Göttingen, 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.

(10) SONSTIGE FINANZIELLE VERPFLICHTUNGEN UND AUSSERBILANZIELLE GESCHÄFTE

Zum 31. März 2024 besteht ein Bestellobligo aus Investitionen in Höhe von T€ 6.137 (Vorjahr: T€ 3.491).

Leasingverpflichtungen bestehen in Höhe von T€ 1.656 (Vorjahr: T€ 1.825).

Die Emissionsberechtigungen aus den Zuteilungsperiode 2021-2030 nach dem Treibhausgas-Emissionshandelsgesetz (TEHG) sowie der Zuteilungsverordnung 2020 (ZuV 2020) aus vorangegangenen Geschäftsjahren, stehen zum Stichtag 31.03.2024 mit 228.596 Emissionsberechtigungen zur Verfügung. Hier sind bereits die Emissionsberechtigungen durch Zu- und Verkäufe einbezogen.

Die Emissionsberechtigungen werden anteilig für den Ausgleich der EU ETS geprüften Emissionen zum 30.09.2024 für das Kalenderjahr 2023 verwendet.

(11) GESCHÄFTE MIT NAHESTEHENDEN UNTERNEHMEN UND PERSONEN

Im Rahmen der normalen Geschäftstätigkeit unterhält die Novelis Sheet Ingot GmbH Geschäftsbeziehungen zu zahlreichen Unternehmen. Dazu gehören auch verbundene Unternehmen und Unternehmen, mit denen ein Beteiligungsverhältnis besteht, die als nahestehende Unternehmen gelten, sowie Geschäfte mit der alleinigen Gesellschafterin Novelis Deutschland GmbH.

Da es sich hierbei um zu marktüblichen Bedingungen zustande gekommene Geschäfte handelt, entfällt gemäß § 285 Nr. 21 HGB eine weitere Angabe.

(12) Nachtragsbericht

Vorgänge von besonderer Bedeutung nach dem Schluss des Geschäftsjahres haben sich nicht ereignet.

(13) GESAMTHONORAR DES ABSCHLUSSPRÜFERS

Das berechnete Gesamthonorar des Abschlussprüfers für Abschlussprüfungsleistungen beträgt T€ 47 (Vorjahr: T€ 47).

(14) ERGEBNISVERWENDUNG

Das Jahresergebnis für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024 wird aufgrund des bestehenden Ergebnisabführungsvertrages an die alleinige Gesellschafterin Novelis Deutschland GmbH, Göttingen, abgeführt. Eine entsprechende Verbindlichkeit gegenüber verbundenen Unternehmen bzw. Gesellschafter ist erfasst.

Göttingen, den 30. April 2024

Novelis Sheet Ingot GmbH

Peter Haycock Marc Mathiot

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Anlagenspiegel

Novelis Sheet Ingot GmbH, Göttingen

Entwicklung des Anlagevermögens zum 31. März 2024

	Anschaffungs- bzw. Herstellungskosten				
	01.04.2023	Zugänge	Umbuchungen	Abgänge	31.03.2024
	€	€	€	€	€
I. Immaterielle Vermögensgegenstände					
1. Entgeltlich erworbene Software und Lizenzen	**863.054**	0	19.494	35.440	**847.108**
2. geleistete Anzahlungen	**2.556**	0	0	0	**2.556**
	865.610	**0**	**19.494**	**35.440**	**849.664**
II. Sachanlagen					
1. Grundstücke und Bauten	**92.372.670**	0	450.236	6.492	**92.816.414**
2. Technische Anlagen und Maschinen	**178.419.098**	0	5.736.792	399.435	**183.756.455**
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	**3.015.701**	26.564	280.880	699.250	**2.623.895**
4. Geleistete Anzahlungen und Anlagen im Bau	**18.910.830**	15.385.825	-6.487.402	0	**27.809.253**
	292.718.299	**15.412.389**	**-19.494**	**1.105.177**	**307.006.017**
III. Finanzanlagen					
Ausleihungen an verbundene Unternehmen	398.855.833	0	0	0	**398.855.833**
	398.855.833	**0**	**0**	**0**	**398.855.833**
	692.439.742	**15.412.389**	**0**	**1.140.617**	**706.711.514**

Abschreibungen					Restbuchwerte	
01.04.2023	Zugänge	Umbu-chungen	Abgänge	31.03.2024	31.03.2024	31.03.2023
€	€	€	€	€	€	€
762.527	36.082	0	35.439	**763.170**	**83.938**	**100.527**
0	0	0	0	**0**	**2.556**	**2.556**
762.527	**36.082**	**0**	**35.439**	**763.170**	**86.494**	**103.083**
29.609.381	3.437.217	0	3.040	**33.043.558**	**59.772.856**	**62.763.288**
135.411.794	11.834.677	0	322.136	**146.924.335**	**36.832.120**	**43.007.303**
2.302.491	293.706	0	643.728	**1.952.469**	**671.426**	**713.210**
0	0	0	0	**0**	**27.809.253**	**18.910.830**
167.323.666	**15.565.600**	**0**	**968.904**	**181.920.362**	**125.085.655**	**125.394.631**
0	0	0	0	**0**	**398.855.833**	**398.855.833**
0	**0**	**0**	**0**	**0**	**398.855.833**	**398.855.833**
168.086.193	**15.601.682**	**0**	**1.004.343**	**182.683.532**	**524.027.982**	**524.353.547**

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

An die Novelis Sheet Ingot GmbH , Göttingen

Prüfungsurteile

Wir haben den Jahresabschluss der Novelis Sheet Ingot GmbH , Göttingen, – bestehend aus der Bilanz zum 31. März 2024 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft. Darüber hinaus haben wir den Lagebericht der Novelis Sheet Ingot GmbH für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 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 2024 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 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 30. April 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
WIRTSCHAFTS-
PRÜFUNGS-
GESELLSCHAFT
SIEGEL
FRANKFURT AM MAIN

digitally signed by

Christian Kwasni
Wirtschaftsprüfer

digitally signed by

ppa. Jürgen Körbel
Wirtschaftsprüfer

Novelis Sheet Ingot GmbH
Göttingen

Annual Financial Statements as of March 31, 2024
and Management Report for Financial Year 2023/2024

INDEPENDENT AUDITOR'S REPORT

(Translation - the German text is authoritative)

Contents Page

Novelis Sheet Ingot GmbH, Göttingen

Management Report for Financial Year April 1, 2023 to March 31, 2024

BASIS of the COMPANY

Novelis Sheet Ingot GmbH (‚SIG‘), Göttingen, has a production site in Nachterstedt.

The company provides casting services exclusively to Novelis AG, Küsnacht, Switzerland. Therefore, the operating **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 plant management, 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 in the Novelis Europe region is carried out in close cooperation with the Novelis research facilities at the Göttingen plant for the can and packaging market segments and at the Sierre plant (Switzerland) for the automotive market segment.

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

Global economic output increased by +3.0% year-on-year in. The US economy achieved growth of +2.4% and economic growth in the eurozone fell to +0.4%, with the German economy shrinking by -0.3%. Over the year as a whole, China once again recorded higher economic growth of +5.2% compared to the previous year. Inflation may have peaked, but upside risks remain due to ongoing price pressure. Geopolitical risks are increasing the vulnerability of supply chains, particularly in the Red Sea, the Middle East and Ukraine. The intensification of competition between the USA and China is contributing to this. (source: 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.

366.9 kt aluminum was converted to aluminum ingots in the financial year 2023/2024. The goal of 404.3 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.

During the financial year, we optimized our specific energy consumption. Through to our "WCM - World Class Manufacturing" continuous improvement system, we were able to adapt routines and thus reduce our specific energy consumption. The increased demand for automotive alloys with a high recycled content led to new developments and optimization of the scrap input and thus to even more sustainable recycling alloys. The effects of these projects have a positive influence on Novelis' sustainability strategy. 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 was € 4,054 / ingot and increased compared to the prior year by € 50.48 per ingot. The increase in reworking costs compared to the previous year is due to higher energy costs and higher costs for consumables and supplies. Therefore, the increase of conversion cost per piece was lower than the budgeted 9% increase of conversion cost per piece for the year.

We invested € 15.4 million in the 2023/2024 financial year. Due to project timing adjustments, we were unable to fully realize the forecast € 17.0 million.

The Novelis internal Focused 5 targets in terms of work safety, reportable accidents, customer focus with external complaint rate, environmental footprint with primary aluminum usage rate were achieved and partially exceeded.

In the area of occupational safety, further progress was made to minimize risks by installing visual safety devices to quickly detect leaks in the oven tapping plugs. We were also able to implement safety-related improvements in the hot area by replacing the lighting with heat-resistant LED lighting, thereby 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 “Days Away From Work (DAFW Rate)” - absence time due to injury and illness. In the financial year 2023/2024 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". The focus on high work and safety standards and the sustainable prioritization of these has led to consistently good results in recent years. This has now been confirmed and Novelis Sheet Ingot GmbH has been awarded the Novelis Platinum Award for 4 years of accident-free work.

Business development

In financial year 2023/2024 Novelis Sheet Ingot GmbH completed the commissioning of the new ingot milling machine. Together with the confirmed investment to expand sorting at Flexline, both projects will become further important building blocks for CO^2 reduction. The expansion of the product portfolio to include new sustainable 6xxx alloys with an even higher recycled content is a key component of the strategic and sustainable portfolio alignment.

The complaint rate of 151 ppm (parts per million) is a good result (prior year 0 ppm).

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 increased from 362.3 kt to 366.9 kt compared to the previous year. The conversion prices for aluminum ingots remained at prior year level.

Earnings, net assets and financial position

Sales increased by € 1.5 million to € 120.7 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 and the vacuum belt filters installed after the paint stripping furnaces had a positive effect on waste costs. The company is financed on a long-term basis through bonds issued in the financial year 2020/2021. 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. Net interest result amounted to € 3.4 million (previous year: € 5.0 million), which resulted from the scheduled repayment of a loan granted by an affiliated company. Due to the profit and loss transfer agreement the profit of € 13.0 million (prior year € 22.0 million) is transferred to the shareholder Novelis Deutschland GmbH.

Total assets decreased from € 597.6 million to € 571.1 million. In total receivables from affiliated companies decreased by € 27.8 million.

Non-current assets decreased from € 524.4 million to € 524.0 million. The forecasted investment of € 17 million in measures to eliminate technical weaknesses and capacity expansion was not realized in full because of project time adjustments. Capital expenditures were € 15.4 million. Major investments included refractory modifications to the melting furnaces, the advance payment for the expansion of the Flexline sorting system, the completion of filter house B, new filter sets for filter house A, further sections of the milling machine for sawn ingots, the improvement of the paint stripping furnaces and the downstream vacuum belt filters, the infrastructural expansion of the ingot storage area and the conversion to LED lighting in the hot area.

Current assets decreased by € 25.7 million primarily due to decreased receivables from affiliated companies. The cash pooling receivable decreased from € 37.5 million to € 17.1 million as of March 31, 2024. Equity remained at € 20 million. The equity ratio increased from 3.3 % in the prior year to 3.5 %. Liabilities to affiliated companies from financing decreased due to repayments of € 19 million from € 19 million to € 0 million.

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 2024/2025 capital expenditures of € 16.1 million are planned. The focus here is on the installation of the new Flex-line sorting system, the modification of the in-house power generation system and the continuation of the filter replacement to improve energy efficiency in the filter house.

In coordination with Novelis AG an increased output volume of 387.7 kt is planned for the financial year 2024/2025.

The aforementioned investments as well as other measures of continuous improvement, in particular, the by WCM-World Class Manufacturing, shall contribute to this. The reduction of the specific energy yield is being intensively pursued. In addition, the positive effects of the higher output of aluminum ingots should have a positive impact of 3% on the conversion costs per unit (increase from €4,054 / ingot to €4,174 / ingot).

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 2023/2024 led to price increases. We do not expect this to repeat in the current financial year 2024/2025. 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.

Göttingen, April 30, 2024

Novelis Sheet Ingot GmbH
Managing directors

Peter Haycock

Marc Mathiot

Annual Financial Statements for the Financial Year from April 1, 2023 to March 31, 2024

Novelis Sheet Ingot GmbH, Göttingen

Balance Sheet as of March 31, 2024

Assets

	March 31, 2024	March 31, 2023
	€	€
A. Non-current assets		
I. Intangible assets		
1. Concessions, intellectual property rights, licences and similar rights	83,938	100,527
2. Advance payments	2,556	2,556
	86,494	103,083
II. Property, plant and equipment		
1. Property, buildings and similar property rights	59,772,856	62,763,288
2. Technical equipment and machinery	36,832,120	43,007,303
3. Other plant, furniture and office equipment	671,426	713,210
4. Advance payments and construction in progress	27,809,253	18,910,830
	125,085,655	125,394,631
III. Financial assets		
Loans to affiliated companies	398,855,833	398,855,833
	398,855,833	398,855,833
	524,027,982	**524,353,547**
B. Current assets		
I. Inventories		
Raw material	10,024,324	8,966,242
II. Receivables and other assets		
1. Receivables from affiliated companies	30,066,503	57,860,644
2. Other assets	4,743,583	3,673,000
	44,834,410	70,499,886
III. Cash	190	190
	44,834,600	**70,500,076**
C. Prepaid expenses	**2,278,767**	**2,702,266**
	571,141,349	**597,555,889**

Equity and Liabilities

	March 31, 2024	March 31, 2023
	€	**€**
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	619,220	0
2. Other provisions and accruals	10,006,373	11,958,319
	10,625,593	**11,958,319**
C. Liabilities		
1. Bonds	500,000,000	500,000,000
2. Trade payables	18,330,018	15,147,210
3. Liabilities to affiliated companies	14,300,008	42,715,515
4. Other liabilities	7,885,730	7,734,845
	540,515,756	**565,597,570**
	571,141,349	**597,555,889**

Novelis Sheet Ingot GmbH, Goettingen

Income Statement for Financial Year April 1, 2023 to March 31, 2024

		April 1, 2023- March 31, 2024	April 1, 2022- March 31, 2023
		€	**€**
1.	Sales	120,672,456	119,198,813
2.	Cost of sales	-107,375,512	-101,466,860
3.	**Gross profit**	**13,296,944**	**17,731,953**
4.	General and administrative expenses	-63,275	-255,801
5.	Other operating income	3,555,591	10,510,845
6.	Other operating expenses	-390,267	-1,028,999
7.	Interest and similar income	14,082,986	13,672,847
8.	Interest and similar expenses	-17,470,961	-18,648,939
9.	**Result after taxes**	**13,011,018**	**21,981,906**
10.	Expense from profit transfer due to profit transfer agreement	-13,011,018	-21,981,906
11.	**Profit for the year**	**0**	**0**

Novelis Sheet Ingot GmbH, Göttingen

Notes to the Financial Statements for Financial Year April 1, 2023 to March 31, 2024

(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	Göttingen
Registration court	Amtsgericht Göttingen
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, 2024. The annual financial statements for the period April 1, 2023 to March 31, 2024, 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, Göttingen.

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 or production 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.

Pension obligations are measured using the projected unit credit method at their discounted settlement amount. The discount rate (1.83 %, prior year 1.79%), 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 2024 (3.3 %). Annual pension increase was 2.0 %. Life expectancy statistics 2018G of Prof. Dr. K. Heubeck are applied. The difference in accordance with Section 253 (6) sentence 1 HGB amounted to € 5 thousand as at March 31, 2024.

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. For the jubilee benefit obligations a remaining term of 15 years was assumed. The underlying interest rate at the end of the year is 1.8 % (previous year 1.5 %). For the early retirement obligations (“Block-Modell”) a remaining term of 2 years was assumed. The underlying interest rate at the end of the year is 1.15 % (previous year 0.64

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, Göttingen, 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.

Introduction of Global Minimum taxation

The introduction of the regulations on global minimum taxation in Germany, which are based on an OECD initiative, is intended to ensure an effective minimum tax of 15% worldwide. These regulations are also referred to as Pillar 2. In Germany, the corresponding regulations (hereinafter also referred to as MinStG) were adopted by the Bundesrat on December 15, 2023, and promulgated in the Federal Law Gazette on December 27, 2023. These regulations therefore came into force on December 18, 2023, and apply for the first time to financial statements that begin after December 30, 2023. According to the MinStG, a supplementary tax is payable for each jurisdiction that has an effective tax rate below 15%. Determining the effective tax rate under the MinStG is very complex and involves a large number of specific adjustments. For Novelis, these regulations will therefore apply from the 2025 financial year, which begins on April 1, 2024. As the MinStG does not apply to the company for the 2023/24 financial year, there will be no tax burden from the MinStG for the 2023/24 financial year.

In principle, the company will not incur any additional tax burden from the national supplementary tax in the future, as it is neither the ultimate parent company nor the group parent company of the minimum tax group within the meaning of Section 3 MinStG. However, it is the group parent company that will have to bear the additional tax burden arising in future for all companies in Germany.

(3) BALANCE SHEET

(3.1) Non-current assets movement schedule

The development of non-current assets is on page 17 to 18.

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 2024. 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€ 5,051 (prior year K€ 5,997) from Novelis Aluminium Holding Unlimited Company, Dublin, is recognized. Thereof K€ 4.812 (prior year K€ 5,744) result from the payment of placement fees for bonds on the capital market in financial year 2020/2021. The remaining receivables from affiliated companies are cash pooling receivables from Novelis AG, Zurich, Switzerland, in the amount of K€ 17,062 (prior year K€ 37,471). In addition, there are interest receivables from Novelis Aluminium Holding Unlimited Company, Dublin, in the amount of K€ 6,170 (prior year K€ 13,461) due to the loan and a receivable from the sole shareholder Novelis Deutschland GmbH in the amount of K€ 1,639 (prior year K€ 1,166).

(3.3) Prepaid expenses

Prepaid expenses include bond issuance fees incurred in the financial year 2020/2021 in the amount of K€ 1,938 (prior year K€ 2,323) 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€ 619 as of March 31, 2024 (prior year K€ 0). The pension obligations were assumed from Novelis Deutschland GmbH in the financial year 2024.

(3.5) Other provisions and accruals

Other provisions and accruals comprise primarily accruals for goods and services received but not invoiced (K€ 8,014; prior year K€ 9,604) and personnel related provisions and accruals (K€ 1,992; prior year K€ 2,355). Thereof are K€ 230 (prior year K€ 102) provisions jubilee benefits.

The early retirement obligations amount to K€ 355 (prior year 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, 2024	Due within a year	Due after more than 1 year	Thereof due after more than 5 years	March 31, 2023
	€	€	€	€	€
Bonds	500,000,000	0	500,000,000	500,000,000	500,000,000
Trade payables	18,330,018	18,330,018	0	0	15,147,209
Liabilities to affiliated companies [1), 2), 3)]	14,300,008	14,300,008	0	0	42,715,515
Other liabilities [4)]	7,885,730	7,885,730	0	0	7,734,845
	540,515,756	40,515,756	500,000,000	500,000,000	565,597,570
[1)] Thereof from purchase of goods and services	1,196,949				23,715,515
[2)] Thereof from financing	0				26,734,845
[3)] Thereof to shareholder	14,207,967				19,000,000
[4)] Thereof taxes	151,856				138,336

As at the balance sheet date no liabilities to the sole shareholder Novelis Deutschland GmbH from financing exist (prior year K€ 19,000). The loan granted from Novelis Deutschland GmbH in the previous year in the amount of K€ 19,000 was repaid in full in October 2023.

Additionally, as of March 31, 2024, there were liabilities to the sole shareholder Novelis Deutschland GmbH in the amount of K€ 14,208 (previous year K€ 41,803). These results from the profit transfer due to the profit and loss transfer agreement in the amount of K€ 13,011 (previous year K€ 21,892) and trade payables in the amount of K€ 1,197 (previous year K€ 821).

In financial year 2020/2021, 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 5 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, 2024, on the German Stock Exchange in Frankfurt was 94.02. Based on this price, the fair value on March 31, 2024, was K€ 470,100.

(4) INCOME STATEMENT

(4.1) Sales

Sales by product line	**2023/24**	**2022/23**
	€	**€**
Casting	119,986,032	118,475,398
Other	686,424	723,415
	120,672,456	**119,198,813**

Sales by region	**2023/24**	**2022/23**
	€	**€**
Germany	686,424	723,415
Switzerland	119,986,032	118,475,398
	120,672,456	**119,198,813**

(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€ 53 (prior year K€ 125) as well as income from energy tax relief (EEG) for electricity K€ 1,052 (prior year K€ 979) and gas K€ 2,430 (prior year K€ 2,690).

No exceptionally high income was recognized (prior year K€ 6,705 from the sale of EU-emission certificates).

(4.4) Other operating expenses

Other operating expenses include expenses from exchange rate differences in the amount of K€ 42 (prior year K€ 127).

(4.5) Interest and similar income

Interest and similar income include interest receivable from affiliated companies in the amount of K€ 14,083 (prior year K€ 13,673).

(4.6) Interest and similar expenses

Interest and similar expenses include interest payable to affiliated companies in the amount of K€ 595 (prior year K€ 1,773) 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€ 0) expenses. In this year, a discounting of K€ 11 (prior year K€ 2) was recognized.

(4.7) Income taxes

A fiscal unity with Novelis Aluminium Holding Unlimited Company as the parent company exits via the shareholder Novelis Deutschland GmbH. All domestic income taxes are recognized at the level of the parent company.

(5) Material expenses

	2023/24	2022/23
	€	€
Raw material	17,367,722	15,789,869
Services received	39,735,165	33,186,643
	57,102,887	**48,976,512**

(6) Personnel expenses

	2023/24	2022/23
	€	€
Salaries and wages	14,394,943	14,582,168
Social security	3,207,829	3,031,434
Thereof pension costs	1,248,382	1,207,358
	17,602,772	**17,613,602**

(7) Managing directors

Marc Mathiot, Plant Manager Novelis Sheet Ingot GmbH

Peter James Haycock, Controller Novelis Deutschland GmbH, Plant Nachterstedt Rolling. The managing directors did not receive any remuneration from the company.

(8) EMPLOYEES (average number of employees)

	2023/24	2022/23
Production	201	201
Administration and sales	36	37
	237	**238**

(9) CONTINGENCIES

US$ 775 million of term loans were drawn in April 2020 to finance partially the acquisition of Aleris. After redemption, US$ 750 million remained drawn as of September 2023. In September 2023 the balance of US$ 750 million was refinanced with new Term Loans of US $750 million, extending the maturity date to September 2026.

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.

Of all term loans, a total of US$ 1.2 billion remains drawn at the end of the financial year 2023/2024.

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 2023), a total of US$ 3.6 billion in corporate bonds had been issued by the end of the 2022/2023 financial year.

In August 2022, Novelis amended the ABL Revolver Facility to, among other things, increase the commitment under the ABL Revolver by US$ 500 million to US$ 2.0 billion and extend the term of the ABL Revolver to August 18, 2027.

The refinancing did not change the contingencies.

The Company has assigned all receivables to the secured parties as collateral (blanket assignment).

The profit and loss transfer agreement between Novelis Sheet Ingot GmbH, Göttingen, and Novelis Deutschland GmbH, Göttingen, 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 Sheet Ingot GmbH, Göttingen.

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, 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, 2024, purchasing commitments for investing activities in the amount of K€ 6,137 (prior year K€ 3,491) exist.

Lease commitments exist in the amount of K€ 1,656 (prior year K€ 1,825).

As of March 31, 2024, we have 228,596 emission rights for the allocation period 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 September 30, 2024, for the calendar year 2023.

(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) SUBSEQUENT EVENTS

No significant events occurred after the end of the financial year.

(13) AUDITOR RENUMERATION

Total auditor fees for audit services in the financial year were K€ 47 (prior year K€ 47).

(14) APPROBRIATION OF THE EARNINGS

The result for the financial year April 1, 2023 to March 31, 2024 will be transferred to Novelis Deutschland GmbH due to the existing profit and loss transfer agreement. A respective liability is recognized.

Goettingen, April 30, 2024

Novelis Sheet Ingot GmbH

Peter Haycock Marc Mathiot

Movement in Fixed Assets
(Appendix to Notes)

Novelis Sheet Ingot GmbH, Göttingen

Movement in Fixed Assets

	Historical cost				
	April 1, 2023	**Additions**	**Reclassi-fications**	**Disposals**	**March 31, 2024**
	K€	**K€**	**K€**	**K€**	**K€**
I. Intangible assets					
1. Software and licences	**863,054**	0	19,494	35,440	**847,108**
2. Advance payments	**2,556**	0	0	0	**2,556**
	865,610	**0**	**19,494**	**35,440**	**849,664**
II. Property, plant and equipment					
1. Property, buildings and similar property rights	**92,372,670**	0	450,236	6,492	**92,816,414**
2. Technical equipment and machinery	**178,419,098**	0	5,736,792	399,435	**183,756,455**
3. Other plant, furniture and office equipment	**3,015,701**	26,564	280,880	699,250	**2,623,895**
4. Advance payments and construction in progress	**18,910,830**	15,385,825	-6,487,402	0	**27,809,253**
	292,718,299	**15,412,389**	**-19,494**	**1,105,177**	**307,006,017**
III. Financial assets					
Loans to affiliated companies	**398,855,833**	0	0	0	**398,855,833**
	692,439,742	**15,412,389**	**0**	**1,140,617**	**706,711,514**

Amortization and depreciation				Book value	
April 1, 2023	Additions	Disposals	March 31, 2024	March 31, 2024	March 31, 2023
K€	K€	K€	K€	K€	K€
762,527	36,082	35,439	**763,170**	**83,938**	**100,527**
0	0	0	**0**	**2,556**	**2,556**
762,527	**36,082**	**35,439**	**763,170**	**86,494**	**103,083**
29,609,381	3,437,217	3,040	**33,043,558**	**59,772,856**	**62,763,288**
135,411,794	11,834,677	322,136	**146,924,335**	**36,832,120**	**43,007,304**
2,302,491	293,706	643,728	**1,952,469**	**671,426**	**713,210**
0	0	0	**0**	**27,809,253**	**18,910,830**
167,323,666	**15,565,600**	**968,904**	**181,920,362**	**125,085,655**	**125,394,631**
0	0	0	**0**	**398,855,833**	**398,855,833**
168,086,193	**15,601,682**	**1,004,343**	**182,683,532**	**524,027,982**	**524,353,547**

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 2024, and the statement of profit and loss for the financial year from 1 April 2023 to 31 March 2024 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 2023 to 31 March 2024.

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 2024 and of its financial performance for the financial year from 1 April 2023 to 31 March 2024 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, 30 April 2024

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 2024

Registered Number: 316911

CONTENTS

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 2024.

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 loss for the financial year amounted to	31,022,031

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 2024 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.

This year's financial result 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, as well as the taxation. The company has recognized 100% of the profit of €33.2 million that arose in Novelis Deutschland GmbH in the financial year ended 31 March 2024 (2023: €130.0 million). This gain in the year ended 31 March 2024 was better than expected vs. plan and mainly due to lower fees from our JV Norf, lower utility costs, coating and freight and partially offset by lower shipments.

In addition to the profit share of €33.2m there was other net income of €4.3m, administrative and other operating expenses of €5.6m, net interest payable of €26.5m and taxation of €36.4 million resulting in a final loss of €31.0 million (2023: profit of €74.2 million).

The directors do not propose the payment of a dividend for 2024 (2023: 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 FY25 with higher shipments in Auto, Can and in Specialties with increased absolute conversion premium in all value streams but with slightly lower prices in Auto and Specialties.

For the Aerospace business, Novelis Koblenz GmbH expects a slightly higher volume with stable prices and a further slightly improved EBITDA vs. FY24.

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 into 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 invasion of Ukraine is continuing to burden the operating entities with still higher energy costs than before the war 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 group's 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

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 and other geopolitical effects
While pandemic effects have not any impact anymore in Europe, we are still confronted with the Ukraine war and other geopolitical effects. 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 limited to no impact on the business of the subsidiaries.

Financial risk management
Further, a significant part of the group's 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 ended during FY 2024 and the fundamental positive outlook stays in place.

The situation in the Auto segment improved after the availability of semiconductors increased significantly our shipment over the last couple of months in FY24. For FY25 we expect a robust market outlook back on pre-Covid levels.

For the Aerospace business, Novelis Koblenz GmbH had a strong FY24 and expects an ongoing strong market outlook with continuous high sales volume and even favourable compared with previous years. We are working already at pre-Covid levels.

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.

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.

DIRECTORS' REPORT - continued

Directors
The names of the persons who were directors at any time during the year ended 31 March 2024 are set out below. Except where indicated, they served for the entire year.

Sabine Trautwein	(German)
Roland Leder	(German)
Siegfried Adloff	(German)

Directors' and secretary's interests
The directors and secretary in office at 31 March 2024 had no beneficial interests, including family interests, in the share capital of the Company or any group undertaking at 31 March 2023 and at 31 March 2024.

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

30 April 2024
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 2024 and of its loss 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 2024;
- 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 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 2024 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
1 May 2024

PROFIT AND LOSS ACCOUNT
For the financial year ended 31 March 2024

	Notes	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Administrative expenses	4	(3,996,437)	(3,664,644)
Other operating expenses		(1,588,043)	(1,489,960)
Other operating income	5	37,543,507	134,099,444
Operating profit	6	31,959,027	128,944,840
Interest income	7	336,172	98,870
Interest expense	8	(26,896,119)	(26,316,780)
Profit before taxation		5,399,080	102,726,930
Taxation	9	(36,421,113)	(28,485,348)
(Loss)/profit for the financial year		(31,022,033)	74,241,582

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 2024

	Notes	Year ended 31 March 2024 €	Year ended 31 March 2023 €
(Loss)/profit for the financial year		(31,022,033)	74,241,582
Actuarial (loss)/gain in respect of pension scheme	16	(358,487)	431,843
Deferred tax on actuarial loss/(gain)	9,13,16	110,841	(150,185)
Total comprehensive (expense)/income for the year		(31,269,679)	74,523,240

BALANCE SHEET
As at 31 March 2024

	Notes	31 March 2024 €	31 March 2023 €
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	52,095,677	17,118,747
Deferred tax asset	13	59,618,659	83,524,419
		111,714,336	100,643,166
Creditors - amounts falling due within one year	14	(150,970,746)	(54,941,071)
Net current (liabilities)/assets		(39,256,410)	45,702,095
Total assets less current liabilities		892,284,039	977,242,544
Creditors - amounts falling due after more than one year	15	(629,885,330)	(683,814,156)
Pension liability	16	(6,040,000)	(5,800,000)
Net assets		256,358,709	287,628,388
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	39,262,133	70,531,812
Total equity		256,358,709	287,628,388

The notes on pages 14 to 33 form part of these financial statements.

On behalf of the Board

Siegfried Adloff
Director

Sabine Trautwein
Director

Date: 30 April 2024

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2024

	Called up share capital €	Capital contribution €	Profit and loss account €	Total €
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**
Balance at 1 April 2023	**3,000,000**	**214,096,576**	**70,531,812**	**287,628,388**
Loss for the year	-	-	(31,022,033)	(31,022,033)
Other comprehensive expense	-	-	(247,646)	(247,646)
Total comprehensive expense for the year	-	-	*(31,269,679)*	*(31,269,679)*
Balance as at 31 March 2024	**3,000,000**	**214,096,576**	**39,262,133**	**256,358,709**

DIRECTORS' REPORT

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 Novelis Europe Holdings Limited, Latchford Locks Works, Thelwall Lane, Warrington, Cheshire, United Kingdom, WA4 1NN with 647,590,006 shares and Novelis UK Limited, 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 2023 and ending 31 March 2024.

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 liabilities position of €39,256,410 and net assets of €256,358,709 at the balance sheet date. The 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 in the future. 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, Novelis Inc., indicating that it will continue to provide such support to the company as is necessary to enable the company to continue to meet its liabilities as they fall due for a period of no less than 12 months from the date of signing of these financial statements.

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.

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 2021 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.

Impairment of Financial Assets
The company monitors the carrying value of financial assts on an ongoing basis. The carrying value is assessed for impairment based on the presence of impairment indicators. Where events or changes in circumstances indicate that the carrying amount may not be recoverable or where impairment indicators exist, an impairment test is carried out. Any shortfall in carrying value (as compared to the lower of value in use and net realisable value) is recorded as an impairment charge. No impairment has been recognised in the current year.

Provision for uncertain tax positions
Included in other creditors is a provision for uncertain tax positions. This provision is considered by the directors based on their assessment of the tax position of the company and requires their judgement relating to the potential outcome of tax audits of the company which acts as the parent company in a German tax fiscal unity with its direct and some indirect subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Administrative expenses

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Wages and salaries	2,349,672	2,338,134
Social insurance costs	565,733	342,681
Other retirement benefit costs	61,767	63,215
Staff costs	2,977,172	2,744,030
Other administrative expenses	1,019,265	920,614
	3,996,437	3,664,644

Average number of persons employed by the company during the year was 21 (31 March 2023: 19).

5 Other operating income

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Profit from financial assets	33,205,658	130,014,570
Service fee income	1,962,732	1,858,377
Other income	2,375,117	2,226,497
	37,543,507	134,099,444

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 2021. 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 2024 was €33,205,658, (31 March 2023: €130,014,570). 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 2024 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

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Operating profit is stated after charging/(crediting):		
Auditor's remuneration	39,153	37,200
Foreign exchange (gain)/loss	(191)	461

7 Interest income

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Interest income on loans to group undertakings	334,447	-
Interest received on taxation	1,725	98,870
Total interest income	336,172	98,870

8 Interest expense

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Interest expense on loans from group undertakings	26,063,160	25,355,918
Net interest expense on defined benefit pension plan (note 16)	221,513	4,843
Interest accrued on taxation	611,446	956,019
Total interest expense	26,896,119	26,316,780

The interest expense on loans received from group undertakings mainly consists of interest on a new short-term loan of €35,000,000 which falls due for repayment on 30 August 2024, interest on a loan of €85,000,000 (2023: €60,000,000) which falls due for repayment on 31 March 2025 and interest on long-term loans of €180,172,603 (2023: €180,172,603) and €398,855,833 (2023: €398,855,833) which fall due for repayment on 31 March 2028.

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Taxation

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
(a) Analysis of tax charge in year		
Current tax:		
Irish corporation tax	-	-
German Trade and Corporation Tax on profit for the year	13,149,949	21,145,829
Adjustment in respect of prior year	(745,437)	842,349
Current tax charge for the financial year	12,404,512	21,988,178
Deferred tax:		
Origination and reversal of timing differences (Note 13)	24,016,601	6,497,170
Deferred tax charge for the financial year	24,016,601	6,497,170
Total tax charge for the financial year	36,421,113	28,485,348
The deferred tax charge arises from:		
Movement in pension balances	188,413	(97,546)
Interest expense carried forward	6,345,628	1,716,914
Tax losses used	17,826,695	4,947,893
Other	(344,135)	(70,091)
	24,016,601	6,497,170

(b) Tax charge relating to items recognised in other comprehensive expense/income

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Current tax	-	-
Deferred tax		
- Deferred tax credit/(charge) on re-measurement of net defined benefit liability	110,841	(150,185)
Deferred tax credit/(charge)	110,841	(150,185)

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Taxation - continued

(c) Reconciliation of tax charge

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Profit on ordinary activities before taxation	5,399,081	102,726,930
Profit on ordinary activities before taxation multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 March 2024 of 12.5% (2023: 12.5%)	674,885	12,840,866
Different statutory tax rate (30.25%)	958,337	18,234,030
Uncertain tax positions	5,469,355	19,733,599
Utilisation of tax losses carried forward	(15,842,014)	(4,947,893)
Income not taxable/expenses not deductible for tax purposes	44,415,113	(16,532,905)
Adjustment in respect of prior year	745,437	(842,349)
Taxation charge for the financial year	36,421,113	28,485,348

10 Tangible assets

	Office Equipment €
Cost	
At 1 April 2023	16,521
At 31 March 2024	16,521
Accumulated depreciation	
At 1 April 2023	16,521
Charge for the year	-
At 31 March 2024	16,521
Net book amount	
At 31 March 2023	-
At 31 March 2024	-

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Financial assets

	€
Investment in subsidiary	
At 1 April 2023 and 31 March 2024	931,540,449

Subsidiary 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 2024 €	31 March 2023 €
Amounts due from group companies	37,493,840	618,477
Corporation tax receivable	1,954,745	343,140
Trade tax receivable	6,325	46,843
Other debtors	12,640,767	16,110,287
	52,095,677	17,118,747

At 31 December 2023, amounts owed by group companies include €3,302,931 (2023: €NIL) receivable under the cash pooling structure which is unsecured, bears interest ranging from 3.2% to 3.4%, has no fixed repayment date and is repayable on demand. All other amounts due from group companies are interest free, unsecured, have no fixed repayment date and are repayable on demand.

Included in other debtors are amounts receivable in respect of VAT of €12,638,215 (31 March 2023: €16,107,085).

13 Deferred tax asset

	31 March 2024 €	31 March 2023 €
Property and equipment	562	1,091
Retirement benefits	567,332	644,904
Tax losses carried forward available for offset against future profits	33,365,004	51,191,698
Interest expense carried forward available for offset against future profits	27,145,768	33,491,397
Other	(1,460,007)	(1,804,671)
	59,618,659	83,524,419

Movement in deferred taxes	31 March 2024 €	31 March 2023 €
Deferred tax asset at 1 April	83,524,419	90,171,774
Charge to profit and loss account (Note 9)	(24,016,601)	(6,497,170)
Credit/(charge) to other comprehensive income (Note 16)	110,841	(150,185)
Deferred tax asset at 31 March	59,618,659	83,524,419

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Creditors – amounts falling due within one year

	31 March 2024 €	31 March 2023 €
Amounts owed to group companies - finance	133,933,040	35,338,047
Amounts owed to group companies - trade	13,345,562	16,403,913
Accruals	859,732	748,840
Trade creditors	84,617	69,383
Trade tax on income	2,495,595	1,857,204
Corporation tax	119,169	393,164
Other creditors	133,031	130,520
	150,970,746	54,941,071

Included in amounts owed to group companies – finance are facilities drawn down of €Nil (2023: €32,191,699) with Group Treasury under a cash pooling balance. During the year ended 31 March 2023, this facility incurred variable interest rates of between 0% and 0.5% the balance was unsecured and repayable on demand. Amounts owed to group companies – finance also includes a short-term loan from Novelis Casthouse Germany of €35,000,000 (2023: €NIL), which bears an interest rate of 4% and is repayable on August 30, 2024 and a short-term loan from Novelis Deutschland GmbH of €85,000,000 (2023 €Nil) which bears an interest rate of 5.5% and is repayable on March 31, 2025. Both of these balances are unsecured. All other balances in this category are interest free, unsecured, have no fixed repayment dates and are repayable on demand.

Included in amounts owed to group companies – trade is an amount of €12,818,365 (2023: €NIL) payable to Novelis Deutschland GmbH based on the fiscal unity. This amount, as well as all other balances in this category, are interest free, unsecured, have no fixed repayment dates 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 2024 €	Year ended 31 March 2023 €
Amounts owed to group companies	579,028,436	639,028,436
Other creditors	50,856,894	44,785,720
	629,885,330	683,814,156

Amounts owed to group companies at 31 March 2024 include €579,028,436, which has an interest rate of 3.375%, is unsecured and is repayable on March 31, 2028.

Included in other creditors are amounts payable in respect of tax of €50,825,361 (31 March 2023: €44,760,157).

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 2024 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 2024 was €841,229 (31 March 2023: €862,373).

The amounts recognised in the balance sheet are as follows:	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Present value of scheme liabilities	(6,881,229)	(6,662,373)
Fair value of scheme assets	841,229	862,373
Pension liability	(6,040,000)	(5,800,000)

The amounts recognised in the profit and loss account are as follows:	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Interest cost	249,971	41,791
Interest on scheme assets	(28,458)	(36,948)
Net interest cost (Note 8)	221,513	4,843
Current service cost	15,000	22,000
	236,513	26,843

The amounts recognised in other comprehensive income are as follows:	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Experience (losses)/gains on liabilities	(372,000)	542,000
Actual loss on assets less interest income	13,513	(110,157)
Change in assumptions underlying the present value of scheme liabilities	-	-
Actuarial loss/(gains) recognised in other comprehensive income	(358,487)	431,843
Related deferred tax credit/(charge)	110,841	(150,185)
	(247,646)	281,658

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 31 March 2024 is €2,775,030 (31 March 2023: loss of €2,416,543). The related deferred tax credit is €839,954 (31 March 2023: credit of €729,113).

The actual return on plan assets was:	Year ended 31 March 2024 €	Year ended 31 March 2023 €
Actual return on plan assets	41,971	(73,209)

Expected contributions for the financial year ending 31 March 2025 are €412,000.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Pension liability

Movement in scheme assets and liabilities:

	Scheme assets	Scheme liabilities	Pension liability
	€	€	€
At 1 April 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)**
At 1 April 2023	**862,373**	**(6,662,373)**	**(5,800,000)**
Current Service Cost	-	(15,000)	(15,000)
Interest on scheme liability	-	(249,971)	(249,971)
Interest on scheme assets	28,458	-	28,458
Return on plan assets	13,513	-	13,513
Experience losses on liabilities	-	(372,000)	(372,000)
Benefits paid	(63,115)	418,115	355,000
At 31 March 2024	**841,229**	**(6,881,229)**	**(6,040,000)**

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 2024	31 March 2023	31 March 2022
	€	€	€
Scheme`s liabilities	(6,881,229)	(6,662,373)	(7,542,604)
Scheme`s assets	841,229	862,373	998,604
Deficit	(6,040,000)	(5,800,000)	(6,544,000)
Experience adjustment on liabilities	(372,000)	542,000	408,000
% of liabilities	5.41%	-8.14%	-5.41%
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 2024 %	31 March 2023 %
Discount rate	3.30	3.70
Future salary increases	2.75	2.75
Future pension increases	2.00	2.00
Future inflation rate	2.00	2.00

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 2024 Years	31 March 2023 Years
Male	20.9	20.6
Female	24.3	24.0
Longevity at 65 for members retiring in 2043:		
Male	23.5	23.4
Female	26.4	26.3

17 Called up share capital – presented as equity

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
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 2024 €
Profit brought forward	70,531,812
Loss for the financial year	(31,022,033)
Other comprehensive expense for the financial year	(247,646)
Closing profit and loss account	39,262,133

NOTES TO THE FINANCIAL STATEMENTS - continued

18 Capital contribution

	Year ended 31 March 2024 €
Capital contribution from parent	214,096,576

19 Guarantees and contingent liabilities

In August 2022, Novelis amended the ABL (Asset Based Lending) Revolver Facility to, among other things, increase the commitment under the ABL Revolver by $500 million to $2.0 billion and extended the term of the ABL Revolver to August 18, 2027. The refinancing did not change the contingencies.

As part of this arrangement, the company assigned all receivables not sold to Novelis AG by way of security to the secured party (under a global assignment). Receivables must be free of claims of third parties. Any claims must be reported immediately to the secured party.

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 materialising.

However, no collateral had been realised by the time these financial statements were prepared and 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.

20 Directors remuneration

The following table details the aggregate remuneration for the Directors of this company:

	Year ended 31 March 2024 €	Year ended 31 March 2023 €
For services as directors	19,000	16,500
For other services	-	-
	19,000	16,500

NOTES TO THE FINANCIAL STATEMENTS - continued

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.

23 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 30 April 2024 and were signed on its behalf on that date.

Novelis Italia SpA

Financial Statements as at 31 March 2024

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 2024	31 March 2023
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	286,450	95,804
7) Other	101,027	40,464
Total intangible assets	387,477	136,268
II - Property, plant and equipment		
1) Land and buildings	19,380,000	20,136,458
2) Plant and machinery	37,007,541	31,212,209
3) Industrial and commercial equipment	1,372,208	560,300
4) Other assets	1,163,739	1,424,677
5) Assets under construction and advances paid	5,530,160	6,901,363
Total property, plant and equipment	64,453,648	60,235,007
III - Financial assets		
1) Equity investments		
d-bis) other companies	2,877	2,522
Total equity investments	2,877	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	406,785	406,430
Total non-current assets (B)	65,247,910	60,777,705
C) CURRENT ASSETS		
I) Inventories		
1) Raw materials, supplies & consumables	9,623,191	14,060,009
2) Work in progress and semi-finished products	20,016,354	21,683,507
4) Finished products and goods for resale	20,111,442	21,768,324
Total inventories	49,750,987	57,511,840
II) Receivables		
1) Trade receivables		
within 12 months	21,348,807	20,695,481
Total trade receivables	21,348,807	20,695,481
4) Due from parent companies		
Within 12 months	68,443	18,927
Total due from parent companies	68,443	18,927
5) Due from companies under the control of parent companies		
within 12 months	392,028	6,345,640
Total due from companies under the control of parent companies	392,028	6,345,640
5-bis) Tax receivables		
within 12 months	947,244	1,169,234
after 12 months	966,886	1,771,668
Total tax receivables	1,914,130	2,940,902
5-quater) Due from others		
within 12 months	3,653,489	2,467,394
Total due from others	3,653,489	2,467,394
Total receivables	27,376,897	32,468,344
III – Current financial assets		

5) Derivative assets	1,320,072	326,226
Total current financial assets	1,320,072	326,226
IV - Cash and cash equivalents		
1) Banks and post office accounts	2,495,731	4,715,353
3) Cash on hand	1,169	834
Total cash and cash equivalents	2,496,900	4,716,187
Total current assets (C)	80,944,856	95,022,597
D) ACCRUED INCOME AND PREPAID EXPENSES	919,268	621,380
TOTAL ASSETS	147,112,034	156,421,682

LIABILITIES	**31 March 2024**	**31 March 2023**
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	869,157
V – Statutory reserves	0	0
VI - Other reserves, shown separately		
Amounts paid-in for future capital increase	10,000,000	10,000,000
Paid-in capital	1,000,000	0
Total other reserves	11,000,000	10,000,000
VII – Reserve for expected cash flow hedging	0	0
VIII - Retained earnings (accum. losses) carried forward	3,710,072	12,998,154
IX - Net income (loss) for the year	865,390	(9,288,082)
X – Negative reserve for own shares in portfolio	0	0
Total Shareholders' equity (A)	70,300,619	68,435,229
B) PROVISIONS FOR RISKS AND CHARGES		
1) Retirement benefit obligations	434,843	427,972
3) Derivative liabilities	389,987	2,520,393
4) Others	911,734	1,219,703
Total provisions for risks and charges (B)	1,736,564	4,168,068
C) STAFF LEAVING INDEMNITY (TFR)	1,971,462	2,179,936
D) PAYABLES		
5) Other financial debt		
within 12 months	2,367,542	4,636,216
Total other financial debt	2,367,542	4,636,216
7) Trade payables		
within 12 months	37,790,131	27,495,728
Total trade payables	37,790,131	27,495,728
11) Due to parent companies		
within 12 months	42,732	56,296
Total due to parent companies	42,732	56,296
11-bis) Due to companies under the control of parent companies		
within 12 months	26,514,179	42,781,997
Total due to companies under the control of parent companies	26,514,179	42,781,997
12) Tax payable		
within 12 months	366,535	1,208,439
Total tax payable	366,535	1,208,439
13) Due to insurance and pension institutes		
within 12 months	1,350,335	1,192,985
Total due to insurance and pension institutes	1,350,335	1,192,985
14) Other payables		
within 12 months	4,185,369	3,819,502
Total other payables	4,185,369	3,819,502
Total payables (D)	72,616,823	81,191,163

E) ACCRUED LIABILITY AND DEFERRED INCOME	486,566	447,286
TOTAL LIABILITIES	147,112,034	156,421,682

INCOME STATEMENT	**FY 2024**	**FY 2023**
A) VALUE OF PRODUCTION (REVENUE):		
1) Revenues from sales and rendering of services	233,322,044	315,762,021
2) Change in inventories of work in progress, semi-finished and finished products	(3,324,035)	(2,855,487)
5) Other revenues and income		
Grants related to income	2,603,222	10,706
Miscellaneous	1,642,648	1,541,459
Total other revenues and income	4,245,870	1,552,165
Total value of production (revenue)	234,243,879	314,458,699
B) PRODUCTION COSTS:		
6) Raw, ancillary and consumable materials	154,360,514	242,742,165
7) Costs of services	39,544,419	40,481,033
8) Leases and rentals	1,080,854	1,039,485
9) Personnel costs:		
a) Wages and salaries	18,012,780	18,767,342
b) Social security contributions	6,853,151	6,872,836
c) Staff leaving indemnity	1,276,463	1,411,337
e) Other costs	778,067	920,216
Total personnel costs	26,920,461	27,971,731
10) Amortisation, depreciation and write-downs:		
a) Amortisation of intangible assets	68,982	32,463
b) Depreciation of property, plant and equipment	6,514,986	6,381,188
d) Write-downs of receivables included under current assets and cash and cash equivalents	1,591	12,220
Total amortisation, depreciation and write-downs	6,585,559	6,425,871
11) Change in inventories of raw, ancillary, and consumable materials	4,436,818	(3,743,845)
12) Provisions for risks	0	933,206
14) Other operating expenses	1,052,059	2,195,388
Total production costs	233,980,684	318,045,034
Difference between production value and cost (A-B)	263,195	(3,586,335)
C) FINANCIAL INCOME AND CHARGES:		
16) Other financial income:		
d) Income other than the foregoing		
Others	54,691	241
Total income other than the foregoing	54,691	241
Total other financial income	54,691	241
17) Interest and other financial charges		
- companies under the control of parent companies	1,179,401	629,623
Others	822,971	560,473
Total interest and other financial charges	2,002,372	1,190,096
17-bis) Exchange gains and losses	(19,695)	(77,070)
Total financial income and charges (C) (15+16-17+-17-bis)	(1,967,376)	(1,266,925)
D) VALUATION ADJUSTMENTS TO FINANCIAL ASSETS:		
18) Revaluations:		
d) of derivative financial instruments	2,538,433	0
Total revaluations	2,538,433	0
19) Write-downs:		
d) of financial derivative instruments	0	4,116,142
Total write-downs	0	4,116,142
Total valuation adjustments to financial assets (18-19)	2,538,433	(4,116,142)
PRE-TAX RESULT (A-B+-C+-D)	834,252	(8,969,402)
20) Current and deferred income taxes for the year		
Current taxes	(31,200)	(8,367)

Prior years' taxes	62	327,047
Total current and deferred income taxes for the year	(31,138)	318,680
21) INCOME (LOSS) FOR THE YEAR	865,390	(9,288,082)

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	**865,390**	**(9,288,082)**
Income taxes	(31,138)	318,680
Interest expense/ (interest income)	1,947,681	1,189,855
(Capital gains)/capital losses from disposals of assets	132,054	83,219
1. Income / (loss) for the year before income taxes, interest, dividends and capital gains and losses from disposals	**2,913,987**	**(7,696,328)**
Adjustments for non-monetary items, which do not have counterpart in net working capital		
Charge to the provisions	95,664	1,514,096
Amortisation/depreciation	6,583,968	6,413,651
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	6,679,632	7,927,747
2. Cash flows before changes in net working capital	**9,593,619**	**231,419**
Changes in net working capital		
Decrease/(Increase) in inventories	7,760,853	(888,357)
Decrease/(Increase) in trade receivables	(653,326)	5,839,128
Increase/(Decrease) in trade payables	10,104,602	(10,905,513)
Decrease/(Increase) in accrued income and prepaid expenses	(297,888)	(359,144)
Increase/(Decrease) in accrued liability and deferred income	39,280	(175,729)
Other decreases / (Other increases) in net working capital	3,393,389	(40,585,671)
Total changes in net working capital	20,346,910	(47,075,286)
3. Cash flows after changes in net working capital	**29,940,529**	**(46,843,867)**
Other adjustments		
Interest received/(paid)	(1,947,681)	(1,189,855)
(Utilisation of provisions)	(2,735,643)	(277,911)
Total other adjustments	(4,683,324)	(1,467,766)
Cash flows from (used in) operating activities (A)	**25,257,205**	**(48,311,633)**
B. CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Property, plant and equipment		
(Investments)	(10,675,754)	(6,760,682)
Intangible assets		
(Investments)	(320,316)	(88,932)
Financial assets		
(Investments)	(355)	0
Current financial assets		
(Investments)	(993,846)	0
Disinvestments	0	5,825,928
Cash flows from (used in) investing activities (B)	**(11,990,271)**	**(1,023,686)**

C. CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		

Borrowed funds		
New loans	0	49,336,942
(Loan repayment)	(16,486,221)	(2,587,762)
Own funds		
Paid-in capital increase	1,000,000	0
Cash flows from (used in) financing activities (C)	**(15,486,221)**	**46,749,180**
Increase (decrease) in cash and cash equivalents (A ± B ± C)	**(2,219,287)**	**(2,586,139)**
Cash and cash equivalents at the beginning 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 beginning of the year	4,716,187	7,302,326
Cash and cash equivalents at the end of the year		
Banks and post office accounts	2,495,731	4,715,353
Cash on hand	1,169	834
Total cash and cash equivalents at the end of the year	**2,496,900**	**4,716,187**

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” - “Loan repayment”, 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 € 14,217,547, as well as the change in the payable to factoring companies, equal to € 2,268,674.

Notes to the Financial Statements as at 31 March 2024

PREAMBLE

The financial year ending 31 March 2024 closed with a net income of € 865,390 after depreciation/amortisation equal to € 6,583,968 and positive income taxes for € 31,138, mainly deriving from the ACE amount receivable (Aiuto alla Crescita Economica i.e. allowance for corporate equity) relating to the current financial year.

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 2023
Fixed assets	14,402
Other assets	4,239
Total assets	**18,641**
Current liabilities	7,100
Deferred taxes	0
Minority interests	1
Shareholders' equity	11,540
Total liabilities and shareholders' equity	**18,641**
	Financial year as at 31 March 2023
Net revenues	27,791
Costs	-24,943
Operating result before taxes and other items	2,848
Other revenues	162
Other costs	-908
Interest	-454
Other items	1
	1,649
less: Income taxes	391
Net result	**1,258**

For an adequate and complete understanding of the financial position and results of operations of the Hindalco Industries Ltd Group at 31 March 2023, 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 2024 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 2024, 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 2025-2029 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 generally 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 € 387,477 (€ 136,268 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	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**
Changes in the period			
Acquisitions/ Capitalisation	220,940	50,306	271,246
Transfers from assets under construction	14,950	34,120	49,070
Decreases for disposals (historical cost)	29,194	36,856	66,050
Decreases for disposals (accumulated amortisation)	29,069	36,856	65,925
Amortisation for the period	45,118	23,864	68,982
Total changes	**190,647**	**60,562**	**251,209**
Closing balance			
Historical cost	387,077	185,883	572,961
Accumulated amortisation	100,627	84,856	185,484
Net book value at 31 March 2024	**286,450**	**101,027**	**387,477**

The item “Concessions, licenses, trademarks and similar rights” regarded the licence agreement for the update of the AS400 operating system.
The item “Other” referred to software packages and leasehold improvements for the recovery of operations in the Campi Bisenzio distribution centre.

Property, plant and equipment

Property, plant and equipment amounted to € 64,453,648 (€ 60,235,007 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	42,974,063	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**
Changes in the period						
Increases for acquisitions/ capitalisation	175,453	6,456,798	566,389	213,827	3,502,157	10,914,624
Transfers from assets under construction	82,728	4,239,883	488,627	13,051	(4,824,290)	-
Transfers to assets under construction					(49,070)	(49,070)
Decreases for disposals (historical cost)	900	599,638	11,031	298,870		910,438
Depreciation for the year	1,013,874	4,800,752	235,055	465,305		6,514,986
Decreases for disposals (accumulated depreciation)	135	499,038	2,976	276,360		778,509
Total changes	(756,458)	5,795,330	811,908	(260,938)	(1,371,203)	4,218,638
Closing balance						
Historical cost	43,231,344	98,635,586	3,164,845	3,818,505	5,530,160	154,380,441
Accumulated depreciation	23,851,344	61,628,045	1,792,637	2,654,766	-	89,926,793
Net book value at 31 March 2024	**19,380,000**	**37,007,541**	**1,372,208**	**1,163,739**	**5,530,160**	**64,453,648**

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 electric cabins of the continuous casting furnaces with an investment of some € 3.8 million and the construction of the photovoltaic system for further € 2.1 million at Pieve Emanuele.

The transfer from assets under construction 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 2025-2029 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, in compliance with 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 overhead cranes for the Bresso and Pieve Emanuele plants through finance lease contracts; in addition to those already in force relating to desktops and laptops.

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.

Finance lease on Desktops and Laptops

	Amount
Total amount of the assets under finance lease at the end of the year	166,731
Depreciation that would have been incurred in the year	45,872
Current value of the instalments not past due at the end of the year	86,807
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	2,080

Effect on shareholders' equity	
a) Outstanding contracts	
Assets under finance lease at the end of prior year	120,033
- depreciation	(35,244)
Total assets under finance lease at the end of prior year, net of depreciation	**84,789**
+ Valuation adjustments	
- Depreciation on the asset written-off in the prior year	
+ Assets under finance lease during the year	46,698
- Assets under finance lease redeemed during the year	-
- Depreciation charges for the year	(45,872)
+ / - Valuation adjustments/re-adjustments on assets under finance lease	
Assets under finance lease at the end of the year, net of depreciation equal to € 81,117	**85,615**
b) Redeemed assets	-
Higher overall value of redeemed assets, calculated on the basis of the financial method, compared to their net carrying value at year-end	-
c) Prepaid expenses	-
at the beginning of the year	-
reversal of initial lease payment	-
at the end of the year	-
Total assets	**85,615**
c) Liabilities	
Prior-year effect on equity	
Implicit payables for finance lease transactions at the end of prior year	85,606
+ Valuation adjustments	-
+ Implicit payables arisen during the year	46,698
- Decreases for repayment of principal during the year	(45,498)
- Decreases for redemptions during the year	-

+ / - Valuation adjustments on assets under finance lease	-
d) Implicit payables for finance leases at the end of the year	**86,806**
e) Total pre-tax effect at the end of the year	(1,191)
f) Net tax effect (24%+3.90% on depreciation)	12,798
g) Effect on shareholders' equity at the end of the year (d-e)	**87,996**

Effect on Income Statement	
Reversal of instalments on finance lease transactions	-
Recognition of financial charges on finance leases	2,080
Recognition of	
- depreciation charges	45,872
Recognition of depreciation charges for the year on outstanding contracts	45,872
- on redeemed assets	-
- Valuation adjustments/re-adjustments on assets under finance lease	-
Effect on pre-tax profit	**47,952**
Reporting of the tax effect (24%+3.9%)	12,798
Effect on the result for the year of the recognition of finance leases using the financial method	**60,750**

Finance lease on overhead cranes

	Amount
Total amount of the assets under finance lease at the end of the year	3,128,431
Depreciation that would have been incurred in the year	44,062
Current value of the instalments not past due at the end of the year	2,752,647
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	6,712

Effect on shareholders' equity	
a) Outstanding contracts	
+ Assets under finance lease during the year	3,128,431
- Assets under finance lease redeemed during the year	-
- Depreciation charges for the year	(44,062)
+ / - Valuation adjustments/re-adjustments on assets under finance lease	
Assets under finance lease at the end of the year, net of depreciation equal to € 44,062	**3,084,369**
b) Redeemed assets	-
Higher overall value of redeemed assets, calculated on the basis of the financial method, compared to their net carrying value at year-end	-
c) Prepaid expenses	-
at the beginning of the year	-
reversal of initial lease payment	-
at the end of the year	-
Total assets	**3,084,369**

c) Liabilities	
+ Implicit payables arisen during the year	3,128,431
- Decreases for repayment of principal during the year	(375,784)
- Decreases for redemptions during the year	-
+ / - Valuation adjustments on assets under finance lease	-
d) Implicit payables for finance leases at the end of the year	**2,752,647**
e) Total pre-tax effect at the end of the year	331,722
f) Net tax effect (24%+3.90% on depreciation)	12,293
g) Effect on shareholders' equity at the end of the year (d-e)	**2,420,925**

Effect on Income Statement	
Reversal of instalments on finance lease transactions	-
Recognition of financial charges on finance leases	6,712
Recognition of	
- depreciation charges	44,062
Recognition of depreciation charges for the year on outstanding contracts	44,062
- on redeemed assets	-
- Valuation adjustments/re-adjustments on assets under finance lease	-
Effect on pre-tax profit	**50,775**
Reporting of the tax effect (24%+3.9%)	12,293
Effect on the result for the year of the recognition of finance leases using the financial method	**63,068**

Financial assets

Equity investments

The equity investments recorded under financial assets amounted to € 2,877, (€ 2,522 in the previous financial 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, equal to € 403,908, unchanged from the previous financial year, referred to guarantee deposits.

CURRENT ASSETS

Inventories

The inventories included under current assets amounted to € 49,750,987 (€ 57,511,840 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	14,060,009	9,623,191	(4,436,818)
Work in progress and semi-finished products	21,683,507	20,016,354	(1,667,153)
Finished products and goods for resale	21,768,324	20,111,442	(1,656,882)
Total	**57,511,840**	**49,750,987**	**(7,760,853)**

The change in inventories was due to a reduction in raw materials and to the reduction in the price of aluminium, which recorded a decrease of some € 200/ton in the financial year.

Receivables

The receivables included under current assets amounted to € 27,376,897 (€ 32,468,344 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	21,489,940	141,133	21,348,807	20,695,481	653,326
Due from parent companies – within 12 months	68,443	0	68,443	18,927	49,516
Due from companies under the control of parent companies within 12 months	392,028	0	392,028	6,345,640	(5,953,612)
Tax receivables within 12 months	947,244	0	947,244	1,169,234	(221,990)
Tax receivables after 12 months	966,886	0	966,886	1,771,668	(804,782)
Due from others within 12 months	3,653,489		3,653,489	2,467,394	1,186,095
Total	**27,518,030**	**141,133**	**27,376,897**	**32,468,344**	**(5,091,447)**

The item “Trade receivables” consists of the following:

	Opening balance	Closing balance	Change
Receivables from customers / Unaccepted orders to pay	20,695,481	21,346,722	651,241
Doubtful receivables	194,794	143,218	(51,576)

Provision for doubtful accounts – trade	(194,794)	(141,133)	53,661
Total	**20,695,481**	**21,348,807**	**653,326**

It should be noted that trade receivables have been shown net of the assignment of receivables without recourse; the assigned receivables amounted to € 18,682 thousand at 31 March 2024 (€ 21,432 thousand in the previous financial year).

The provision for doubtful accounts showed the following movement over the financial year:

Opening balance	**194,794**
Utilisation	(55,252)
Charge	1,591
Closing balance	**141,133**

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", equal to € 966,886, 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 € 387,994, from the disputes pertaining to the FY 2014 for € 177,317, to the FY 2018 for € 39,838, to the FY 2019 for € 54,136; the ACE receivable to be used (Aiuto alla Crescita Economica i.e. allowance for corporate equity), equal to € 138,865; and the tax credit for investments in capital equipment, in compliance with Law 160/2019 and Law 178/2020, equal to € 168,736.

The item "Due from others" consists of the following:

	Opening balance	**Closing balance**	**Change**
Receivables from factoring companies	2,406,194	3,600,733	1,194,539
Receivables from employees	13,575	15,374	1,799
Receivables from social-security institutions	47,626	37,381	(10,245)
Total	**2,467,395**	**3,653,488**	**1,186,093**

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	21,348,807		21,348,807
Due from parent companies	68,443		68,443
Due from companies under the control of parent companies	392,028		392,028
Tax receivables	947,244	966,886	1,914,130
Due from others	3,653,489		3,653,489
Total	**26,410,011**	**966,886**	**27,376,897**

At 31 March 2024, 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	11,793,144	8,841,335	714,327		21,348,807
Due from parent companies				68,443	68,443
Due from companies under the control of parent companies		63,793	303,521	24,714	392,028
Tax receivables	1,914,130				1,914,130
Due from others	52,756	3,600,733			3,653,489
Total	**13,760,030**	**12,505,861**	**1,017,848**	**93,157**	**27,376,897**

Current financial assets

This item, equal to € 1,320,072 (€ 326,226 in the previous financial year) reflected the valuation of financial derivative instruments with a positive *fair value*, entered into with Novelis AG. For further information, please refer to the section "Financial instruments" in Other information.

Cash and cash equivalents

The cash and cash equivalents included in current assets totalled € 2,496,900 (€ 4,716,187 in the previous financial year). The balance included € 2,367,542, not available because of the factoring contract.

ACCRUED INCOME AND PREPAID EXPENSES

Accrued income and prepaid expenses amounted to € 919,268 (€ 621,380 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 2024, 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	422,278	392,157	(30,121)
Prepaid expenses - EDP costs	53,889	68,584	14,695
Prepaid expenses – commercial information	14,326	7,200	(7,126)
Sundry	130,887	451,327	320,440
Total	**621,380**	**919,268**	**297,888**

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

The Shareholders' equity at the end of the financial year was equal to € 70,300,619 (€ 68,435,229 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 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**
Allocation of the result				(9,288,082)	9,288,082	0
Paid-in capital			1,000,000			1,000,000
Result for the year 2023/24					865,390	865,390
31 March 2024	**53,856,000**	**869,157**	**11,000,000**	**3,710,072**	**865,390**	**70,300,619**

The Shareholders' meeting of 28 April 2023 resolved to allocate the net loss of € 9,288,082 as a reduction of the retained earnings carried forward.

The item "Other reserves" reflected the capital paid in by Novelis Europe Holdings on 21 March 2024.

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			0	0
Legal reserve	869,157	B	869,157		0
Other reserves	11,000,000	A,B	11,000,000	0	0
Retained earnings (accum, losses) carried forward	3,710,072	A,B,C	3,710,072	0	0
Total	**69,435,229**		**15,579,229**	**0**	
Non-distributable portion			**11,000,000**		
Remaining non-distributable portion			**4,579,229**		

(*) 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 € 1,736,564 (€ 4,168,068 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	427,972	6,871	0	434,843
Derivative liabilities	2,520,393	0	2,130,406	389,987
Others:				
Provision for sales returns	69,562	76,119	68,420	77,261
Provision for sundry risks	1,150,141	0	315,668	834,473
Total	**4,168,068**	**82,990**	**2,514,494**	**1,736,564**

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 € 389,987, 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 “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 € 1,971,462 (€ 2,179,936 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	2,179,936	1,276,463	221,148	1,263,789	1,971,462

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 € 72,616,823 (€ 81,191,163 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	4,636,216	2,367,542	(2,268,674)
Trade payables	27,495,728	37,790,131	10,294,403
Due to parent companies	56,296	42,732	(13,564)
Due to companies under the control of parent companies	42,781,997	26,514,179	(16,267,818)
Tax payable	1,208,439	366,535	(841,904)
Due to insurance and pension institutes	1,192,985	1,350,335	157,350
Other payables	3,819,502	4,185,369	365,867
Total	**81,191,163**	**72,616,823**	**(8,574,340)**

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 € 26,514,179, is composed by:

	Opening balance	Closing balance	Change
Cash pooling payables to companies under the control of parent companies	33,128,511	18,910,963	(14,217,548)
Due to companies under the control of parent companies	9,653,486	7,603,216	(2,050,270)
Total	**42,781,997**	**26,514,179**	**(16,267,818)**

Since October 2011 the Company has been adhering to the group cash-pooling managed by the related concern Novelis AG.
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 and the VAT 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	2,999,537	3,394,795	395,258
Others	725,845	724,534	(1,311)
Payables towards Statutory Auditors for emoluments	94,120	66,040	(28,080)
Total	**3,819,502**	**4,185,369**	**365,867**

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	2,367,542	2,367,542
Trade payables	37,790,131	37,790,131
Due to parent companies	42,732	42,732
Due to companies under the control of parent companies	26,514,179	26,514,179
Tax payable	366,535	366,535
Due to insurance and pension institutes	1,350,335	1,350,335
Other payables	4,185,369	4,185,369
Total	**72,616,823**	**72,616,823**

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		2,367,542				2,367,542
Trade payables	28,734,366	5,881,422		3,173,161	1,182	37,790,131
Due to parent companies					42,732	42,732
Due to companies under the control of parent companies		4,037,462	22,476,717			26,514,179
Tax payable	366,535					366,535
Due to insurance and pension institutes	1,350,335					1,350,335
Other payables	4,185,369					4,185,369
Total	**34,636,605**	**12,286,426**	**22,476,717**	**3,173,161**	**43,914**	**72,616,823**

ACCRUED LIABILITY AND DEFERRED INCOME

Accrued liability and deferred income amounted to € 486,566 (€ 447,286 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	315,762,021	233,322,044	(82,439,977)
2) Change in inventories of work in progress, semi-finished and finished products	(2,855,487)	(3,324,035)	(468,548)
Total other revenues and income	1,552,165	4,245,870	2,693,705
Total	**314,458,699**	**234,243,879**	**(80,214,820)**

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	308,929,250	228,777,491	(80,151,759)
Sale of goods	6,832,711	4,544,017	(2,288,694)
Sale of ancillary materials	60	536	476
Total	**315,762,021**	**233,322,044**	**(82,439,977)**

The negative change in revenues resulted directly from lower sales volumes and the reduction in sales prices due to lower supply costs.

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	133,582,600	106,689,999	(26,892,601)
Other EU countries	174,585,528	119,291,453	(55,294,075)
Rest of Europe	5,983,460	6,713,519	730,059
Africa and Middle East	852,230	562,495	(289,735)
Asia	104,792	-	(104,792)
North America and Canada	653,411	64,578	(588,833)
Total	**315,762,021**	**233,322,044**	**(82,439,977)**

Intra-group sales are outlined in the Directors' Report.

Other revenues and income

Other revenues and income were recognised under Value of production in the Income Statement for € 4,245,870 (€ 1,552,165 in the previous financial year). A tax receivable relating to Legislative Decree no. 197/22 (concerning energy-intensive companies) was recorded, during the financial year, for € 2.5 million in "Other revenues and income".

The break-down of the individual items is shown below:

	Prior Period	Current period	Change
Services to Group companies	1,031,718	1,229,653	197,935
Reimbursement of expenses	58,627	57,175	(1,452)
Grants related to income	10,706	2,603,222	2,592,516
Prior-year over-accruals	216,007	332,893	116,887
Sundry revenues and income	235,107	22,927	(212,180)
Total	**1,552,165**	**4,245,870**	**2,693,705**

PRODUCTION COSTS

	Prior Period	Current period	Change
Raw, ancillary and consumable materials	242,742,165	154,360,514	(88,381,651)
Costs of services	40,481,033	39,544,419	(936,614)
Leases and rentals	1,039,485	1,080,854	41,369
Wages and salaries	18,767,342	18,012,780	(754,562)
Social security contributions	6,872,836	6,853,151	(19,685)
Staff leaving indemnity	1,411,337	1,276,463	(134,874)
Other personnel costs	920,216	778,067	(142,149)
Amortisation of intangible assets	32,463	68,982	36,519
Depreciation of property, plant and equipment	6,381,188	6,514,986	133,798
Write-downs of receivables included under current assets	12,220	1,591	(10,629)
Change in inventories of raw materials	(3,743,845)	4,436,818	8,180,663
Provisions for risks	933,206	0	(933,206)
Other operating expenses	2,195,388	1,052,059	(1,143,329)
Total	**318,045,034**	**233,980,684**	**(84,064,350)**

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, 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 € 39,544,419 (€ 40,481,033 in the previous financial year).

The break-down of the item is as follows:

	Prior period	Current period	Change
Purchases of services	3,522,255	3,006,993	(515,262)
Transport	5,352,103	4,433,775	(918,328)
External processes	2,251,357	2,359,329	107,972
Electric power	5,943,831	6,191,715	247,884
Gas	5,571,581	7,229,954	1,658,373
Water	183,744	184,379	635
Maintenance and repair costs	4,078,625	4,331,876	253,251
Technical counselling and services	67,779	128,209	60,430
Emoluments to Statutory Auditors and Independent Auditors	122,540	121,040	(1,500)
Commission expense	475,588	316,683	(158,905)
Advertising	11,257	18,863	7,606
Legal expenses and advice	65,000	96,396	31,396
Tax, administrative and commercial advice	185,242	184,604	(638)
Telephone expenses	11,882	14,000	2,118
Insurance	739,509	838,619	99,110
Travelling expenses	268,199	339,172	70,973
Refresher and training expenses	81,121	84,650	3,529
Charge for termination of agency relationships	10,432	6,870	(3,562)
Other	11,538,988	9,657,292	(1,881,696)
Total	**40,481,033**	**39,544,419**	**(936,614)**

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 € 1,080,854 (€ 1,039,485 in the previous financial year).

The break-down of the items is shown below:

	Prior period	Current period	Change
Rents and leases	281,306	298,656	17,350
Leasing	758,179	782,198	24,019
Total	**1,039,485**	**1,080,854**	**41,369**

Personnel costs

Personnel costs were recognised under Production costs in the Income Statement for a total amount of € 26,920,461

(€ 27,971,131 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 € 6,583,968 (€ 6,413,651 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 a total of € 1,052,059 (€ 2,195,388 in the previous financial year).

The break-down of the item is shown below:

	Prior period	Current period	Change
Stamp duties	172	1,289	1,117
ICI/IMU (Local property tax)	408,497	455,924	47,427
Registration tax	1,983	651	(1,332)
Non-deductible VAT	509,722	0	(509,722)
Chamber of Commerce dues	4,313	4,529	216
Losses on receivables	0	(2,089)	(2,089)
Prior-year charges and losses	506,527	407,921	(98,606)
Non-financial capital losses	83,219	132,054	48,835
Miscellaneous	680,955	51,780	(629,175)
Total	**2,195,388**	**1,052,059**	**(1,143,329)**

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	629,623	1,179,401	549,778
Others:			
Related to bank borrowings	239	0	(239)
Other charges	560,234	822,971	262,737
Total	**1,190,096**	**2,002,372**	**812,276**

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 the valuation at year-end and those actually realised:

	Prior period	Current period	Change
Exchange gains	191,259	38,128	(153,131)
Exchange losses	268,329	57,823	(210,506)
Total	**(77,070)**	**(19,695)**	**57,375**

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)*			-
IRAP *(Regional tax on productive activities)*	(8,367)	(31,200)	(22,833)
Prior years' taxes	327,047	62	(326,985)
Total	**318,680**	**(31,138)**	**(349,818)**

It should be pointed out that "prior years' taxes", equal to € 62, referred to an adjustment made in the tax-return.

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.

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	223,506	(372,419)	330,735	181,822	43,637	3,191
Costs fiscally deductible in future financial years	63,084	(28,084)	27,915	62,915	15,100	2,454
Provision for doubtful accounts	182,208	(42,666)	-	139,542	33,490	-
TOTAL DEFERRED TAX ASSETS	**468,798**	**(443,169)**	**358,650**	**384,279**	**92,227**	**5,645**
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	**(11,592,096)**	**(443,169)**	**358,650**	**(11,676,615)**	**(2,802,388)**	**(464,730)**
Tax losses that can be carried forward:						
Tax losses available to a limited extent	23,295,114		1,983,814	25,278,928	6,066,943	-
Tax losses available to a full extent	3,874,148		-	3,874,148	929,796	-
Total tax losses that can be carried forward	**27,169,262**	**-**	**1,983,814**	**29,153,076**	**6,996,739**	**-**

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 € 1,984,814, is composed by:

- € 1,640,427, equal to the tax losses emerged in the current tax period;

- € 343,387, as adjustment made in the tax-return (Unico 2023) on the prior fiscal year’s tax losses.

Deferred tax assets

Deferred tax assets were not recognised for prudential reasons in the amount of € 97,872 (made up of € 92,227 and € 5,645).

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 € 6,996,739) 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		**263,195**	
Costs not relevant for Irap purposes	26,922,052		
Total		**27,185,247**	
Theoretical tax charge (3.9% tax rate)			1,060,225
Temporary differences:			
- Deductible in subsequent years:			
Charge to the provision for risks and charges	76,119		
Other costs	27,915		
Total		104,034	
- Taxable in subsequent years:			
Total		-	
Reversal from previous years:			
Release from provision for risks and charges	(96,504)		
Release from other provisions	0		
Total		(96,504)	
Permanent differences:			
- For the year:			
Losses on receivables	53,164		
IMU (Municipal property tax)	370,712		
Other non-deductible items	168,214		
Other non-deductible costs	57,698		
Other decreases	(3,085,174)		
Total		(2,435,386)	
Gross taxable income (tax loss)		**24,757,391**	
Tax wedge	(25,267,120)		
Net taxable income		**(509,729)**	
Current IRAP tax for the period			**-**
		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			**-**
Total IRAP tax for the period			**-**

RECONCILIATION BETWEEN TAX CHARGE FROM THE ACCOUNTS AND THEORETICAL TAX CHARGE (IRES)			
Pre-tax result (loss)		**865,390**	
Theoretical tax charge (27.5% tax rate)			**237,982**
Temporary differences:			
- Deductible in subsequent years:			
Charge to the provision for risks and charges	330,735		
Charge to the provision for doubtful accounts	-		
Other costs	27,915		
		358,650	
- Taxable in subsequent years:			
Total		-	
Reversal from previous years:			
Release from provision for risks and charges	(716,171)		
Release from provision for doubtful accounts	(42,666)		
Total	-	(758,837)	
Permanent differences:			
- For the year :			
Non-deductible amortisation/depreciation	138,369		
Telephone expenses	24,179		
Travelling expenses	50,876		
Non-deductible tax and duties	62		
Prior-year operating costs	167,971		
Other non-deductible costs	27,076		
Staff indemnity leaving (TFR)	(50,552)		
Prior years' taxes	161,722		
10% Irap deduction			
Deductible Irap related to personnel costs			
Income taxes for the year			
Other decreases	(2,625,335)		
Total		(2,105,631)	
Gross taxable income (tax loss)		**(1,640,427)**	
Tax losses that can be carried forward from prior years	27,512,649		
Net taxable income (tax losses that can be carried forward)		**(29,153,076)**	
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 2024	FY 2023
Executives	7	7
Office workers	138	133
Manual workers	239	240
Fixed-term contracts (manual workers)	6	29
Fixed-term contracts (employees)	1	3
Total	**391**	**412**

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	36,044,374	33,340,463	40,958	(376,205)	(335,247)
Sale	USD	1,589,982	7,237,284	51	(12,516)	(12,465)
Sale	GBP	232,967	177,158	0	(1,266)	(1,266)
				41,009	**(389,987)**	**(348,978)**
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	16,589	33,785,374	31,250,924	**1,279,063**	**0**	**1,279,063**

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 2024 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 and Credit Agricole Leasing Italia, as outlined below:

CSI Lifecycle

Contract number	Contract date	Expiration	Payable within 12 months	Payable after 12 months	Total payable
IT001	30/06/2021	30/06/2024	738	-	738
IT002	30/06/2021	30/06/2024	3,744	936	4,680
IT003	28/09/2021	30/09/2024	147	-	147
IT004	28/09/2021	30/09/2025	2,426	1,213	3,639
IT005	17/01/2022	31/12/2024	4,462	-	4,462
IT006	17/01/2022	01/06/2025	1,364	1,364	2,728
IT005JL	05/04/2022	01/08/2025	6,922	1,730	8,652
IT005-AP	21/09/2022	01/09/2025	4,728	1,970	6,698
IT005-OC	21/09/2022	01/09/2025	6,156	5,122	11,278
IT007-JA	30/09/2022	01/12/2025	3,798	2,849	6,647
IT007-AP	19/04/2023	01/03/2026	7,605	7,605	15,210
IT008-OC	30/09/2022	01/09/2027	1,743	4,358	6,101
IT007-JL	10/10/2023	01/10/2026	914	1,447	2,361
IT009-JA	03/01/2024	01/02/2027	2,533	4,854	7,387
IT008-AP	03/04/2023	01/02/2028	2,096	6,113	8,209
		Total	**49,376**	**39,561**	**88,937**

Credit Agricole Leasing Italia Srl

Contract number	Contract date	Date of entry into force	Expiration	Payable within 12 months	Payable after 12 months	Total payable
01575885/001	06/06/2023	01/03/2024	31/01/2030	575,760	2,782,840	3,358,600

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 judgement 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 judgement 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 judgement 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 judgement 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 – did 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 June 2024.

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 served the entry of appearance 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 judgement 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. 212/2023, 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. The next hearing for the dispute has not been set yet.

2013 calendar year (WITHHOLDINGS)

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. Judgement 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 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.

2014 calendar year (WITHHOLDINGS)

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 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 June 2024.

2015 calendar year (WITHHOLDINGS)

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 € 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 served the entry of appearance by presenting its counter-deductions. The hearing for the dispute was held on 11 October 2023. The Court of Tax Justice of Second Degree filed judgement no. 3124/2023 in favour of the Company, on 18 October 2023.

The dispute must be considered settled since the Company, as of 19 April 2024, had not received any appeal to the Court of Cassation. The deadline for the notifying party (Revenue Authorities) expired on 18 April 2024. The Company will ask for the sentence whereby it is certified that no other appeal is possible. The Revenue Authorities have already reimbursed the amounts paid in provisionally.

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 € 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 served the entry of appearance by presenting its counter-deductions. The hearing for the dispute was held on 11 October 2023. The Court of Tax Justice of Second Degree filed judgement no. 3124/2023 in favour of the Company, on 18 October 2023.

The dispute must be considered settled since the Company, as of 19 April 2024, had not received any appeal to the Court of Cassation. The deadline for the notifying party (Revenue Authorities) expired on 18 April 2024. The Company will ask for the sentence whereby it is certified that no other appeal is possible. The Revenue Authorities have already reimbursed the amounts paid in provisionally.

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 filed an appeal on 19 May 2022. The debate took place on 18 October 2022. The Court of Tax Justice of First Degree issued judgement no. 3185/2022, in favour of the Company, on 21 November 2022. The Revenue Authorities filed an appeal on 19 January 2023. The Company served the entry of appearance by presenting its counter-deductions. The hearing for the dispute was held on 11 October 2023. The Court of Tax Justice of Second Degree filed judgement no. 3125/2023 in favour of the Company, on 18 October 2023.
The dispute must be considered settled since the Company, as of 19 April 2024, had not received any appeal to the Court of Cassation. The deadline for the notifying party (Revenue Authorities) expired on 18 April 2024. The Company will ask for the sentence whereby it is certified that no other appeal is possible. The Revenue Authorities have already reimbursed the amounts paid in provisionally.

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 filed an appeal on 5 October 2022. The Court of Tax Justice of First Degree issued judgement no. 1285/2023, in favour of the Company, on 11 April 2023. The Revenue Authorities filed an appeal on 10 November 2023. The Company served the entry of appearance. The hearing for the dispute has not been set yet.

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. The notice of assessment has not been issued yet.

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 judgement 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 judgement 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 judgement on 21 October 2019, which stated:

- to terminate the dispute for the part already cancelled by the Revenue Authorities;
- to postpone the judgement on the remaining part (losses of € 2,548,614), pending the judgement 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 judgement 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 June 2024.

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 (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 available 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 and € 2,292,980.

The Revenue Authorities filed an appeal on 14 June 2023. The Company served the entry of appearance on 11 September 2023. The hearing for the dispute was set for 29 January 2024. The judgement has not been published yet.

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 (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 available a full extent from € 10,291,657 to € 7,743,043.

The Company filed an appeal on 3 June 2023. The hearing was set for 24 January 2024. On 9 April 2024, the Court of Tax Justice of Second Degree for the Lombardy region published judgement no. 1034/2024, dated 24 January 2024, unfavourable to the Company. The Company will file an appeal to the Court of Cassation within 9 October 2024.

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 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:

- IRAP tax: the Company agreed on the assessment on 04 May 2023. The higher taxable income assessed is equal to € 1,597,081, and on 05 May 2023, it paid the IRAP tax and related interest for a total of € 75,039.
- IRES tax: the Company presented the IPEA Model on 03 May 2023 and requested to offset the higher taxable income assessable (*i.e.* the taxable income assessed for IRAP purposes, equal to € 1,597,081) with the tax losses relating to prior years. The Company agreed on the assessment on 19 June 2023 by assessing the higher IRES taxable income of € 1,597,081, entirely reduced by prior-year tax losses available to a limited extent for € 1,277,665 and available to a full extent for € 319,416.

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 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 filed an appeal on 28 September 2023. The Company served the entry of appearance within the law terms. The hearing for the dispute was set for 23 February 2024. The judgement has not been published yet.

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 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:

- IRAP tax: the Company agreed on the assessment on 04 May 2023. The higher taxable income assessed is equal to € 1,013,501, and on 05 May 2023, it paid the IRAP tax and related interest for a total of € 44,850.
- IRES tax: the Company presented the IPEA Model on 03 May 2023 and requested to offset the higher taxable income assessable (*i.e.* the taxable income assessed for IRAP purposes, equal to € 1,013,501) with the tax losses relating to prior years. The Company agreed on the assessment on 19 June 2023 by assessing the higher IRES taxable income of € 1,013,501, entirely reduced by prior-year tax losses available to a limited extent for € 810,801 and available to a full extent for € 202,700.

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 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 13 July 2023. The Revenue Authorities recorded the potential findings to be reported in the notice of assessment. The Company declared to produce comments/remarks on the report within two weeks as from the meeting. The Company produced a brief on 1 August 2023.

The Company, on 26 October 2023, received two notices of assessment:

- IRES tax (notice no. TMB031D00367/2023)
- IRAP tax (notice no. TMB0C1D00368/2023)

Both notices of assessment provide for the taxation of the disallowed amounts for a total of € 1,719,257, for IRES and

IRAP tax purposes respectively.
On 13 December 2023, the Company presented an application for assessment with acceptance in relation to both the notices of assessment.

- IRAP tax: The Company agreed on the assessment on 11 March 2024. The higher taxable income assessed is equal to € 949,645 and, on 12 March 2024, it paid the IRAP tax and related interest for a total of € 41,834.
- IRES tax: the notice of assessment includes the TP adjustment and the adjustment to the tax losses that can be used to a full extent. Given that it is not possible to sign a deed of adherence, which does not take into account the reduction of the tax losses, the Company – in agreement with the Office – filed an appeal, on 22 March 2024, against both the findings contained in the notice of assessment (i.e. TP + TAX LOSSES).

As soon as the Office serves the entry of appearance (not later than 60 days from the notification of the appeal), the Company will file a motion for conciliation in order to agree on the assessment under the same conditions already arranged with the Office, in relation to the IRAP tax assessment.

- *Taxable period 01 April 2020 – 31 March 2021 (TP)*

On 15 March 2024, 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 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 receivable for energy-intensive companies, pursuant to Law 197/2022 (2023 Budget Law)

The Company recorded a tax receivable of € 1,176,399 for electric power, and a tax receivable of € 1,416,568 for natural gas.

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 2024 and the Directors' Report, as well as proposed, in accordance with the current provisions and the Company's by-laws, that the net income for the year of € 865,390 be allocated as follows:

- € 43,270 to legal reserve;
- and the remaining part as a reduction of the accumulated losses carried forward.

Cesare Gale'

Member of the Board of Directors

Bresso, 24 April 2024

Novelis de Mexico, S.A. de C.V.

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 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, 2024 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, 2024

Novelis Inc.
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Novelis de Mexico, S.A. de C.V.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
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 2024	Fiscal 2023
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, 2024	March 31, 2023
ASSETS		
Total assets	$ —	$ —
LIABILITIES AND SHAREHOLDER'S EQUITY		
Total liabilities	—	—
Shareholder's equity:		
Common stock, 1.00 Moneda Nacional par value; 50,000 number of shares authorized; 50,000 shares issued and outstanding as of March 31, 2024 and March 31, 2023	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 2024	Fiscal 2023
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, 2022	50,000	$ 7	$ —	$ (7)	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2023	50,000	$ 7	$ —	$ (7)	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2024	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, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

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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.

May 02, 2024

Seoul, Korea

This report is effective as of May 02, 2024, 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, 2024 and 2023

(in millions of Korean won)		2024		2023
Assets				
Current assets				
Cash and cash equivalents (Notes 12 and 14)	₩	219,489	₩	257,657
Trade accounts and notes receivable, net (Notes 5, 9, 14 and 28)		726,422		609,912
Other accounts receivable (Notes 14 and 28)		24,951		23,875
Prepaid expenses		3,713		3,852
Prepaid value added taxes		26,742		27,450
Short-term loans to employees		165		197
Derivative instrument assets (Note 25)		9,559		31,770
Current deferred income tax assets (Note 17)		16,553		12,416
Advance payments		1		8
Accrued income		1,473		2,153
Other current assets		-		-
Inventories, net (Notes 6 and 9)		171,515		205,542
		1,200,583		1,174,832
Non-current assets				
Long-term investment assets (Notes 3 and 4)		4		4
Investment accounted for using the equity method (Notes 7 and 28)		333,557		277,378
Derivative instrument assets (Note 25)		81		102
Long-term loans to employees		1,092		1,320
Severance benefit assets (Note 13)		8,011		10,212
Property, plant and equipment, net (Notes 8, 9 and 11)		338,392		328,792
Intangible assets, net (Note 10)		1,965		2,671
Deposits provided		2,465		2,557
		685,567		623,036
Total assets	₩	1,886,150	₩	1,797,868

Novelis Korea Limited
Statements of Financial Position
March 31, 2024 and 2023

(in millions of Korean won)		2024		2023
Liabilities and Equity				
Current liabilities				
Trade payables (Notes 12, 14 and 28)	₩	1,024,166	₩	955,540
Other payables (Notes 12, 14 and 28)		31,546		28,091
Advance receipts		162		6,730
Withholdings		674		817
Accrued expenses (Note 16)		28,744		25,024
Current portion of long-term lease liabilities (Note 8)		1,208		1,236
Derivative instrument liabilities (Notes 12 and 25)		31,580		44,053
Income taxes payable		31,193		19,475
Dividends payable		3		34
Greenhouse gas emission liabilities (Note 26)		19		15
Provisions (Notes 8 and 15)		18,627		18,781
Unearned revenues		211		211
		1,168,133		1,100,007
Non-current liabilities				
Long-term lease liabilities (Note 8)		6,173		7,363
Asset retirement obligation liabilities (Note 8)		49		48
Derivative instrument liabilities (Notes 12 and 25)		620		190
Long-term accrued expenses (Note 16)		3,202		2,972
Long-term unearned revenues		1,926		2,138
Deferred tax liabilities (Note 17)		4,558		5,111
		16,528		17,822
Total liabilities		1,184,661		1,117,829
Equity				
Issued capital				
Ordinary shares (Notes 1 and 18)		17,536		17,536
Capital surplus				
Share premium (Note 18)		399,241		399,241
Accumulated other comprehensive income				
Loss on valuation of cash flow hedge (Notes 24 and 25)		(6,105)		(8,845)
Retained earnings				
Legal reserve		29,834		29,834
Retained earnings available for appropriation (Note 19)		260,983		242,273
Total equity		701,489		680,039
Total liabilities and equity	₩	1,886,150	₩	1,797,868

The above statements of financial position should be read in conjunction with the accompanying notes.

Novelis Korea Limited
Income Statement
Years Ended March 31, 2024 and 2023

(in millions of Korean won)		2024		2023
Sales (Notes 20 and 28)	₩	2,922,018	₩	3,316,848
Cost of sales (Notes 21 and 23)		2,618,291		2,993,776
Gross profit		303,727		323,072
Selling and administrative expenses (Notes 22 and 23)		145,414		223,145
Operating income		158,313		99,927
Non-operating income				
Interest income		4,527		4,192
Gain on foreign currency transactions		30,491		122,391
Gain on foreign currency translation		5,430		11,463
Gain on disposal of property, plant and equipment		159		206
Profits of a joint venture (Note 7)		16,828		16,246
Gain on derivative transactions		153,489		448,450
Gain on valuation of derivatives (Note 25)		9,619		25,668
Others		11,147		3,490
		231,690		632,106
Non-operating expenses				
Interest expenses		5,235		4,496
Losses on foreign currency transactions		26,341		84,404
Losses on foreign currency translation		2,993		3,856
Losses on disposal of trade accounts and notes receivable		3,012		5,440
Losses on disposal of property, plant and equipment		942		490
Provisions for asset retirement obligation liabilities		1		1
Losses on derivative transactions		119,896		356,543
Losses on valuation of derivatives (Note 25)		24,302		26,229
Others		24,341		51,746
		207,063		533,205
Profit before income tax		182,940		198,828
Tax expense (Note 17)		36,337		43,612
Profit (Note 24)	₩	146,603	₩	155,216

The above statements of profit or loss should be read in conjunction with the accompanying notes.

Novelis Korea Limited
Statements of Changes in Equity
Years Ended March 31, 2024 and 2023

(in millions of Korean won)		Share capital		Capital surplus		Accumulated other comprehensive income		Retained earnings		Total
Balances at April 1, 2022	₩	17,536	₩	399,241	₩	(15,981)	₩	139,100	₩	539,896
Annual dividends		-		-		-		(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
Balances at April 1, 2023	₩	17,536	₩	399,241	₩	(8,845)	₩	272,108	₩	680,040
Interim dividends		-		-		-		(10,989)		(10,989)
Annual dividends		-		-		-		(116,905)		(116,905)
Gain on valuation of cash flow hedge		-		-		2,740		-		2,740
Profit for the year		-		-		-		146,603		146,603
Balances at March 31, 2024	₩	17,536	₩	399,241	₩	(6,105)	₩	290,817	₩	701,489

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Novelis Korea Limited
Statements of Cash Flows
Years Ended March 31, 2024 and 2023

(in millions of Korean won)	**2024**	**2023**
Cash flows from operating activities		
Profit for the period	₩ 146,603	₩ 155,220
Adjustments to reconcile profit for the period to net cash provided by operating activities		
Severance benefits expenses	7,353	7,065
Depreciation and amortization	53,508	49,279
Loss on foreign currency translation	2,993	3,856
Loss on disposal of property, plant and equipment	942	490
Loss on disposal of trade and notes receivable	3,012	5,440
Loss on valuation of derivatives	24,302	26,229
Provision for asset retirement obligation liabilities	1	1
Stock-based compensation expense	2,444	1,531
Other non-operating expenses	51	246
Gain on foreign currency translation	(5,430)	(11,463)
Gain on disposal of property, plant and equipment	(159)	(206)
Gain on valuation of derivatives	(9,619)	(25,668)
Share of profit of investments accounted for using the equity method	(16,828)	(16,246)
	62,570	40,554
Changes in operating assets and liabilities		
Trade receivables	(114,393)	264,879
Other accounts receivable	(1,057)	19,801
Prepaid expenses	138	(1,476)
Prepaid value added taxes	708	7,451
Derivative instrument assets	25,361	19,854
Current deferred tax assets	(5,514)	13,160
Other current assets	687	822
Inventories	34,027	68,001
Trade payables	66,114	(288,909)
Other accounts payable	8,710	(61,265)
Advance receipts	(6,568)	6,469
Withholdings	(143)	(115)
Accrued expenses	1,243	(5,272)
Derivative instrument liabilities	(26,291)	(90,297)
Income taxes payable	11,718	771
Long-term accrued expenses	230	(55)
Payments of severance benefits	(5,079)	(3,573)
Pension plan assets	(79)	(4,900)
Contributions to the National Pension Fund	7	13
Greenhouse gas emission liabilities	32	18
Greenhouse gas emission rights	-	148
Long-term unearned revenues	(212)	(211)
Provision for restoration liabilities	(255)	(338)
Other provisions	-	6,517
	(10,616)	(48,507)
Net cash inflow from operating activities	198,557	147,267

Novelis Korea Limited
Statements of Cash Flows
Years Ended March 31, 2024 and 2023

(in millions of Korean won)		**2024**		**2023**
Cash flows from (used in) investing activities				
Proceeds from short-term loans to employees	₩	340	₩	196
Proceeds from guarantee deposits		200		-
Proceeds from disposal of property, plant and equipment		216		192
Payments for long-term loans provided to employees		(80)		(420)
Payments for property, plant and equipment		(69,752)		(66,448)
Payments for retirement of property, plant and equipment		(230)		-
Payments for intangible assets		(109)		(930)
Payments for guarantee deposits		(117)		(203)
Payments for Investments accounted for using the equity method		(39,300)		(30,000)
Net cash inflow (outflow) from investing activities		(108,832)		(97,613)
Cash flows from (used in) financing activities				
Dividends paid		(127,893)		(22,212)
Net cash inflow (outflow) from financing activities		(127,893)		(22,212)
Net increase (decrease) in cash and cash equivalents		(38,168)		27,442
Cash and cash equivalents at the beginning of year		257,657		230,215
Cash and cash equivalents at the end of year	₩	219,489	₩	257,657

The above statements of cash flows should be read in conjunction with the accompanying notes.

1. General Information

Novelis Korea Limited (the "Company"), a spin-off from Taihan Electric Wire Co., Ltd., was incorporated in 1999 under the Commercial Law 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, 2024, is ₩ 17,536 million.

The Company's shareholders and their respective ownership as at March 31, 2024, 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 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 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) New and 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, 2023. The amendments do not have an impact on the financial statements of 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 amendment does not have a significant impact on the financial statements.

- KAS-NPEs No. 22 *Income Taxes - International Tax Reform – Pillar Two Model Rules*

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules to reform international corporate taxation. Large multinational enterprises within the scope of the rules are required to calculate their effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their effective tax rate per jurisdiction and the 15% minimum rate.

The narrow-scope amendments were released to provide a temporary relief from the accounting for deferred taxes arising enacted or substantively enacted tax law that implements the Pillar Two model rules. The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, and

- their current tax expense (if any) related to the Pillar Two income taxes.

Furthermore, if it is not possible to reasonably estimate the Pillar Two income taxes for the reporting period when it occurs, an exception may apply that requires the relevant tax amount to be recognized as an expense in the fiscal year in which it should be reported and paid. The Company requires to disclose the fact that they have applied the exception and period of tax filling. The exception to recognizing and disclosing information related to Pillar Two income taxes shall be applied for annual periods beginning on or after January 1, 2024. The amendment does not have a significant impact on the financial statements.

(b) New and amended standards not yet adopted by the Company

KAS-NPEs No. 2 *Preparation and Presentation of Financial Statements I - Classification of Liabilities as Current or Non-current*

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. In addition, covenants that an entity is required to comply with after the end of the reporting period would not affect classification of a liability as current or non-current at the reporting date. When an entity classifies a liability that is subject to the covenants which an entity is required to comply with within twelve months of the reporting date as non-current at the end of the reporting period, the entity shall disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, terms of a liability that could, at the option of the counterparty, result in its settlement by the entity's own equity instruments can only be ignored for the purpose of classifying the liability as current or non-current. The amendments should be applied for annual periods beginning on or after January 1, 2024, and earlier application is permitted. The Company is in review for the impact of those amendments 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 Derivative Instruments

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 the ineffective portion of changes in the fair value of derivatives that hedge cash flow risk on forecast transaction is recognized in profit or loss and the effective portion is recognized in other comprehensive income.

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 Capitalization of Borrowing Costs

The Company capitalizes the interest it incurs in connection with the borrowing of funds to finance property, plant and equipment, intangible assets, investment properties or inventories that necessarily takes more than a year’s period of time to get ready for its intended use or sale from its initial date of manufacture, acquisition, and construction.

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 amortization method as follows:

Description	Estimated useful lives	Amortization 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 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 ultimate parent company, Hindalco Industries Limited, grants cash-settled share-based payments and restricted stock units ("RSU") based on the share of Hindalco Industries Limited to selected 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 the Performance Unit and pre-existing cash-settled share-based payments based on the share of Novelis Inc.

The Company pays the compensation cost for cash-settled share-based payments 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 Greenhouse Gas 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 are measured at amortized cost using the effective interest method.

3. Restricted Financial Instruments

As at March 31, 2024 and 2023, restricted financial instruments related to bank overdraft agreements each amounts to ₩ 4 million.

4. Short-term and Long-term Investments

Long-term investments as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won)	**2024**	**2023**
Long-term investment assets		
Bank deposits	₩ 4	₩ 4

5. Trade Receivables

Trade receivables as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won)		**2024**		**2023**
Trade receivables	₩	727,016	₩	610,503
Less: Allowance for doubtful accounts		(594)		(591)
	₩	726,422	₩	609,912

As at March 31, 2024 and 2023, 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)		**2024**		**2023**	**Condition**
Forfaiting of export receivables of USD 7,221 (2023: USD 30,462)	₩	9,725	₩	39,716	Without recourse
Financing of domestic receivables		98,913		120,488	Without recourse
	₩	108,638	₩	160,204	

6. Inventories

Details of inventories as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won)		2024		2023
Finished goods	₩	41,727	₩	56,467
Merchandise		44,104		54,863
Work-in-process		35,115		47,896
Raw materials		33,166		33,883
Supplies		16,974		15,893
Goods in transit		5,998		3,393
		177,084		212,395
Less: Valuation allowance[1]		(5,569)		(6,853)
	₩	171,515	₩	205,542

(2) During the year, the Company reversed a previous inventory write-down of finished goods and merchandise amounting to₩ 1,700 million. At March 31, 2024, the Company recognized no loss on valuation for finished goods and merchandise for the decrease in sale value due to technology and market condition. The Company recognized ₩ 416 million(2023: ₩ 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, 2024, are as follows:

				Ordinary shares			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%	1,386 shares

Movements in investments accounted for using the equity method for the year ended March 31, 2024, are as follows:

(in millions of Korean won)	**Beginning balance**	**Acquisition**	**Share of profit of investment accounted for using the equity method**	**Others**	**Ending balance**
	Investments accounted for using the equity method				
Ulsan Aluminum Limited	₩ 277,378	₩ 39,300	₩ 16,828	₩ 51	₩ 333,557

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 profit 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 years ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024	2023
Total assets	₩ 1,048,681	₩ 973,555
Total liabilities	320,418	303,341
Sales	1,227,467	1,415,497
Profit for the year	18,749	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, owned by the Company, to 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 ways such as increasing preferred stock through mutual agreements 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, 2024, the Company solely participated in the capital increase of ₩ 69,300 million (2023: ₩ 30,000 million) with 1,386 preferred shares (2023: 600 preferred shares) to finance 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 by 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, 2024 and 2023, are as follows:

(in millions of Korean won)	2024							
	Land	Buildings	Structures	Machinery & Equipment	Vehicles	Tools	Construction-in-progress	Total
Balance as at April 1, 2023	₩ 13,995	₩ 53,780	₩ 9,908	₩ 212,293	₩ 1,298	₩ 4,932	₩ 32,585	₩ 328,792
Acquisitions	-	1,203	357	10,799	475	2,545	47,711	63,089
Disposals	-	(75)	(22)	(667)	-	(3)	-	(768)
Transfer	-	1,329	214	75,147	44	936	(77,669)	-
Depreciation	-	(2,405)	(741)	(47,125)	(427)	(2,023)	-	(52,721)
Balance as at March 31, 2024	₩ 13,995	₩ 53,832	₩ 9,715	₩ 250,447	₩ 1,390	₩ 6,386	₩ 2,627	₩ 338,392
Acquisition cost	₩ 13,995	₩ 92,431	₩ 21,469	₩ 820,113	₩ 6,579	₩ 36,394	₩ 2,627	₩ 993,607
Accumulated depreciation	-	(38,599)	(11,753)	(569,666)	(5,189)	(30,008)	-	(655,215)

(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
Acquisitions	-	425	594	10,963	698	1,746	52,124	66,549
Disposals	-	(38)	-	(437)	-	-	-	(475)
Transfer	-	2,837	1,400	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	₩ 35,280	₩ 32,585	₩ 953,000
Accumulated depreciation	-	(36,283)	(11,016)	(541,721)	(4,841)	(30,348)	-	(624,209)

As at March 31, 2024, the book amount of the Company's land is recorded at ₩ 13,995 million (2023: ₩ 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 ₩ 39,181 million (2023: ₩ 42,373 million).

The Company conducted a Soil Contamination Investigation in property owned by Ulsan Aluminum Limited, a joint venture with Kobe Steel Ltd. The Company found evidence of contamination and recognized provisions for the estimated cost of remediation (removal of contamination). As the remediation was completed during the year ended March 31, 2024, a previous provision amounting to ₩154 million was fully utilized. As such, provision for the estimated cost of remediation is nil as at March 31, 2024.

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, ₩ 49 million (2023: ₩ 48 million), was therefore recognized in the carrying amount of property, plant and equipment.

Finance lease

Details of machinery classified as finance lease assets as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won)		**2024**		**2023**
Beginning balance	₩	8,598	₩	9,834
Depreciation		(1,218)		(1,236)
Decrease		-		-
Ending balance	₩	7,380	₩	8,598
Acquisition cost	₩	17,688	₩	17,696
Less: Accumulated depreciation		(10,308)		(9,099)

Details of future minimum lease payments as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won)	**Minimum lease payment**			
		2024		**2023**
No later than 1 year	₩	1,208	₩	1,218
Later than 1 year and no later than 5 years		3,638		4,270
Later than 5 years		2,535		3,110
	₩	7,381	₩	8,598

Details of the lease liabilities as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	2024		2023	
Finance lease	₩	7,381	₩	8,599
Less : Current lease liabilities		(1,208)		(1,236)
Total	₩	6,173	₩	7,363

9. Insured Assets

The details of the insurance policies held by the Company as at March 31, 2024 are as follows:

(in millions of Korean won and in thousands of US dollar)

Type of Insurance	Asset Insured	Currency	Amount Insured	Insurance Company	Beneficiary
General property insurance and business interruption insurance	Inventories and property, plant and equipment	USD	1,075,121	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	-	KRW	5,700	Hyundai Marine & Fire Insurance Co., Ltd.	The Company
Trade receivable credit guarantee insurance	Trade receivables	KRW	12,569	Seoul Guarantee Insurance	The Company
Environmental contamination liability insurance	-	KRW	30,000	DB Insurance Co., Ltd.	The Company
Short-term Export Insurance	Trade receivables	USD	25,000	Korea Trade Insurance Corporation	The Company and others
General accident insurance for the benefits of its employees and directors	-	KRW	57,706	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. Intangible Assets

Changes in intangible assets for the years ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024							
		Software		Greenhouse gas emission rights		Other intangible assets		Total
Beginning balance	₩	2,573	₩	98	₩	-	₩	2,671
Acquisition		102		-		7		109
Transfer		-		(27)		-		(27)
Amortization		(788)		-		-		(788)
Ending balance	₩	1,887	₩	71	₩	7	₩	1,965
Acquisition cost	₩	15,146	₩	71	₩	7	₩	15,224
Accumulated amortization		(13,259)		-		-		(13,259)

(in millions of Korean won)	2023							
		Software		Greenhouse gas emission rights		Other 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)

For the year ended March 31, 2024, the Company recognized amortization cost of ₩ 788 million (2023: ₩ 706 million) of which ₩ 98 million (2023: ₩ 93 million) was classified as cost of sales, and ₩ 690 million (2023: ₩ 613 million) was classified 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, 2024, the Company capitalized interest expense of ₩297 million (2023: 171 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, 2024 and 2023, are as follows:

(in millions of Korean won)	**2024**		**2023**	
	Capitalized	**Expensed**	**Capitalized**	**Expensed**
Acquisition cost	₩ 993,607	₩ 989,155	₩ 953,001	₩ 948,840
Accumulated depreciation	(655,215)	(651,980)	(624,209)	(621,292)
Net book amounts	₩ 338,392	₩ 337,175	₩ 328,792	₩ 327,548
Equity	₩ 701,489	₩ 700,272	₩ 680,040	₩ 678,796

(in millions of Korean won)	**2024**		**2023**	
	Capitalized	**Expensed**	**Capitalized**	**Expensed**
Depreciation	₩ 52,721	₩ 52,398	₩ 48,573	₩ 48,259
Interest expense	5,235	5,532	4,496	4,667
Profit for the year	146,603	146,630	155,220	155,363

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, 2024, is ₩ 219,489 million (2023: ₩ 257,657 million). The Company maintains total committed credit lines of ₩ 946,880 million and US$ 154,480 thousand in Citibank in Korea, Shinhan Bank and other financial institutions at March 31, 2024 (2023: ₩ 976,000 million and US$ 155,728 thousand) (Note 15).The Company forfeits 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, 2024 and March 31, 2023 , are as follows:

(in millions of Korean won)

	March 31, 2024					
	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	₩ 1,024,166	₩ -	₩ -	₩ -	₩ -	₩ 1,024,166
Other payables	31,546	-	-	-	-	31,546
Accrued expenses	5,311	-	-	-	-	5,311
Derivative liabilities	25,028	6,551	620	-	-	32,199
Total	₩ 1,086,501	₩ 6,551	₩ 620	₩ -	₩ -	₩ 1,093,222

(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
Accrued expenses	3,958	-	-	-	-	3,958
Derivative liabilities	33,878	10,175	190	-	-	44,243
Total	₩ 1,021,467	₩ 10,175	₩ 190	₩ -	₩ -	₩ 1,031,832

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, 2024 and 2023, are as follows:

(in millions of Korean won)		2024		2023
Beginning balance	₩	64,269	₩	60,777
Increase		7,354		7,065
Transfer from an entity under joint control		106		-
Payment		(5,079)		(3,573)
Ending balance	₩	66,650	₩	64,269
Less: Cumulative contribution to the National Pension Fund		(26)		(32)
Less: Pension Plan assets		(74,635)		(74,449)
Severance benefit assets	₩	(8,011)	₩	(10,212)

As at March 31, 2024, the Company estimates severance payable to all employees to be ₩ 66,650 million (2023: ₩ 64,269 million) and records the corresponding amount as provision for severance benefits. Also, the Company funded 112% of severance payable through severance insurance deposits with Korea Investment & Securities and other financial institutions. For the year ended March 31, 2024, the Company recognized the amount of ₩ 1,082 million (2023: ₩ 809 million) as severance benefits expenses under the defined contribution plan.

Changes in the fair value of pension plan assets for the years ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)		2024		2023
Beginning balance	₩	74,449	₩	69,549
Employer contributions		2,545		7,000
Transfer from an entity under joint control		106		-
Interest		2,576		1,450
Benefits paid		(5,041)		(3,550)
Ending balance	₩	74,635	₩	74,449

Pension plan assets as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won)		2024		2023
Cash and others	₩	14,429	₩	35,123
Securities combined with derivatives (guaranteed)		60,206		39,326
Total	₩	74,635	₩	74,449

14. Foreign Currency Denominated Assets and Liabilities

Significant monetary assets and liabilities denominated in foreign currencies as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won and in thousands of foreign currencies)

	2024				2023			
	Foreign currencies		Won equivalents		Foreign currencies		Won equivalents	
Foreign currency deposits	USD	48	₩	65	USD	73	₩	95
	AUD	5		4	AUD	6		6
Trade receivables	USD	262,008	₩	352,872	USD	299,157	₩	390,040
	CNY	729,999		135,597	CNY	-		-
Other receivables	USD	995	₩	1,341	USD	927	₩	1,209
Trade payables	USD	141,893	₩	191,101	USD	134,120	₩	174,865
	EUR	396		576	EUR	1,312		1,864
	JPY	12,086		108	JPY	12,086		119
	CNY	30,557		5,676	CNY	-		-
Other payables	USD	11,887	₩	16,010	USD	8,336	₩	10,868
	EUR	45		66	EUR	134		191
	AUD	42		36	AUD	37		32

15. Contingencies and Commitments

The Company has bank overdraft agreements with Citibank Korea amounting to ₩ 25.5 billion as at March 31, 2024. 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, 2024.

The Company has bank loan agreements with Shinhan Bank, Korea Development Bank, Woori Bank, Export-Import Bank of Korea, BNP Paribas Bank and others amounting to ₩ 220,000 million (2023: ₩ 220,000 million) as at March 31, 2024. The exercised amount is nil as of March 31, 2024.

The Company has agreements with Shinhan Bank and eight other financial institutions regarding a purchase card program of up to ₩ 701.4 billion and US$ 134,480 thousand (2023: ₩ 730.5 billion and US$ 135,728 thousand) as at March 31, 2024. The exercised amounts are ₩ 338.4 billion and US$ 85,322 thousand (2023: ₩ 289 billion and US$ 91,923 thousand), and the amounts are presented as trade payables and other payables as the nature of the amounts are purchases occurred during the normal course of business.

As at March 31, 2024, the Company has accounts receivable factoring and foreign receivable forfaiting agreements with MUFG Bank and six other financial institutions amounting to ₩ 214.8 billion (2023: ₩ 203.4 billion). The details of the discounted amounts of unmatured accounts receivable are described in Note 5.

The Company has entered into a joint technical assistance agreement, which is cost sharing agreement with Novelis Inc. for joint research and development of manufacture of aluminum products. In consideration of this agreement, the company makes contribution payments for its fair share to Novelis Inc. The relevant cost sharing contributions for the year ended March 31, 2024 amounted to ₩ 23,138 million (2023: ₩ 23,199 million) (Notes 22 and 28).

The Company has entered into a “Novelis” brand license agreement with Novelis Service Limited UK. In consideration of this agreement. Royalty expenses amounting to ₩ 4,043 million (2023: ₩ 5,170 million) for the year ended March 31, 2024 were recognized (Notes 22 and 28).

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 28). For the year ended March 31, 2024, the company paid the management fees of ₩ 25,101 million (2023: ₩ 24,210 million) to Novelis Inc.

The Company receives IT related services including IT infrastructure and IT security from Novelis Inc. IT infrastructure service fees include the amounts for networks, data centers, software and support for business PCs and IT business. For the year ended March 31, 2024, the company paid the service fees of ₩ 3,766 million (2023: ₩ 4,503 million) to Novelis Inc (Note 28).

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, 2024 is ₩ 3,781 million (2023: ₩ 3,863 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 for stable supply of raw materials for aluminum.

As at March 31, 2024, the Company recognized a provision for an environmental reserve amounting to ₩ 18,627 million (2023: ₩ 18,627 million).

There were no significant ongoing lawsuits as at March 31, 2024.

16. Share-Based Payments

As at March 31, 2024, the Company's parent company, Novelis Inc., has granted cash-settled share-based payments 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 pre-existing cash-settled share-based payments based on the share of Novelis Inc. The Company is responsible for the compensation cost of said grants.

As at March 31, 2024, 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					**Restricted Stock Unit**		
Grant years		**2019**	**2020**	**2021**	**2022**	**2023**	**2021**	**2022**	**2023**
Remaining number of grants[1]		20,033	219,415	160,834	110,603	123,974	44,488	337,794	111,468
Maturity years		2026	2027	2028	2029	2030	2024	2025	2026
Exercise price		INR 198.88	INR 118.10	INR 388.30	INR 411.10	INR 417.90	INR 388.30	INR 411.10	INR 417.90
Vesting conditions	Vesting period	1 ~ 3 yrs	1 ~ 3 yrs	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 440.82	INR 255.56	INR 870.55	INR 935.38	INR 939.57	INR 1,164.90	INR 1,233.30	INR 1,253.70

[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, 2024, are as follows:

(in Indian rupee and US dollar)	**Hindalco Industries Limited**		
	Number of grants	**Weighted average exercised price of grants**	
Beginning balance	523,893	INR	268.04
Vested	132,855	INR	417.45
Cancelled or transferred	(7,567)	INR	0.00
Exercised	(254,441)	INR	172.70
Ending balance	394,740	INR	377.14
Exercisable balance as at March 31, 2024	131,811	INR	325.56

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)	**2021**	**2022**		**2023**		
	Tranche3	**Tranche2**	**Tranche3**	**Tranche1**	**Tranche2**	**Tranche3**
Hindalco	INR 206.56	INR 197.18	INR 211.37	INR 195.47	INR 211.68	INR 201.55

The assumptions used for determination of fair value are as follows:

- Hindalco Industries Limited

(in Indian rupee)	**2021 Grant**	**2022 Grant**	**2023 Grant**
Stock price [1]	INR 558.65	INR 558.65	INR 558.65
Expected share price volatility [2]	42.60%	40.34%	39.92%
Risk-free interest rate	7.11%	7.11%	7.14%
Expected dividend rate	0.54%	0.54%	0.54%

[1] The stock price of Hindalco Industries Limited as at March 31, 2024.
[2] The expected exercise period and historical share price as at March 31, 2024, 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 2019 Tranche 3; 2020 Tranche 1, Tranche 2 and Tranche 3; 2021 Tranche 1 and Tranche 2; 2022 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, 2024.

For the year ended March 31, 2024, the Company recognized the reimbursement of compensation cost on cash-settled share-based payments and restricted stock unit amounting to ₩ 2,444 million (2023: ₩ 1,531 million) as selling and administrative expense, and related liabilities amounting to ₩ 3,771 million (2023: ₩ 2,806 million) as short-term and long-term accrued expense.

17. Deferred Taxes

Income tax expense for the years ended March 31, 2024 and 2023, consists of:

(in millions of Korean won)		**2024**		**2023**
Current income taxes	₩	41,853	₩	30,451
Deferred tax due to temporary differences		(4,693)		15,606
Total income tax effect		37,160		46,057
Deferred tax charged directly to equity		(823)		(2,445)
Income tax expense	₩	36,337	₩	43,612

Deferred income taxes charged directly to the equity as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won)		**2024**		**2023**
Gain (loss) on valuation of derivative instruments	₩	(823)	₩	(2,445)

Reconciliation between profit before tax and income tax expense for the years ended March 31, 2024 and 2023, is as follows:

(in millions of Korean won)	2024	2023
Profit before tax	₩ 182,940	₩ 198,831
Income tax based on statutory rate	₩ 42,259	₩ 48,117
Add (deduct):		
Non-deductible expense	383	1,094
Corporate income tax on corporate earnings reserve	-	2,188
Dividend received deduction	(4,206)	(6,837)
Tax rate amendment	-	(838)
Tax credit	(1,639)	(172)
Others	(460)	60
Income tax expense	₩ 36,337	₩ 43,612
Effective tax rate [1]	19.86%	21.93%

[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, 2024 and 2023, are as follows:

(in millions of Korean won)	2024					
	Temporary differences			Deferred tax assets (liabilities)		
	Beginning balance	Increase (Decrease)	Ending balance	Beginning balance	Increase (Decrease)	Ending balance
Derivatives	₩ (4,980)	₩ (14,025)	₩ (19,005)	₩ 1,150	₩ 3,240	₩ 4,390
Allowance for greenhouse gas emission rights	(15)	(4)	(19)	3	1	4
Accrued expenses	(25,725)	(4,339)	(30,064)	5,943	1,002	6,945
Provisions	(18,627)	-	(18,627)	4,303	-	4,303
Property, plant and equipment	(14,438)	304	(14,134)	3,335	(70)	3,265
Loss on valuation of inventories	(6,853)	1,284	(5,569)	1,583	(296)	1,287
Accrued revenue	1,939	(726)	1,213	(448)	168	(280)
Interest receivables	514	(101)	413	(119)	24	(95)
Asset retirement obligation liabilities	(702)	654	(48)	162	(151)	11
Provision for severance benefits	9,831	(1,536)	8,295	(2,271)	355	(1,916)
Investment in kind	10,271	(437)	9,834	(2,373)	101	(2,272)
Gain or loss on equity method	66,109	16,828	82,937	(3,965)	319	(3,646)
	₩ 17,324	₩ (2,098)	₩ 15,226	₩ 7,303	₩ 4,693	₩ 11,996

(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 greenhouse gas 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

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, 2024.

The gross balances of deferred tax assets and liabilities as at March 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024		202	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Current	₩ 16,928	₩ (375)	₩ 12,981	₩ (566)
Non-current	3,276	(7,834)	3,497	(8,609)

18. Issued Capital

The Company is authorized to issue 80,000,000 shares with the par value per share of ₩ 375. As at March 31, 2024, the Company has issued 46,762,000 shares (2023: 46,762,000 shares) of ordinary shares.

Changes in issued capital, share premium and capital adjustments for the years ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)	**Number of shares**	**Issued capital**	**Capital surplus Share premium**
March 31, 2024	46,762,000	₩ 17,536	₩ 399,241
March 31, 2023	46,762,000	₩ 17,536	₩ 399,241

19. Statement of Appropriation of Retained Earnings

The appropriation of retained earnings for the year ended March 31, 2024, is expected at the shareholders' meeting on June 28, 2024. The appropriation date for the year ended March 31, 2023, was June 29, 2023.

Details of retained earnings as at March 31, 2024 and 2023, are as follows.

(in millions of Korean won)	**2024**	**2023**
Retained earnings before appropriation	₩ 260,982	₩ 242,273
Unappropriated retained earnings carried over from prior year	125,368	87,054
Interim dividends	(10,989)	-
Dividends (ratio) per share:		
46,762,000 shares, ₩ 235 (7%) in 2024		
46,762,000 shares, ₩ 0 (-%) in 2023		
Profit for the year	146,603	155,220
Appropriation of retained earnings		
Final dividends	(93,524)	(116,905)
Dividends (ratio) per share:		
46,762,000 shares, ₩ 2,500 (553%) in 2024		
46,762,000 shares, ₩ 2,500 (667%) in 2023		
	(93,524)	(116,905)
Unappropriated retained earnings to be carried forward	₩ 167,458	₩ 125,368

20. Sales

Sales for the years ended March 31, 2024 and 2023, consist of:

(in millions of Korean won)		2024		2023
Domestic sales of finished goods	₩	493,384	₩	404,877
Export sales of finished goods		1,392,855		1,677,895
Domestic sales of merchandise		298,020		520,584
Export sales of merchandise		737,704		709,028
Other sales		55		4,464
	₩	2,922,018	₩	3,316,848

21. Cost of Sales

Cost of sales for the years ended March 31, 2024 and 2023, consist of:

(in millions of Korean won)		2024		2023
Cost of finished goods sold				
Beginning balance of finished goods	₩	56,467	₩	60,070
Manufacturing cost		1,655,665		1,829,399
Finished goods, ending		(41,727)		(56,467)
Transfer to other accounts		(16,547)		(38,231)
Refunded customs duties		(3,155)		(5,142)
	₩	1,650,703	₩	1,789,629
Cost of merchandise sold				
Beginning balance of merchandise		54,863		57,785
Purchases		957,285		1,198,487
Ending balance of merchandise		(44,104)		(54,863)
Transfer to other accounts		(485)		-
	₩	967,559	₩	1,201,409
Other cost of sales	₩	29	₩	2,738
Total	₩	2,618,291	₩	2,993,776

22. Selling and Administrative Expenses

Selling and administrative expenses for the years ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)		2024		2023
Personnel expenses	₩	19,616	₩	18,964
Severance benefits		1,344		1,341
Welfare expenses		1,849		5,114
Travel expenses		975		1,234
Communication expenses		292		233
Fees		5,167		5,014
Rental charges		1,090		1,093
Freight costs		4,924		4,582
Depreciation and amortization		1,170		909
Export expenses		46,639		117,608
Research expenses and royalties		23,138		25,776
Claim expenses		2,463		3,634
Brand fees		4,043		5,170
Management service fees		25,101		24,210
Computer expenses		4,392		5,060
Others		3,211		3,203
Total	₩	145,414	₩	223,145

23. Value Added Information

Value added information for the years ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024						2023					
	Manufacturing costs		Selling and administrative expenses		Total		Manufacturing costs		Selling and administrative expenses		Total	
Personnel expenses	₩	68,187	₩	19,616	₩	87,803	₩	64,799	₩	18,964	₩	83,763
Severance benefits		7,091		1,344		8,435		6,533		1,341		7,874
Welfare expenses		11,260		1,849		13,109		10,156		5,114		15,270
Depreciation and amortization		52,339		1,170		53,509		48,370		909		49,279
Tax and dues		844		299		1,143		1,132		237		1,369
Rental charges		209		1,090		1,299		228		1,093		1,321
	₩	139,930	₩	25,368	₩	165,298	₩	131,218	₩	27,658	₩	158,876

24. Comprehensive Income

Comprehensive income for the years ended March 31, 2024 and 2023, consists of:

(in millions of Korean won)		2024		2023
Profit	₩	146,603	₩	155,220
Other comprehensive income				
Cash flow hedge, net of tax of ₩ (823) million (2023: ₩ (2,445) million)		2,740		7,136
Comprehensive income	₩	149,343	₩	162,355

25. Derivative Instruments

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, 2024 and 2023, are as follows:

(in millions of Korean won)	2024				2023			
	Derivative Instrument Assets		Derivative Instrument Liabilities		Derivative Instrument Assets		Derivative Instrument Liabilities	
Commodity futures	₩	8,362	₩	17,639	₩	19,657	₩	13,187
Currency forward	₩	1,278	₩	14,560	₩	12,215	₩	31,056
	₩	9,640	₩	32,199	₩	31,872	₩	44,243

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, 2024 and 2023, are as follows:

(in millions of Korean won)	2024					
	Statement of profit or loss				Other comprehensive income[1]	
	Valuation Gain		Valuation Loss			
Commodity futures	₩	8,362	₩	17,653	₩	-
Currency forward		1,257		6,649		3,563
	₩	9,619	₩	24,302	₩	3,563

[1] ₩ 2,740 million, net of tax, was recorded in other comprehensive income.

(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.

The Company recognized gain on valuation of derivatives amounting to ₩ 83 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, 2024. The Company applies cash flow hedge accounting and is exposed to fluctuations in cash flows up to March 27, 2025. Total accumulated other comprehensive gain and loss recognized before tax amount to ₩ 20 million and ₩ 7,959 million, respectively, of which ₩ 20 million and ₩ 7,959 million are expected to be recognized as gain and loss, respectively, within 12 months from March 31, 2024. Also, the realized gain and loss on derivative transactions recognized upon the expiration of contracts for the year ended March 31, 2024, which were reflected in sales, amounted to ₩ 10,679 million and ₩ 43,473 million before tax, respectively.

26. Greenhouse Gas Emissions Rights and Liabilities

The quantities of emission rights which are allocated free of charge for the 3rd planning period (2021~2025) are as follows.

(in tCOE-eq)	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 liabilities for the years ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024		2023	
Beginning balance	₩	15	₩	59
Addition (excess of emission rights held)		31		19
Used (submitted to the government)		(27)		(63)
Ending balance	₩	19	₩	15

There are no emission permits pledged as collateral.

The estimated quantity of greenhouse gas emissions expected to be notified in June 2024 is 280,526 tons (Period from January 1, 2023 to December 31, 2023).

27. Significant Transactions Not Affecting Cash Flows

Significant transactions not affecting cash flows for the years ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024		2023	
Reclassification of construction-in-progress to property, plant and equipment	₩	77,669	₩	37,581
Increase (decrease) in other accounts payable related to acquisition of property, plant and equipment and intangible assets		6,663		(102)

28. Related Party Transactions

As at March 31, 2024 and 2023, the parent company, Novelis Inc., is a foreign registrant located in United States of America and the ultimate parent company is Hindalco Industries Limited., located in India.

Details of related parties that have sales and other transactions with the Company or have receivables and payables balances as at March 31, 2024 and 2023, are as follows:

	2024	**2023**
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 (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 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, 2024 and 2023, are as follows:

(in millions of Korean won)	Counter party	2024					
			Sales[1]		Purchase[2]		Other income (expense)
Ultimate parent company	Hindalco Industries Limited	₩	-	₩	-	₩	-
Parent company	Novelis Inc.		-		-		(53,696)
Other related parties	Novelis MEA Ltd.		735,255		23,724		(885)
	Novelis (China) Aluminum Products Co., Ltd.		498,380		23,425		169
	Novelis Corporation (Texas)		348,815		5		55
	Novelis Aluminum (Zhenjiang) Co, Ltd		-		-		115
	Novelis do Brazil Ltda.		2,075		478		(9)
	Novelis Switzerland SA		-		25		659
	Novelis Services Limited		-		-		(4,043)
	Novelis Global Employment Organization, Inc.		-		-		(1,941)
	Novelis AG		-		-		(812)
	Novelis Shanghai Aluminum Trading Company		-		-		(112)
	Novelis PAE SAS		-		45		-
	Novelis Koblenz GmbH		-		593		97
Entity under joint control	Ulsan Aluminum Limited		822,245		940,238		260
		₩	2,406,770	₩	988,533	₩	(60,143)

[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.

[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	2023 Sales[1]	2023 Purchase[2]	2023 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	₩ 1,130,409	₩ (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.

[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, 2024 and 2023, are as follows:

(in millions of Korean won)		2024			
		Receivables		Payables	
	Counter party	Trade receivables	Other receivables	Trade payables	Other payables
Ultimate parent company	Hindalco Industries Limited	₩ -	₩ -	₩ -	₩ -
Parent company	Novelis Inc.	-	45	-	1,486
Other related parties	Novelis MEA Ltd.	206,239	157	5,997	60
	Novelis (China) Aluminum Products Co., Ltd.	135,672	225	5,676	-
	Novelis Corporation (Texas)	74,420	-	-	18
	Novelis Aluminum (Zhenjiang) Co., Ltd.	-	52	-	-
	Novelis Global Employment Organization, Inc. (Delaware) (US)	-	-	-	77
	Novelis AG	-	-	-	66
	Novelis Shanghai Aluminum Trading Company	-	41	-	80
	Novelis Koblenz GmbH	-	10	410	-
	Novelis PAE SAS	-	-	7	-
	Novelis Vietnam Company Limited	-	-	-	-
Entity under joint control	Ulsan Aluminum Limited	176,227	846	296,220	1,683
		₩ 592,558	₩ 1,376	₩ 308,310	₩ 3,470

(in millions of Korean won)		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 PAE SAS	-	-	-	-
	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	₩ 3,270

Fund transactions with related parties for the years ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)		2024	2023
	Counter party	Issuance of preferred shares	Issuance of preferred shares
Entity under joint control	Ulsan Aluminum Limited	₩ 39,300	₩ 30,000

29. Events after the Reporting Period

(a) Approval of financial statements

The financial statements for the 2024 reporting period of the Company were approved by the Board of Directors on April 26, 2024 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 of March 31, 2024. 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 the Company's ICFR, as at March 31, 2024, is designed and operating effectively, in all material respects, in accordance with *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*."

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 4, 'Application to small & medium sized companies' of the Conceptual Framework for Designing and Operating Internal Control over Financial Reporting and 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'.

An entity's ICFR is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea. An entity's ICFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, ICFR may not prevent, or detect and correct, misstatements. 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 4, 'Application to small & medium sized companies', of the Best Practice Guideline for Evaluating and Reporting Internal Control over Financial Reporting*.

Our review is based on the Company's ICFR as of March 31, 2024, and we did not review management's assessment of its ICFR subsequent to March 31, 2024. 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 02, 2024

This report is effective as at May 02, 2024, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the Company's internal control over financial reporting thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Operational Status Evaluation Report on the Internal Accounting Control System

To the Shareholders, Board of Directors and Auditor of Novelis Korea Limited

We, as the Chief Executive Officer (or President, etc which means the representative director of the company) and the Internal Accounting Manager of Novelis Korea Limited ("the Company"), assessed operating status of the Company's Internal Control over Financial Reporting("ICFR") for the year ending March 31, 2024.

Design and operation of ICFR is the responsibility of the Company's management, including the Chief Executive Officer and the Internal Accounting Manager (collectively, "We", "Our" or "Us").
We evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable financial information.
We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee")' as the criteria for design and operation of the Company's ICFR. And we conducted an evaluation of ICFR based on the 'Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting' established by the ICFR Committee.

Based on our assessment, we concluded that the Company's ICFR is designed and operated effectively as of March 31, 2024, in all material respects, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings of the readers, and we have reviewed and verified this report with sufficient care.

Aril 29 2024

Internal Accounting Manager : Andrea Lissoni (signature)

Country Head of South Korea : JongHwa Park (signature)

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Novelis AG

Küsnacht (ZH)

Report of the statutory auditor
to the General Meeting

on the financial statements 2024

pwc

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 2024, 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 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 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.

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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 para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

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 | Bradley Allen

Licensed audit expert
Auditor in charge

Zürich, 2 May 2024

Enclosures:

- Financial statements (balance sheet, statement of income and notes)
- Proposed appropriation of available earnings

Balance sheet

	Note	March 31, 2024 EUR	March 31, 2023 EUR	March 31, 2024 CHF	March 31, 2023 CHF
Assets					
Current assets					
Cash and cash equivalents		428 039 123	424 591 191	416 907 688	421 430 463
Trade receivables -					
Third parties		267 988 564	290 983 317	261 019 348	288 817 188
Group company		11 780 130	14 195 947	11 473 780	14 090 270
Associated companies		85 808 215	82 312 541	83 576 717	81 699 792
Other receivables -					
Third parties	2.4	12 640 047	22 318 858	12 311 335	22 152 713
Group company	2.4	6 856 762	2 149 168	6 678 447	2 133 169
Associated companies	2.4	8 504 056	18 070 314	8 282 903	17 935 795
Shareholder	2.4	0	265 034	0	263 061
Cash pooling with associated companies	2.1	66 705 878	130 411 116	64 971 148	129 440 313
Inventories		7 070 172	11 312 855	6 886 307	11 228 640
Prepayments and accrued income -					
Third parties		648 068	758 332	631 215	752 686
		896 041 017	**997 368 673**	**872 738 888**	**989 944 090**
Fixed assets					
Financial assets -					
Other financial assets, third parties	2.4	247 241	1 688 655	240 811	1 676 085
Other financial assets, associated companies	2.4	32 043	541 503	31 210	537 472
Investment in subsidiary		159 078 968	159 078 968	240 161 520	240 161 520
Tangible assets		308 844	267 264	300 812	265 274
Intangible assets		7 491 966	3 579 009	7 297 133	3 552 366
		167 159 062	**165 155 399**	**248 031 486**	**246 192 717**
Total assets		**1 063 200 080**	**1 162 524 072**	**1 120 770 374**	**1 236 136 807**

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, 2024 EUR	March 31, 2023 EUR	March 31, 2024 CHF	March 31, 2023 CHF
Liabilities and shareholders' equity					
Current liabilities					
Trade payables -					
Third parties		118 507 731	136 694 737	115 425 861	135 677 161
Group company		476 892	168 289	464 490	167 036
Associated companies		16 206 171	25 705 845	15 784 719	25 514 486
Other current liabilities -					
Third parties	2.4	35 906 506	31 441 067	34 972 734	31 207 014
Group company	2.4	845 235	2 170 019	823 254	2 153 865
Associated companies	2.4	8 033 610	8 987 363	7 824 691	8 920 460
Shareholder	2.4	2 395	17 740	2 333	17 608
Cash pooling with group company	2.1	318 189 715	269 801 229	309 914 985	267 792 783
Cash pooling with associated companies	2.1	260 618 221	408 557 014	253 840 675	405 515 646
Cash pooling with shareholder	2.1	6 564 875	7 471 627	6 394 151	7 416 007
Accrued liabilities -					
Third parties		87 885 226	91 807 097	85 599 714	91 123 669
Group companies		173 328	0	168 820	0
Associated companies		0	850 233	0	843 904
Short-term provisions -					
Third parties		11 215 438	6 450 406	10 923 773	6 402 388
		864 625 342	**990 122 666**	**842 140 200**	**982 752 027**
Non-current liabilities					
Other non-current liabilities -					
Third parties	2.4	409 960	1 300 101	399 299	1 290 423
Group Company	2.4	199 856	0	194 659	0
Associated companies	2.4	5 157	1 556 664	5 023	1 545 076
Long-term provisions		1 389 409	1 120 491	1 353 276	1 112 150
		2 004 382	**3 977 256**	**1 952 257**	**3 947 649**
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		167 512 379	136 770 323	242 419 887	211 900 621
Currency Translation Adjustments		0	0	5 882 773	5 640 744
Net income/(loss) for the year		28 146 206	30 742 057	26 998 757	30 519 266
		196 570 355	**168 424 150**	**276 677 917**	**249 437 131**
Total liabilities and shareholders' equity		**1 063 200 080**	**1 162 524 072**	**1 120 770 374**	**1 236 136 807**

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, 2023 to March 31, 2024 EUR	April 1, 2022 to March 31, 2023 EUR	April 1, 2023 to March 31, 2024 CHF	April 1, 2022 to March 31, 2023 CHF
Net revenue from sales of goods		967 225 586	1 208 350 993	927 794 328	1 199 593 957
Income from services		65 938 730	58 244 345	63 250 580	57 822 243
Changes in inventories (finished goods & work-in-progress)		(1 516 791)	(762 418)	(1 454 956)	(756 893)
Costs of material		(792 475 932)	(1 014 946 597)	(760 168 760)	(1 007 591 181)
Operating expense		(138 995 189)	(137 428 078)	(133 328 719)	(136 432 123)
Administrative expense		(35 606 591)	(32 822 377)	(34 155 003)	(32 584 510)
Personnel costs		(45 651 182)	(36 900 001)	(43 790 103)	(36 632 584)
Depreciation and amortisation		(1 136 689)	(3 242 751)	(1 090 350)	(3 219 251)
Operating profit/(loss) before financial items		**17 781 942**	**40 493 116**	**17 057 017**	**40 199 658**
Financial income	2.8	241 149 279	517 127 188	231 318 253	513 379 518
Financial expense	2.8	(235 652 195)	(529 402 467)	(226 045 270)	(525 565 837)
Interest income		25 156 863	6 729 405	24 131 284	6 680 636
Interest expense		(14 165 801)	(657 882)	(13 588 299)	(653 114)
Income/(loss) before tax		**34 270 089**	**34 289 360**	**32 872 985**	**34 040 861**
Tax		(6 123 883)	(3 547 303)	(5 874 228)	(3 521 595)
Net income/(loss) for the period		**28 146 206**	**30 742 057**	**26 998 757**	**30 519 266**

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, 2024

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.

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.

Notes to the financial statements for the year ended March 31, 2024

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	31.03.24	0.9592	0.9740	1.5097
CHF/EUR	31.03.23	0.9928	0.9926	1.5097

1) The historical CHF/EUR rate is applied for share capital and legal 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. Differences arising from the translation of profits at the date of transactions and the monetary balance sheet accounts at year-end rates are presented as CTA in a seperate line within the equity. The prior year figures have been adjusted accordingly for presentation purpose.

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, 2024 EUR	**March 31, 2023** EUR	**March 31, 2024** CHF	**March 31, 2023** CHF
Other receivables				
From cash pooling with associated companies	66 705 878	130 411 116	64 971 148	129 440 313
From cash pooling with shareholder	0	0	0	0
Other current liabilities				
From cash pooling with group company	318 189 715	269 801 229	309 914 985	267 792 783
From cash pooling with associated companies	260 618 221	408 557 014	253 840 675	405 515 646
From cash pooling with shareholder	6 564 875	7 471 627	6 394 151	7 416 007

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, 2024 EUR	**March 31, 2023** EUR	**March 31, 2024** CHF	**March 31, 2023** CHF
All assets pledged	1 063 200 080	1 162 524 072	1 120 770 374	1 236 136 807
	1 063 200 080	1 162 524 072	1 120 770 374	1 236 136 807

At the balance sheet date Novelis Inc.'s senior secured facilities consisted of:
(1) a $1.25 billion outstanding across two secured term loans; one expiring in 2026 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, 2024, there are $512 Mio outstanding borrowing under the ABL facility (2023: $463 Mio) for the Novelis Inc. Group.

Notes to the financial statements for the year ended March 31, 2024

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.

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 2024, the balance outstanding under the non-recourse receivables purchase agreement is approximately EUR 264.8 Mio/CHF 257.9 Mio (31.03.2023: EUR 285.0 Mio/CHF 282.9 Mio).

Total amount given in guarantee

	March 31, 2024 EUR	**March 31, 2023** EUR	**March 31, 2024** CHF	**March 31, 2023** CHF
Guarantees given	21 076 309	15 088 050	20 528 206	14 975 732
	21 076 309	15 088 050	20 528 206	14 975 732

2.3 Inventories

	March 31, 2024 EUR	**March 31, 2023** EUR	**March 31, 2024** CHF	**March 31, 2023** CHF
Raw materials, consumables and supplies	6 532 453	9 388 770	6 362 572	9 318 879
Work in progress	217 113	498 325	211 467	494 615
Finished goods	320 606	1 425 760	312 268	1 415 146
Total inventory	7 070 172	11'312'855	6'886'307	11'228'640

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, 2024** EUR	**March 31, 2023** EUR	**March 31, 2024** CHF	**March 31, 2023** CHF
Metal/forex derivatives receivables - third parties	12 397 821	22 105 883	12 075 408	21 941 323
Metal/forex derivatives receivables - group company	6 856 762	2 149 168	6 678 447	2 133 169
Metal/forex derivatives receivables - associated companies	7 491 405	15 766 259	7 296 586	15 648 893
Metal/forex derivatives receivables - shareholder	0	265 034	0	263 061
Metal/forex derivatives payables - third parties	(32 127 308)	(25 819 709)	(31 291 816)	(25 627 503)
Metal/forex derivatives payables - group company	(845 235)	(2 170 019)	(823 254)	(2 153 865)
Metal/forex derivatives payables - associated companies	(6 645 718)	(7 887 712)	(6 472 892)	(7 828 995)
Metal/forex derivatives payables - shareholder	(2 395)	(17 740)	(2 333)	(17 608)

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, 2024** EUR	**March 31, 2023** EUR	**March 31, 2024** CHF	**March 31, 2023** CHF
Metal/forex derivatives receivables - third parties	247 241	1 688 655	240 811	1 676 085
Metal/forex derivatives receivables - associated companies	32 043	541 503	31 210	537 472
Metal/forex derivatives payables - third parties	(190 531)	(1 076 621)	(185 576)	(1 068 606)
Metal/forex derivatives payables - associated companies	(205 013)	(1 556 664)	(199 681)	(1 545 076)

Notes to the financial statements for the year ended March 31, 2024

2.5 Amounts payable to pension funds

	March 31, 2024 EUR	March 31, 2023 EUR	March 31, 2024 CHF	March 31, 2023 CHF
Amounts payable to pension funds	326 798	1 085	318 300	1 077
	326 798	1 085	318 300	1 077

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, 2024 EUR	March 31, 2023 EUR	March 31, 2024 CHF	March 31, 2023 CHF
Future lease obligations				
Within one to five years	1 580 320	2 377 087	1 539 223	2 359 391
Over five years	0	0	0	0
Total	1 580 320	2 377 087	1 539 223	2 359 391

2.8 Financial Income and Expense

The financial income and expense is classified by the below categories

	March 31, 2024 EUR	March 31, 2023 EUR	March 31, 2024 CHF	March 31, 2023 CHF
Operating incl. ABL				
Financial income	18 153 121	9 867 406	17 413 065	9 795 896
Financial expense	(10 690 522)	(76 814 443)	(10 254 697)	(76 257 761)
Total	7 462 599	(66 947 037)	7 158 368	(66 461 865)
FX				
Financial income	127 397 823	216 879 276	122 204 146	215 307 531
Financial expense	(119 116 927)	(233 562 761)	(114 260 841)	(231 870 110)
Total	8 280 896	(16 683 485)	7 943 305	(16 562 579)
Metal				
Financial income	93 684 842	288 522 545	89 865 556	286 431 595
Financial expense	(105 456 798)	(217 108 350)	(101 157 600)	(215 534 945)
Total	(11 771 956)	71 414 196	(11 292 044)	70 896 650
Utilities				
Financial income	1 913 494	1 857 961	1 835 486	1 844 496
Financial expense	(387 948)	(1 916 913)	(372 132)	(1 903 021)
Total	1 525 546	(58 952)	1 463 354	(58 525)

2.9 Full-time equivalents

The number of full-time equivalents did not exceed 250 on an annual average basis.

2.10 Other contingent liabilities

The company is jointly liable with Novelis Switzerland SA for Swiss VAT with respect to the respective VAT Group.

3. Subsequent events

No events of note have taken place since the end of the financial year.

Retained earnings carried forward and proposal of the Board of Directors for appropriation of retained earnings

	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Proposal of the board of directors EUR	Proposal of the board of directors EUR	Proposal of the board of directors CHF	Proposal of the board of directors CHF
Retained earnings at the beginning of the year	167 512 379	136 770 323	242 419 888	211 900 622
Net income/(loss) for the year	28 146 206	30 742 057	26 998 757	30 519 266
Retained earnings at the disposal of the annual general meeting	195 658 586	167 512 379	269 418 645	242 419 888
Allocation to the legal reserve	126 797	0	123 500	0
Retained earnings to be carried forward	195 531 788	167 512 379	269 295 145	242 419 888
	195 658 586	167 512 379	269 418 645	242 419 888

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 2024

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 2024, 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 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 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.

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 para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

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

Patrick Wagner	Basile Ançay
Licensed audit expert Auditor in charge	Licensed audit expert

Lausanne, 30 April 2024

Enclosures:

- Financial statements (balance sheet, statement of income and notes)
- Proposed appropriation of available earnings

Balance sheet at
(in Swiss Francs)

	March 31, 2024	March 31, 2023
Assets		
Current assets		
Liquid funds	6 818	23 022
Trade accounts receivable -		
Third parties, net	21 390 890	24 073 243
Group companies	36 949 225	69 545 614
Prepaid expenses and accrued income -		
Third parties	9 905 215	5 794 188
Other receivables -		
Third parties	9 662 660	13 666 718
Shareholders	309 907 636	267 777 786
Inventories, net	63 529 879	78 435 242
	451 352 323	459 315 812
Non-current assets		
Prepaid expenses and accrued income -		
Third parties	2 125 756	2 125 756
Financial fixed assets -		
Investments	2 954 775	2 954 775
Loans long term	2 691 511	2 621 905
Tangible fixed assets -		
Land and buildings	63 644 466	66 647 989
Machinery and other equipments	94 175 777	99 337 348
Construction in progress	18 638 277	8 301 038
Intangible fixed assets -		
Goodwill	0	7 369 320
Softwares	207 053	269 436
	184 437 615	189 627 567
Total assets	635 789 938	648 943 379
Liabilities and shareholders' equity		
Current liabilities		
Bank overdrafts		
Trade accounts payable -		
Third parties	89 038 140	113 119 797
Group companies	25 291 848	33 607 328
Accrued liabilities	26 864 266	30 904 806
Short-term debts	0	1 241 975
	141 194 254	178 873 906
Shareholders' equity		
Share capital	5 000 000	5 000 000
Legal reserve	2 500 000	2 500 000
Statutory retained earnings	462 569 473	440 913 091
Profit/loss for the year/period (accumulated deficit)	24 526 211	21 656 382
	494 595 684	470 069 473
Total liabilities and shareholders' equity	635 789 938	648 943 379

Statement of income for the period
(in Swiss Francs)

	April 1, 2023 - March 31, 2024	April 1, 2022 - March 31, 2023
Turnover		
Income from sales	788 389 124	969 613 298
Income from service fees	12 374 143	12 833 926
Sales deductions	(11 127 186)	(13 578 263)
	789 636 080	968 868 960
Materials used	(597 226 891)	(746 664 514)
Energy consumption costs	(19 811 758)	(18 823 456)
Variation in inventories	(11 695 609)	(29 271 487)
Gross profit	160 901 822	174 109 503
Personnel costs	(66 496 324)	(64 943 891)
Leasing	(2 005 033)	(2 004 299)
Maintenance	(8 989 686)	(9 247 690)
Other operating costs	(34 645 496)	(35 040 318)
Other income/expenses, net	1 233	2 778 841
Depreciation & Amorization	(24 895 920)	(40 430 350)
Operating profit before financial items	23 870 595	25 221 795
Financial income	5 521 729	1 161 320
Financial expenses	(467 277)	(584 692)
Exchange rate differences	867 357	356 845
Operating profit	29 792 404	26 155 269
Non-operating expense	(453 657)	(509 750)
Income before tax	29 338 747	25 645 518
Taxes	(4 812 535)	(3 989 136)
Net income for the period	24 526 211	21 656 382

Notes to the financial statements 2024

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 2024

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, 2024 CHF	March 31, 2023 CHF
Raw materials	41 897 845	48 279 480
Work in progress	31 091 966	33 355 009
Finished goods	10 490 286	10 658 231
Consumables and supplies	11 814 778	11 414 624
Valuation adjustments	(31 764 997)	(25 272 103)
	63 529 879	78 435 242

5. Investment in unconsolidated subsidiaries

AluInfra Services SA, joint-venture, Sierre	March 31, 2024 CHF	March 31, 2023 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 2024

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, 2024 CHF**	**March 31, 2023 CHF**
Future lease payments	9 289 871	10 724 224
	9 289 871	10 724 224

8. **Assets pledged in favour of third parties**	**March 31, 2024 CHF**	**March 31, 2023 CHF**
Fixed Assets (net book value)	175 785 316	173 269 368
Receivables	368 247 751	361 396 643
Cash	6 818	23 024
	544 039 885	534 689 034

At the balance sheet date Novelis Inc's senior secured facilities consisted of:
(1) a $1.25 billion outstanding across two secured term loans; one expiring in 2026 and other expiring in 2028 ("Term Loan Agreement"), and
(2) a $2 billion five-year asset based loan facility ("ABL Agreement")
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 2024

9. Guarantees	March 31, 2024 CHF	March 31, 2023 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	756 592	742 106
	756 592	742 106

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, 2024, the company has 258 (FY23: 318) open forward contracts for an estimated net fair value of -5'660'400.29 CHF (FY23: +20'697.10 CHF).

258 (FY23: 312) contracts hedging the FX rates risk for an estimated fair value of -5'660'400.29 CHF (FY23: +71'040.92 CHF) and 0 (FY23: 6) contracts hedging the metal price for an estimated fair value of 0.00 CHF (FY23: -50'343.81 CHF)

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.

Movements on retained earnings

(in Swiss Francs)	March 31, 2024 CHF	March 31, 2023 CHF
Retained earnings at the beginning of the period	462 569 473	440 913 091
Net income for the period	24 526 211	21 656 382
Retained earnings at the disposal of the annual general meeting	487 095 684	462 569 473

Proposal of the board of directors for appropriation of retained earnings

	2024 Proposal of the board of directors
To be carried forward	487 095 684
	487 095 684

Novelis MEA Ltd.

Directors' report and financial statements for the year ended 31 March 2024

Novelis MEA Ltd.

Directors' report and financial statements for the year ended 31 March 2024

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 2024.

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 2024 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

30th April 2024

pwc

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 financial statements present fairly, in all material respects, the financial position of Novelis MEA Ltd. (the "Company") as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 March 2024;
- 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, comprising material accounting policy information 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 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 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.

Independent auditor's report to the shareholder of Novelis MEA Ltd. (continued)

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 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 IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the Companies Law - DIFC Law No. 5 of 2018, as amended, 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

30 April 2024

PricewaterhouseCoopers Limited
Dubai, United Arab Emirates

(4)

Novelis MEA Ltd.

Statement of financial position

	Note	As at 31 March 2024 USD	2023 USD
Assets			
Non-current assets			
Property and equipment		70,244	33,347
Intangible assets		-	41,885
Loan provided	9, 16	25,670,833	-
Derivative financial instruments	9	149,388	445,884
		25,890,465	521,116
Current assets			
Trade receivables	5	89,257,552	121,619,735
Other financial assets at amortised cost		27,845	72,690
Other current assets		248,365	276,235
Derivative financial instruments	9	203,506	128,562
Cash and cash equivalents	4	80,317,901	134,138,314
		170,055,169	256,235,536
Total assets		195,945,634	256,756,652
Equity and liabilities			
Equity			
Share capital	6	50,000	50,000
Contributed capital	6	862,286	862,286
Retained earnings		32,018,729	47,187,130
Total equity		32,931,015	48,099,416
Liabilities			
Non-current liability			
Provision for employees' end of service benefits	10	80,302	80,302
Derivative financial instruments	9	191,956	487,818
		272,258	568,120
Current liabilities			
Trade and other payables	7	10,720,628	8,746,402
Contract liabilities	8	3,139,621	21,570
Derivative financial instruments	9	80,151	2,199,689
Due to related parties	9	148,801,961	197,121,455
		162,742,361	208,089,116
Total liabilities		163,014,619	208,657,236
Total equity and liabilities		195,945,634	256,756,652

These financial statements were approved by the Board of Directors on 30 April 2024 and signed on its behalf by.

....

Director

Novelis MEA Ltd.

Statement of comprehensive income

	Note	Year ended 31 March 2024 USD	2023 USD
Revenue	11	614,574,714	829,552,207
Cost of sales	12	(574,714,776)	(775,283,072)
Gross profit		39,859,938	54,269,135
Other income		-	1,982,382
Administrative expenses	13	(7,333,303)	(7,378,255)
Loss on derivative financial instruments		(1,255,752)	(7,380,481)
Finance income		670,845	1,421
Finance costs		(10,129)	(11,869)
Profit for the year		31,931,599	41,482,333
Other comprehensive income		-	-
Total comprehensive income for the year		31,931,599	41,482,333

Novelis MEA Ltd.

Statement of changes in equity

	Note	Share capital USD	Contributed capital USD	Retained earnings USD	Total USD
As at 1 April 2023		50,000	862,286	60,704,797	61,617,083
Profit / Total comprehensive income for the year		-	-	41,482,333	41,482,333
Dividends distributed	6	-	-	(55,000,000)	(55,000,000)
As at 31 March 2023		50,000	862,286	47,187,130	48,099,416
Profit / Total comprehensive income for the year		-	-	31,931,599	31,931,599
Dividends distributed	6	-	-	(47,100,000)	(47,100,000)
As at 31 March 2024		50,000	862,286	32,018,729	32,931,015

The notes on pages 9 to 27 form an integral part of these financial statements

Novelis MEA Ltd.

Statement of cash flows

	Note	Year ended 31 December 2024 AED	2023 AED
Cash flows from operating activities			
Profit for the year		31,931,599	41,482,333
Adjustment for:			
Depreciation		20,557	12,018
Amortization		41,884	41,884
Loss on derivative financial instruments		1,255,752	7,380,481
Finance income		(670,845)	(1,421)
Finance costs		10,129	11,869
Operating cash flows before payment of employees' end of service benefits and changes in working capital		32,589,076	48,927,164
Payment of employees' end of service benefits		-	(34,645)
Operating cash flows before changes in working capital		32,589,076	48,892,519
Changes in working capital:			
Other financial assets at amortised cost		44,845	14,645
Other current assets		27,870	42,646
Trade and other payables		1,974,226	2,397,168
Contract liabilities		3,118,051	(2,319,214)
Trade receivables		32,362,183	55,802,922
Derivative financial instruments		(3,449,599)	(1,364,848)
Due to related parties		(48,319,494)	(1,775,455)
Net cash generated from operating activities		18,347,158	101,690,383
Cash flows from investing activities			
Purchases of property, plant and equipment		(57,442)	(16,828)
Loan issued	16	(25,000,000)	-
Net cash used in investing activities		(25,057,442)	(16,828)
Cash flows from financing activities			
Dividends paid	6	(47,100,000)	(55,000,000)
Finance costs		(10,129)	(10,448)
Net cash used in financing activities		(47,110,129)	(55,010,448)
Net (decrease)//increase in cash and cash equivalents		(53,820,413)	46,663,107
Cash and cash equivalents at beginning of the year		134,138,314	87,475,207
Cash and cash equivalents at end of the year		80,317,901	134,138,314

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 material accounting policies

The material 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 IFRS Accounting 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 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Corporate Tax regime became effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% corporate tax rate, while a rate of 0% will apply to Qualifying Income derived by a Qualifying Free Zone Person, or to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (AED 375,000).

The Company has assessed its tax status and concluded that there is no material impact on its financial statements for the year ended 31 March 2024, both from current and deferred tax perspective.

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(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 2023:

- IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).
- Transition option to insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023).

The amendments listed above did not have any impact on the amounts recognised in prior periods and did affect the current period.

(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 2024 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.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).
- Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023).
- IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New and amended standards not yet adopted (continued)

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.

(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 Summary of material accounting policies (continued)

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).

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.

2 Summary of material accounting policies (continued)

2.6 Financial assets (continued)

(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.

2.8 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 Summary of material accounting policies (continued)

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 Loans issued

Under IFRS 9, loans issued by the Company are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition loans issued are accounted at amortized cost. An ECL allowance is recognised, resulting in an immediate accounting loss. Amortized cost is calculated by considering any fees, transaction costs, and premiums or discounts, and subsequently adjusting for any impairment losses.

The business model reflects how the Group manages the assets in order to generate cash flows –the Company's objective is solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows".

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Company assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

2.11 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.

2.12 Share capital

Ordinary shares are classified as equity.

2 Summary of material accounting policies (continued)

2.13 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.

2.14 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.

2.15 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.

2 Summary of material accounting policies (continued)

2.15 Employees' end of service benefits (continued)

(b) End of service benefits (continued)

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.

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.

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.

2.16 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.

2.17 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.

2 Summary of material accounting policies (continued)

2.17 Revenue recognition (continued)

- 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.

(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.

2.18 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.

2.19 Interest income

Interest income is recognised using the effective interest method.

2.20 Income taxes

Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes.

2 Summary of material accounting policies (continued)

2.20 Income taxes (continued)

Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilized.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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), 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, loans issued and cash at bank. Information on concentration of trade and other receivables is disclosed in Note 5. In relation to the loans issued – the full amount of the loans issued relates to a single counterparty – Novelis Inc, immediate parent company.

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 80,317,901 (2023: USD 134,138,314).

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
31 March 2024			
Non-derivatives			
Trade and other payables (Note 7)	10,720,628	10,720,628	10,720,628
Due to related parties (Note 9)	148,801,961	148,801,961	148,801,961
	159,522,589	159,522,589	159,522,589
Derivatives			
Derivative financial instruments (Note 9)	272,107	272,107	272,107
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)	2,687,507	2,687,507	2,687,507

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 2024 and 2023 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.

4 Financial instruments by category

	2024 USD	2023 USD
Financial assets measured at amortized cost		
Trade receivables (Note 5)	89,257,552	121,619,735
Other financial assets at amortised cost	27,845	72,690
Loan issued (Note 16)	25,670,833	-
Cash and cash equivalents (Note 5)	80,317,901	134,138,314
	195,274,131	255,830,739
Financial asset measured at fair value through profit or loss		
Derivative financial asset (Note 9)	352,894	574,446
Financial liabilities measured at amortized cost		
Trade and other payables (Note 7)	10,720,628	8,746,402
Due to related parties (Note 9)	148,801,961	197,121,455
	159,522,589	205,867,857
Financial liability measured at fair value through profit or loss		
Derivative financial liability (Note 9)	272,107	2,687,507

The credit quality of financial assets that are not impaired can be assessed by reference to external credit ratings as follows:

4 Financial instruments by category (continued)

	2024 USD	2023 USD
Cash at bank		
Externally rated financial assets (Moody's)		
A1	79,994,175	133,828,880
Aa3	323,726	309,434
	80,317,901	134,138,314

Credit risk analysis of Trade receivables and Loans issued is presented note in Notes 5 and 16.

5 Trade receivables

	2024 USD	2023 USD
Trade receivable	89,257,552	121,619,735

As at 31 March 2024, 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 2024 and 2023, the ageing analysis of unimpaired trade receivables is as follows:

	2024 USD	2023 USD
Neither past due nor impaired	85,303,645	120,986,433
Within 1 to 6 months	3,953,907	633,302
	89,257,552	121,619,735

As at 31 March 2024, trade receivables of USD 3,953,907 (2023: USD 633,302) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

5 Trade receivables (continued)

As at 31 March 2024, the Company had a concentration of credit risk with ten of the largest customers accounting for 77% (2023: 64%) 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 2024 and 2023.

6 Share capital

	2024 USD	2023 USD
Authorised, issued and fully paid-up capital		
2024:50 shares (2023: 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 47,100,000 (2023: USD 55,000,000). Dividend per share amounted to USD 942,000 (2023: USD 1,100,000).

7 Trade and other payables

	2024 USD	2023 USD
Trade payables	3,368,579	1,497,489
Accruals	5,974,444	5,701,311
Other payables	1,377,605	1,547,602
	10,720,628	8,746,402

The carrying value of trade and other payables approximates their fair value.

8 Contract liabilities

	2024 USD	2023 USD
Advances received	3,139,621	21,570

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

	2024 USD	2023 USD
Product sales to entities under common control	18,968,215	18,086,192
Novelis Korea	*18,968,215*	*18,052,372*
Other affiliates	-	*33,820*
Product purchases from entities under common control	557,108,846	758,140,663
Novelis Korea	*557,108,846*	*750,251,921*
Novelis Deutschland GmbH	-	*6,934,896*
Other companies	-	*953,846*
Professional charges from entities under common control	4,484,870	5,032,783
Administrative expenses from entities under common control	3,774,237	3,578,703
Interest income from the immediate parent company	670,833	-
Loans issued to the immediate parent company	25,000,000	-

(b) Related party balances

	31 March 2024 USD	31 March 2023 USD
Due from related parties – immediate parent company		
Loan issued	25,670,833	-
Due to related parties		
Immediate parent company	36,459	233,424
Due to related parties – entities under the common control		
Novelis Korea	148,753,370	196,869,430
Novelis Deutschland GmbH	6,260	780
Novelis AG	3,727	3,727
Novelis Corporation	-	11,948
Novelis Brasil Ltda (Pindamonhangaba)	2,145	2,146
	148,801,961	197,121,455

Amounts due to related parties are non-interest bearing, unsecured and repayable on demand. During the year, Loan was issued to immediate parent company (Note 16).

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 2024 was USD 2,928,535 (2023: USD 9,007,883). The Company's derivatives as at 31 March 2024 and 2023 were:

	2024	
	Assets USD	**Liabilities** USD
Swaps	352,894	272,107

	2023	
	Assets USD	**Liabilities** USD
Swaps	574,446	2,687,507

(d) Compensation of key management personnel:

	2024 USD	2023 USD
Salaries	72,348	122,237
Allowances and other benefits	36,772	51,054
	109,120	173,291

10 Provision for employees' end of service benefits

	2024 USD	2023 USD
At 1 April	80,302	114,947
Payments during the year	-	(34,645)
At 31 March	80,302	80,302

11 Revenue

(a) Revenue from contracts with customers

	2024 USD	2023 USD
Point in time	614,574,714	829,552,207

(b) Liabilities relating to contracts with customers

The Company has advances from customers related to contracts with customers as at 31 March 2024 and 31 March 2023 (Note 8).

12 Cost of sales

	2024 USD	2023 USD
Cost of goods purchased for resale	574,714,776	775,283,072

13 Administrative expenses

	2024 USD	2023 USD
Professional charges	4,329,531	4,486,580
Staff costs (Note 14)	1,023,689	981,737
Travel and accommodation	143,399	129,152
Rent	125,671	122,402
Amortisation	41,884	41,884
Depreciation	20,557	12,018
Others	1,648,572	1,604,482
	7,333,303	7,378,255

14 Staff costs

	2024 USD	2023 USD
Salaries	574,918	597,230
Employees' end of service benefits - Charge for the year	27,079	24,683
Allowances and other benefits	421,692	359,824
	1,023,689	981,737

15 Contingencies and commitments

Operating lease commitments

The approximate minimum annual rental commitments of the Company under the existing lease agreements are as follows:

	2024 USD	2023 USD
Within one year	129,596	125,671
Between two and three years	-	21,036
	129,596	146,707

Pledges and guarantees

Novelis MEA is a guarantor under Novelis Inc's global term loan and ABL revolving credit facilities. The Company has pledged all of its assets to secure its guarantee of the credit facilities.

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.

16 Loan issued

On 15 November 2023, Novelis MEA and Novelis Inc, Canada (an immediate parent company of the Company) entered into an intercompany lending arrangement in which Novelis MEA, the lender, provided Novelis Inc, the borrower, with a fixed rate loan with a maturity date of 15 November 2028. This loan is denominated in US Dollars ("USD"), with a principal value of USD 25,000,000 and an interest rate of 7.00 percent, all paid in arrears. The loan was classified as non-current.

As of 31 March 2024, the loan balance with the interest accrued amounted to USD 25,670,833.

The management believes that the carrying value of the loan issued does not materially differ from its fair value.

Novelis Inc has a credit rating of Ba1 (Moody's). Effect of the ECL as of 31 March 2024 was assessed as not material.

NOVELIS EUROPE HOLDINGS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

CONTENTS

Novelis Europe Holdings Limited

Registered office:
Latchford Locks Works
Thelwall Lane
Warrington
Cheshire
United Kingdom
WA4 1NN

Telephone : +44 (0) 1925 784 100

Registered in England Number 5308334

ADITYA BIRLA

NOVELIS

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 Europe, particularly in Germany, the United Kingdom, Italy and Switzerland.

The Company generated a loss for the financial year of $18,800,000 (2023: $20,938,000) which primarily arose through interest costs on amounts owed to group undertakings. Net assets at the end of the financial year were $220,055,000 (2023: $238,855,000).

Previously the Company had debt listed on The International Stock Exchange. In the year, this debt was repaid and the debt was delisted. The amount owed at the start of the financial year was $8,593,000.

The Company also made a capital contribution to its subsidiary Novelis Italia Srl of €1,000,000 to assist with funding requirements.

Due to Novelis Group restructuring, it is expected that Novelis Services Limited will be liquidated and all operations will transfer to Novelis UK Ltd (current immediate parent company of Novelis Services Limited and subsidiary of the Company). The timing of this event is expected to take place during the next financial year. However, before this takes effect, the Company will settle the loan payable to Novelis Services Limited using the Group cashpooling facility. Therefore, although the contractual date to settle the loan is 2 June 2027, it has been recorded in current liabilities to reflect the timing of settlement in the next financial year.

The directors consider the Company's key performance indicators to be financial, specifically net assets. These are disclosed in the financial statements. The reduction in net assets in the financial year is primarily due to the interest expense incurred on the loan provided by Novelis Services Limited.

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.

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. As a non-trading holding company with no employees, there are limited stakeholders.

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 utilising the services of skilled professional advisors, both internally through the global tax organisation, as well as externally through the services of professional service firms.

Principal decisions taken in the year

As a holding company there were limited decisions taken in the course of the financial year. All principal decisions have been referenced in the Principal activities, review of the business and future development section of the Strategic Report.

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 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 manages its liquidity risk by obtaining funding arrangements consisting of fixed rate and long maturity intercompany loans. Given the expected liquidation of Novelis Services Limited, the Company's financing will be restructured. However, this is expected to be on similar terms, meaning that, interest rate and liquidity risk are limited.

Strategic report (continued)

The Company is not exposed to pricing risk as it is a non-trading company.

The war in Ukraine has had a very limited impact on the Company and on the wider Novelis Group:
- The Group took the decision not to sell rolled products to Russia, Ukraine and Belarus.
- Purchase of raw aluminium from Russia by the Novelis Group has been discontinued during FY24.

During FY24, the war has had very limited any impact on the demand of can and automotive products on the end markets. In the second half of FY24, The demand for Can products also increased in the second half of FY24 as the 'de-stocking policy' adopted by some key customers came to an end. The demand of Aerospace products has been increasing during FY24 and the Novelis Aerospace plants have been running almost at full capacity in the second half of the year.

During FY24, the price of raw material gradually decreased, leading to an overall reduction of the manufacturing cost.

The current conflict in Israel is not having any direct impact on the operations within the region as the European Novelis Group does not trade within this region.

On behalf of the Board

A. Sweeney

A Sweeney
Director 8 May 2024

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 2024.

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.

Due to Novelis Group restructuring, it is expected that Novelis Services Limited will be liquidated and all operations will transfer to Novelis UK Ltd (current immediate parent company of Novelis Services Limited and subsidiary of the Company). The timing of this event is expected to take place during the next financial year. However, before this takes effect, the Company will settle the loan payable to Novelis Services Limited using the Group cashpooling facility. Therefore, although the contractual date to settle the loan is 2 June 2027, it has been recorded in current liabilities to reflect the timing of settlement in the next financial year.

3. Results and dividends

The result for the year is set out on page 10. No dividends were paid during the year (2023: nil).

The directors do not propose the payment of a final dividend (2023: nil).

4. Going Concern

The Company meets its day-to-day working capital requirements through its intercompany cashpool and loan agreements.

Financial risk management and the actions taken by management to mitigate financial risks are set out in the Strategic Report.

The demand of aluminium rolled products, especially for Aerospace and Automotive products have been increasing in FY24.

The long term 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 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 FY24 thanks to the strong performance of the recycling plants, the diversified portfolio, the capability to adapt the production capacity to the market demand and the capability to increase the selling price in case of increase of raw material cost.

The company currently has net current liabilities of $525,515,000 (2023 : $88,088,000) which predominantly relate to the amounts owed to Novelis Services Limited. As referred to in the Strategic Report, Novelis Services Limited will be liquidated and all operations will transfer to Novelis UK Ltd. Although the contractual date to settle the loan is 2 June 2027, it has been recorded in current liabilities to reflect the timing of settlement in the next financial year. As Novelis Services Limited is a wholly owned subsidiary, the Company is able to control the timing of payments so as not to prejudice itself. The Company is expecting to raise financing on similar terms with other Group companies. The directors have also received confirmation that Novelis Inc. intend to support the Company for at least one year after the date of approval of these financial statements.

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Directors' Report (continued)

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.

6. 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

7. Third party indemnity provision

A 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.

Directors' Report (continued)

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	2024	2023
Energy consumption	kWh	**242,169,873**	255,480,660
Emissions from combustion of gas	tCO2e	**38,940**	41,104
Emissions from combustion of fuel for transport purposes	tCO2e	**737**	784
Emissions from business travel	tCO2e	**4**	4
Emissions from purchased electricity	tCO2e	**5,458**	5,257
Total emissions from above	tCO2e	**45,139**	47,149
Intensity ratio: Total emissions / total cast production	tCO2e/ tonne	**0.252**	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
Energy efficiency continues to be a big focus for the coming years, with a Group objective of 2% energy reduction per annum. A large part of the scope of work is to continue challenging the Group to achieve the best remelt practices and improve natural gas consumption rate.

The objective of 2% is measured as the energy consumption per normalised tonne of material produced (MWh/tonne) in reference to the previous fiscal year.

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

8 May 2024

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 2024 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 2024; 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.

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 2024 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 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; and
- 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.

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
8 May 2024

Statement of comprehensive income for the year ended 31 March 2024

Registered in England
Number 5308334

	Note	2024 $'000	2023 $'000
Other operating expenses		**(46)**	(1,182)
Operating loss	5	**(46)**	(1,182)
Interest receivable and similar income	6	**374**	87
Interest payable and similar expenses	6	**(19,128)**	(19,843)
Loss before taxation		**(18,800)**	(20,938)
Tax on loss	7	**-**	-
Loss for the financial year		**(18,800)**	(20,938)

The notes on pages 13 to 19 form part of these financial statements.

Statement of financial position as at 31 March 2024

	Note	2024 $'000	2023 $'000
Fixed Assets:			
Investments	8	745,570	744,490
		745,570	744,490
Current assets:			
Debtors	9	7,099	8,219
		7,099	8,219
Creditors: amounts falling due within one year	10	(532,614)	(96,307)
Net current liabilities		(525,515)	(88,088)
Total assets less current liabilities		220,055	656,402
Creditors: amounts falling due after more than one year	11	-	(417,547)
Net assets		220,055	238,855
Equity			
Called up share capital	12	49,097	49,097
Retained earnings		170,958	189,758
Total equity		220,055	238,855

The financial statements on pages 10 to 19 were authorised by issue of the board of directors on 8 May 2024 and were signed on its behalf by:

A Sweeney
Director

The notes on pages 13 to 19 form part of these financial statements.

Statement of changes in equity for the year ended 31 March 2024

	Called up share capital	Retained earnings	Total equity
	$000	$000	$000
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**
Balance as at 1 April 2023	49,097	189,758	238,855
Loss for the financial year and total comprehensive expense	-	(18,800)	(18,800)
Balance as at 31 March 2024	**49,097**	**170,958**	**220,055**

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 and registered in England. The address of its registered office is Latchford Locks 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.

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 Company meets its day-to-day working capital requirements through its intercompany cashpool and loan agreements.

The demand of aluminium rolled products, especially for Aerospace and Automotive products have been increasing FY24.

The long term 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 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 FY24 thanks to the strong performance of the recycling plants, the diversified portfolio, the capability to adapt the production capacity to the market demand and the capability to increase the selling price in case of increase of raw material cost.

The company currently has net current liabilities of $525,515,000 (2023 : $88,088,000) which predominantly relate to the amounts owed to Novelis Services Limited. As referred to in the Strategic Report, Novelis Services Limited will be liquidated and all operations will transfer to Novelis UK Ltd. Although the contractual date to settle the loan is 2 June 2027, it has been recorded in current liabilities to reflect the timing of settlement in the next financial year. As Novelis Services Limited is a wholly owned subsidiary, the Company is able to control the timing of payments so as not to prejudice itself. The Company is expecting to raise financing on similar terms with other Group companies. The directors have also received confirmation that Novelis Inc. intend to support the Company for at least one year after the date of approval of these financial statements.

The Company therefore continues to adopt the going concern basis in preparing 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 33 Related Party Disclosures paragraph 33.7

Notes to the financial statements (continued)

1. General information and summary of significant accounting policies (continued)

E. Consolidation

The results of the Company and its subsidiaries are consolidated in the consolidated financial statements of its immediate parent, Novelis Inc.. As a result, the Company has taken advantage of the exemption allowed under section 401 of the Companies Act 2006 and has not prepared group financial statements.

F. 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".

G. 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.

H. 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.

1. General information and summary of significant accounting policies (continued)

I. 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. No impairment was identified in the current financial period. Further information is provided in note 8.

4. Staff costs and directors' emoluments

The Company does not employ any staff other than the two directors (2023: two). The two directors are remunerated through another Group company and no recharge is made to the Company for the services provided by the directors. It is not possible to make an accurate apportionment of their remuneration in respect of each of the Group companies. As such, these financial statements include no remuneration in respect of the directors.

Notes to the financial statements (continued)

5. Operating loss

	2024 $'000	2023 $'000
Operating loss is stated after charging:		
Foreign exchange losses	43	1,182

The foreign exchange loss is due to cashpool balances denominated in a foreign currency.

The Company's audit fee of $25,000 (2023: $25,000) has been paid by its subsidiary, Novelis UK Ltd, and no recharge is to be made to the Company. No non-audit services were provided to the Company (2023: nil).

6. Interest

Interest: interest receivable and similar income

	2024 $'000	2023 $'000
Interest receivable on intercompany loans	374	87

Interest: interest payable and similar expenses

	2024 $'000	2023 $'000
Interest payable on intercompany loans	19,128	19,843

7. Tax on loss

	2024 $'000	2023 $'000
Tax credit on loss	-	-

UK corporation tax has been provided where applicable at a rate of 25% (2023: 19%).

The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below:

	2024 $'000	2023 $'000
Loss before taxation	(18,800)	(20,938)
Loss before taxation multiplied by standard rate in the UK of 25% (2023: 19%)	(4,700)	(3,978)
Effects of:		
Group relief surrendered without charge	4,700	3,978
Total tax credit	-	-

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate would 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 (2023: $1,609,000) have not been recognised on the grounds that their recovery is uncertain.

8. Investments

	$'000
Cost	
At 1 April 2023	831,726
Addition	1,080
At 31 March 2024	832,806
Provision for impairment	
At 1 April 2023	87,236
At 31 March 2024	87,236
Net book value	
At 31 March 2024	**745,570**
At 31 March 2023	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.

During the financial year, there was a €1,000,000 ($1,080,000) increase in the investment in Novelis Italia Srl as a result of a capital contribution. This was funded using the Company cashpool facility.

9. Debtors

	2024 $'000	2023 $'000
Amount owed by group undertakings	**7,089**	8,123
Other debtors	**10**	96
	7,099	8,219

The amount owed by group undertakings in the current year is the cashpooling balance held with Novelis AG. The cashpooling balances bears interest calculated daily using rates from Bloomberg and are repayable on demand. Balances denominated in GBP bear interest calculated using SONIA, balances denominated in USD bear interest calculated using SOFR and balances denominated in EUR bear interest calculated using ESTRON.

10. Creditors: amounts falling due within one year

	2024 $'000	2023 $'000
Amounts owed to group undertakings	**532,614**	96,307
	532,614	96,307

Amounts owed to group undertakings relate to a loan of $417,696,000 (2023: $408,954,000) which is payable to Novelis Services Limited and bears interest at a rate of 4.5% (2023: 4.5%), as well as accrued interest of $114,918,000 (2023: $95,967,000). The accrued interest is payable on demand and the loan is contractually due to be repaid to the Company by 2 June 2027. However, given the restructuring and liquidation of Novelis Services Limited within the next financial year, this has at 31 March 2024, been classified as payable within one year. The amounts owed by group undertakings are unsecured.

11. Creditors: amounts falling due after more than one year

	2024 $'000	2023 $'000
Amounts owed to group undertakings	-	417,547

A loan with Novelis Services Limited has been reclassified as falling due within one year. Details of this loan can be found in note 10.

A loan of $8,593,000 bearing interest at a rate of 6.8%, was repaid during the year. This debt was listed on The International Stock Exchange (formerly the Channel Islands Stock Exchange).

12. Called up share capital

	2024 $'000	2023 $'000
Allotted, called up and fully paid: 341,138,496 (2023: 341,138,496) ordinary shares of $0.14392	**49,097**	49,097

13. Contingent liabilities

As of 31 March, 2024, the senior secured credit facilities of Novelis Inc. consisted of (i) a $0.8 billion (2023: $0.8 billion), three-year secured term loan credit facility (Term Loan Facilities), maturing in September 2026, (ii) a $0.5 billion (2023: $0.5 billion), seven year secured term loan credit facility (Term Loan Facilities), maturing in March 2028 and, (iii) a $2.0 billion (2023: $2.0 billion), five-year asset based loan facility (ABL Revolver), maturing in August 2027. As of March 31, 2024, $13 million (2023: $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, 2024, there were borrowings outstanding of $512m (2023: $463m) 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 these companies' financial statements can be obtained from their head offices.

The registered office address of Hindalco Industries Limited is 21st Floor, One Unity Centre, Senapati Bapat Marg, Prabhadevi, Mumbai 400013.

The registered office address of Novelis Inc. is 3550 Peachtree Road NE, Suite 1100, Atlanta, GA 30326.

Notes to the financial statements (continued)

15. Subsidiaries and related undertakings

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

ADITYA BIRLA

NOVELIS

NOVELIS UK LTD

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

CONTENTS

Novelis UK Ltd

Registered office:
Latchford Locks Works
Thelwall Lane
Warrington
Cheshire
United Kingdom
WA4 1NN

Telephone: +44 (0)1925 784 100
Registered in England Number 279596

Strategic report

The directors present their Strategic report on the Company for the year ended 31 March 2024.

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 meet the capacity requirements of the Novelis European Group ("Group"). During the first part of the year, the underlying London Metal Exchange (LME), and European Premiums (ECDP) decreased in their quoted US Dollar values. Towards the end of the year, the LME and ECDP started to increase, however, are still below the values seen at the start of the year.

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 was one EHS incident reportable under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) (2023: 1).

The Company continued to trade profitably during the year. The profit for the financial year was £17,965,000 (2023: £23,644,000).

The recycling operation delivered 192,376 tonnes (2023: 195,127 tonnes) to other plants within the Group during the year.

Total capital and reserves has increased to £308,394,000 (2023: £294,128,000) as a result of the total comprehensive income achieved in the financial year.

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, Environmental Footprint, Operational Excellence and People.

By improving the culture, the success of the business will follow. Every meeting now starts with a Focused 5 story which provides all employees with the opportunity to highlight positive practice that they have witnessed.

The health and safety of our employees is the most important factor. After the Focused 5 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.

During the year, the employées have also participated in Group surveys and Culture workshops, providing a platform for them to give valuable feedback to the Company.

Environment

At Novelis, we are also very aware of the impact we have on the environment.

Recycling aluminium provides significant energy savings as this 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.

Energy efficiency continues to be a big focus for the coming years, with a Group objective of 2% energy reduction per annum. A large part of the scope of work is to continually challenge the Company to achieve the best remelt practices and improve the natural gas consumption rate.

Energy projects are carried out by assessing the losses and implementing processes and solutions in order to make these savings.

The objective of 2% is measured as the energy consumption per normalised tonne of material produced (MWh/tonne) in reference to the previous fiscal year.

The Company is a partner in the Hynet Project which is a government supported initiative in the North West of England to introduce low carbon hydrogen as an alternative fuel source. As part of this project, the Company will adapt one of its furnaces to enable it to be fuelled by hydrogen. The trial is scheduled in the next financial year.

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, including volunteering with the local litter picking group to clear waste from green areas inhabited by wildlife and birds.

Reputation

The Company is keenly aware that it is important to maintain its reputation of having a positive impact on the environment.

Strategic report (continued)

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 travel 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.

The demand for Can products increased in the second half of FY24 as the 'de-stocking policy' adopted by some key customers came to an end. Demand of Automotive products has been very strong thanks to the increasing focus on weight and CO2 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.

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. The Company mitigates this risk 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 the Group:

- The Group took the decision not to sell rolled products to Russia, Ukraine and Belarus.
- Purchase of raw aluminium from Russia by the Group was discontinued during FY24.

From a wider market perspective, the war has had very limited impact on the demand of can and automotive products.

During FY24, the price of raw materials gradually decreased, leading to an overall reduction in the manufacturing cost.

The current conflict in Israel is not having any direct impact on the operations of the Company as no purchases or sales are made within the region.

Interest rate risk – The facilities which the Company has access to use a rate similar to SONIA. Management of interest rate risk is performed at a Novelis Inc. Group level.

Gas supply - Aluminium production requires the utilisation of natural gas in the melting, casting and hot rolling process. The Group have worked to be independent from Russian gas and have not seen any restrictions in supply. As a result, there has been no disruption to industrial activities in Europe.

On behalf of the Board

A. Sweeney

A Sweeney
Director

8 May 2024

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 2024.

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 Company continues to generate a profit and the directors expect it 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 (2023: £nil).

5. Subsequent events

There are no subsequent events.

6. Research and development

The Company's research and development is directed towards finding greener and more efficient methods to produce aluminium products.

7. Financial risk management / principal risks and uncertainties

The Company's operations expose it to a variety of risks, including the effects of changes in market prices, foreign exchange risk and liquidity risk. Details of the actions taken by management to mitigate these risks are set out in 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' report (continued)

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.

10. Going Concern

In preparing these financial statements, the directors have considered the appropriateness of the going concern basis, particularly in light of the wars/conflicts in Ukraine and Israel. Considering the limited sales to these regions 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 Group.

As the Company uses floating price sales contracts, where metal prices for sales and purchases are synchronised, the risk of making a loss is limited.

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 directors also received confirmation that Novelis Inc. intend to support the Company for at least one year after the date of approval of these financial statements. 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

Details relating to the Company's engagement with stakeholders are set out in the Strategic report.

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	2024	2023
Energy consumption	kWh	242,169,873	255,480,660
Emissions from combustion of gas	tCO2e	38,940	41,104
Emissions from combustion of fuel for transport purposes	tCO2e	737	784
Emissions from business travel	tCO2e	4	4
Emissions from purchased electricity	tCO2e	5,458	5,257
Total emissions from above	tCO2 e	45,139	47,149
Intensity ratio: Total emissions / total cast production	tCO2/ tonne	0.252	0.260

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
Director

8 May 2024

Registered office:
Latchford Locks Works
Thelwall Lane
Warrington
WA4 1NN

Independent auditors' report to the members of Novelis UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Novelis UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 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 2024; the Income Statement, 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.

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 2024 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 designed 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:

- Holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Inspection of third party certifications 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.

Jonathan Bound (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
8 May 2024

Income statement for the year ended 31 March 2024

Registered in England
Number 279596

	Note	2024 £'000	2023 £'000
Revenue	4	**401,391**	500,296
Cost of sales		**(379,515)**	(465,380)
Gross profit		**21,876**	34,916
Distribution costs		**(6,695)**	(4,557)
Administrative expenses		**(4,758)**	(9,128)
Other operating income		**7,418**	5,655
Interest receivable and similar income	8	**7,079**	2,774
Interest payable and similar expenses	8, 21	**(59)**	(60)
Profit before taxation	5	**24,861**	29,600
Tax on profit	9	**(6,896)**	(5,956)
Profit for the financial year	18	**17,965**	23,644

Statement of comprehensive income for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Profit for the financial year	18	**17,965**	23,644
Other comprehensive expense			
Actuarial loss recognised in the pension scheme	21	**(4,931)**	(5,180)
Movement on deferred tax relating to pension deficit/surplus	18	**1,232**	1,306
Other comprehensive expense for the year		**(3,699)**	(3,874)
Total comprehensive income for the year		**14,266**	19,770

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 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	10	-	-
Property, plant and equipment	11	**36,300**	34,802
Investments	12	**124,188**	124,188
		160,488	158,990
Current assets			
Inventories	13	**15,324**	15,102
Trade and other receivables: amounts falling due within one year	14	**179,010**	212,162
Trade and other receivables: amounts falling due after more than one year	14	**40,000**	4
Pensions surplus	21	-	1,226
		234,334	228,494
Creditors: amounts falling due within one year	15	**(81,714)**	(91,915)
Net current assets		**152,620**	136,579
Total assets less current liabilities		**313,108**	295,569
Creditors: amounts falling due after more than one year	15	**(396)**	(1,408)
Provisions for liabilities	16	**(416)**	(33)
Pension deficit	21	**(3,902)**	-
Net assets		**308,394**	294,128
Capital and reserves			
Called up share capital	17	**146,089**	146,089
Capital contribution reserve	18	**7**	7
Profit and loss account	18	**162,298**	148,032
Total equity		**308,394**	294,128

The financial statements on pages 9 to 27 were authorised by issue of the board of directors on 8 May 2024 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 2024

	Called up share capital	Capital contribution reserve	Profit and loss account	Total
	£000	£000	£000	£000
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**
Balance as at 1 April 2023	146,089	7	148,032	294,128
Profit for the financial year	-	-	17,965	17,965
Other comprehensive expense for the year	-	-	(3,699)	(3,699)
Total comprehensive income for the year	-	-	14,266	14,266
Balance as at 31 March 2024	**146,089**	**7**	**162,298**	**308,394**

1. General information and Summary of Significant Accounting Policies

Novelis UK Ltd ('the Company') processes and sells aluminium products through its operations as 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 is registered and domiciled in England. The address of its registered office is Latchford Locks 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

In preparing these financial statements, the directors have considered the appropriateness of the going concern basis, particularly in light of the wars/conflicts in Ukraine and Israel. Considering the limited sales to these regions and the full independency of the aluminium supply from Russia, management believes that there is a very limited impact on the financial results of the Company and of the Group.

As the Company uses floating price sales contracts, where metal prices for sales and purchases are synchronised, the risk of making a loss is limited.

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 directors also received confirmation that Novelis Inc. intend to support the Company for at least one year after the date of approval of these financial statements. The Company 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.. As a result, 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.

Notes to the financial statements (continued)

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.

Notes to the financial statements (continued)

1. General information and Summary of Significant Accounting Policies (continued)

Q. Financial Instruments (continued)

Other than those mentioned above, 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.

Notes to the financial statements (continued)

4. Revenue

An analysis of revenue by geographical market is as follows:

	2024 £'000	2023 £'000
United Kingdom	5,155	3,608
Rest of Europe	396,236	496,688
	401,391	500,296

The revenue of the business is primarily from the sale of goods.

5. Profit before taxation

	2024 £'000	2023 £'000
Profit before taxation is stated after charging:		
Auditors' remuneration:		
- for audit services	88	86
Operating lease charges	388	304
Depreciation of tangible fixed assets (note 11)	5,531	4,337
Depreciation of assets held under finance lease	800	800
Foreign exchange gains	(3,707)	(2,153)
Research and development expenditure	606	377

During the year ended 31 March 2024 the audit fees payable by the Novelis UK Pension Plan to PricewaterhouseCoopers LLP totalled £29,000 (2023: £18,000).

6. Staff costs and numbers

The aggregate remuneration and associated costs of persons employed was:

	2024 £'000	2023 £'000
Wages and salaries	9,413	9,333
Social security costs	1,434	1,438
Other pension costs – defined benefit scheme (note 21)	1,062	1,209
– defined contribution scheme (note 21)	416	351
Total staff costs	12,325	12,331

	2024 Number	2023 Number
Average monthly number employed:		
Manufacturing	161	161
Administration	43	44
	204	205

Notes to the financial statements (continued)

7. Directors' emoluments

	2024 £'000	2023 £'000
Wages and salaries	170	183
Other pension costs – defined contribution scheme	9	8
	179	191

F Lucido is remunerated through another Group company and no recharge is made to the Company for the services provided by this director. It is not possible to make an accurate apportionment of his remuneration in respect of each of the Group companies. As such, these financial statements include no remuneration in respect of this director. At the year end no director was accruing retirement benefits through the Company's defined benefit pension scheme in relation to qualifying services (2023: none).

The Company considers all key management personnel to be directors of the Company.

8. Net interest receivable and similar income

	2024 £'000	2023 £'000
On loans from group undertakings	7,041	2,615
On leased assets	(59)	(60)
On pension asset	38	159
Net interest receivable and similar income	7,020	2,714

9. Tax on profit

	2024 £'000	2023 £'000
Current tax:		
Current tax charge	3,243	1,905
Adjustments in respect of prior years	(82)	184
Total current tax charge	3,161	2,089
Deferred tax (note 16)		
Origination and reversal of timing differences	3,725	3,902
Adjustments in respect of prior years	59	-
Movement on deferred taxation relating to the Pension Scheme	(49)	(35)
Tax charge	6,896	5,956

Notes to the financial statements (continued)

9. Tax on profit (continued)

The tax charge for the year is higher (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below:

	2024 £'000	2023 £'000
Profit before taxation	**24,861**	29,600
Profit before taxation multiplied by standard rate in the UK of 25% (2023: 19%)	**6,215**	5,624
Effects of:		
Permanent differences	**70**	92
Super deduction capital allowances	-	(259)
Timing differences	**634**	315
Adjustments in respect of prior years	**(23)**	184
Total tax expense	**6,896**	5,956

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate would 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 2024	-	-
Net book amount at 31 March 2023	-	-

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	70,921	76,548
Additions	-	7,829	7,829
At end of the year	5,627	78,750	84,377
Accumulated Depreciation:			
At beginning of the year	5,467	36,279	41,746
Charge for the year	160	6,171	6,331
At end of the year	5,627	42,450	48,077
Net book value at 31 March 2024	**-**	**36,300**	**36,300**
Net book value at 31 March 2023	160	34,642	34,802

At 31 March 2024 the cost of assets in the course of construction included above amounted to £9,514,000 (2023: £6,319,000).

The net book value of assets held under finance leases is £1,266,000 (2023: £2,066,000).

Future capital expenditure not provided in the financial statements is as follows:

	2024 £'000	2023 £'000
Authorised by the directors and contracts placed	**4,014**	3,137
	4,014	3,137

12. Investments

	£'000
Cost	
At 1 April 2023	124,188
At 31 March 2024	124,188
Net book value	
At 31 March 2024	**124,188**
At 31 March 2023	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 Locks Works, Thelwall Lane, Warrington, Cheshire, England, WA4 1NN.

Notes to the financial statements (continued)

13. Inventories

	2024	2023
	£'000	£'000
Raw materials and consumables	13,713	14,015
Work in progress	103	222
Finished goods and goods for resale	1,508	865
	15,324	15,102

Inventories are stated after provision for impairment of £1,930,000 (2023:£1,782,000). 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

	2024	2023
	£'000	£'000
Trade debtors	288	434
Amounts owed by group undertakings	170,010	201,868
VAT and other tax receivables	5,771	5,728
Other debtors	2,512	1,587
Derivative financial instruments	429	-
Corporation tax	-	425
Deferred tax asset	-	2,120
	179,010	212,162

The amounts owed by group undertakings comprise cashpooling balances and receivables that have arisen in the course of trading. The cashpooling balances bears interest calculated daily using rates from Bloomberg and are repayable on demand. Balances denominated in GBP bear interest calculated using SONIA, balances denominated in USD bear interest calculated using SOFR and balances denominated in EUR bear interest calculated using ESTRON.

Trade and other receivables: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Amounts owed by group undertakings	40,000	4
	40,000	4

The amount owed by group undertakings relate to a loan due from Novelis Corp. The loan bears interest at a rate of 5.5% and is repayable on November 18, 2026.

Notes to the financial statements (continued)

15. Creditors

Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	42,006	53,007
Amounts owed to group undertakings	4,421	5,967
Derivative financial instruments	75	1,053
Finance lease obligations (note 20)	857	857
Accruals and deferred income	33,257	31,031
Corporation tax	1,098	-
	81,714	91,915

The amounts owed to group undertakings have arisen through the course of trading and are required to be paid on the 25th of the month after invoice.

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

	2024 £'000	2023 £'000
Finance lease obligations (note 20)	396	1,408
	396	1,408

16. Provisions for liabilities

	Deferred tax liability £'000	Employee sickness & retirement £'000	Total £'000
At 1 April 2023	-	33	33
At 31 March 2024	383	33	416

Maturity profile of Employee sickness & retirement provision:

	2024 £'000	2023 £'000
Within one year	7	7
Between one and two years	26	26
Between two and five years	-	-
	33	33

16. Provisions for liabilities (continued)

Deferred taxation in the financial statements is as follows:

	2024 £'000	2023 £'000
Accelerated capital allowances	**2,376**	1,234
Deferred tax liability in respect of the pension scheme	**(976)**	306
Other timing differences	**(22)**	(37)
Corporation tax losses carried forward	**(995)**	(3,623)
Deferred tax liability/(asset)	**383**	(2,120)

The deferred tax liability/(asset) has been calculated at a rate of 25% (2023: 25%).

Factors affecting current and future tax charges:

The movement in the deferred tax (asset)/liability is as follows:

	£'000
At 1 April 2023	(2,120)
Charged to income statement	3,735
Credited to statement of comprehensive income	(1,232)
At 31 March 2024	**383**

17. Called up share capital

	2024 £'000	2023 £'000
Issued and fully paid: 292,178,000 (2023: 292,178,000) ordinary shares of £0.50 each (2023: £0.50 each)	**146,089**	146,089

18. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company. A reconciliation of the movement in the reserves can be seen below.

	2024 £'000	2023 £'000
At beginning of the year	**148,032**	128,262
Profit for the financial year	**17,965**	23,644
Actuarial loss recognised in the pension scheme	**(4,931)**	(5,180)
Movement on deferred tax relating to pension deficit/surplus	**1,232**	1,306
At end of the year	**162,298**	148,032

No dividends have been approved or proposed in respect of the year ended 31 March 2024 (2023: nil).

Capital contribution reserve

The capital contribution reserve represents contributions received from shareholders that have been recognised directly in equity.

Notes to the financial statements (continued)

19. Operating leases

The Company has future minimum lease payments under non-cancellable operating leases as follows:

	2024 £'000	2023 £'000
Not later than one year	**223**	471
Later than one year and not later than five years	**169**	150
	392	621

20. Finance leases

The Company has future minimum lease payments under finance leases as follows:

	2024 £'000	2023 £'000
Not later than one year	**857**	857
Later than one year and not later than five years	**429**	1,490
Total gross payments	**1,286**	2,347
Less finance charges	**(33)**	(82)
Carrying amount of liability	**1,253**	2,265

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 the Company 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.

Notes to the financial statements (continued)

21. Pension commitments (continued)

For the purposes of the Company's financial statements, an actuarial valuation was carried out at 31 March 2022. The Company has employed an independent actuary to update that actuarial valuation to 31 March 2024 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 2024	At 31 March 2023
Rate of increase in pensions	CPI:2.50% to 6.00%	CPI:2.50% to 6.00%
Discount rate	4.80%	4.80%
Rate of inflation:		
▪ CPI	2.70%	2.80%
▪ RPI	3.30%	3.40%
Salary increase rate:		
▪ For service pre 1 April 2010	3.40%	3.50%
▪ For service post 1 April 2010	2.50%	2.50%

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 2024 £'000	Value at 31 March 2023 £'000
Equities	30,001	24,414
Government bonds & LDI	97,737	114,253
Cash/other	23,117	24,158
Total market value of assets	150,855	162,825
Present value of scheme liabilities	(154,757)	(161,599)
Total pension (deficit)/surplus	(3,902)	1,226

The value of members' additional voluntary contribution funds has been excluded from both the value of the assets and the value of the liabilities.

Notes to the financial statements (continued)

21. Pension commitments (continued)

Year Ending	2024 £'000	2023 £'000
Profit & Loss (P&L)		
Effect of employee service in the current year	375	534
Net finance income	(38)	(159)
Administration costs	687	675
Defined benefit cost recognised in P&L	1,024	1,050
Other Comprehensive Expense (OCE)		
Actuarial (gain) on liability	(4,963)	(56,033)
Return on plan assets excluding interest income	9,894	61,213
Remeasurement effects recognised in OCI	4,931	5,180

Year Ending	2024	2023
Change in Defined Benefit Obligation (DBO)	**£'000**	**£'000**
DBO as at 1 April 2023	161,599	222,579
Effect of employee service in the current year	375	534
Interest cost on the DBO	7,495	5,848
Administration costs	687	675
Remeasurement of the DBO	(4,963)	(56,033)
Benefits paid from plan assets	(10,436)	(12,004)
DBO as at 31 March 2024	154,757	161,599

Notes to the financial statements (continued)

21. Pension commitments (continued)

Year ending	**2024**	**2023**
Change in Plan Assets	**£'000**	**£'000**
Fair value of assets as at 1 April 2023	162,825	229,170
Interest income on plan assets	7,533	6,007
Return on plan assets excluding interest income	(9,894)	(61,213)
Employer contributions	827	865
Benefits paid	(10,436)	(12,004)
Fair value of assets as at 31 March 2024	150,855	162,825

Year ending	**2024**	**2023**
Return on Plan Assets	**£'000**	**£'000**
Interest income on plan assets	7,533	6,007
Return on plan assets excluding interest income	(9,894)	(61,213)
Total return on Plan Assets	(2,361)	(55,206)

The Company also operates a defined contribution pension scheme, the Company's contributions to this scheme totalled £416,000 (2023: £351,000). The amount owed at the year end was £nil (2023: £nil)

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:

	2024 £'000	2023 £'000
Foreign currency rate derivatives – forward contracts	**354**	(891)

23 Contingent liabilities

As of 31 March, 2024, the senior secured credit facilities of Novelis Inc. consisted of (i) a $0.8 billion (2023: $0.8 billion), three-year secured term loan credit facility (Term Loan Facilities), maturing in September 2026, (ii) a $0.5 billion (2023: $0.5 billion), seven year secured term loan credit facility (Term Loan Facilities), maturing in March 2028 and, (iii) a $2.0 billion (2023: $2.0 billion), five-year asset based loan facility (ABL Revolver), maturing in August 2027. As of March 31, 2024, $13 million (2023: $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, 2024, there were borrowings outstanding of $512m (2023: $463m) on the ABL facility.

Notes to the financial statements (continued)

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 these companies' financial statements can be obtained from their head offices.

The registered office address of Hindalco Industries Limited is 21st Floor, One Unity Centre, Senapati Bapat Marg, Prabhadevi, Mumbai 400013.

The registered office address of Novelis Inc. is 3550 Peachtree Road NE, Suite 1100, 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 2024

CONTENTS

ADITYA BIRLA NOVELIS

Novelis Services Limited

Registered office:
Latchford Locks Works
Thelwall Lane
Warrington
Cheshire
United Kingdom
WA4 1NN

Telephone: +44 (0)1925 784 100

Registered in England Number 6628654

Strategic Report

Strategic report for the year ended 31 March 2024

The directors present their strategic report on the Company for the year ended 31 March 2024.

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 generating a profit of $41,139,000 (2023: $45,339,000) and as a result of this the Shareholders' Funds increased by the year end. Total Shareholders' Funds at the end of the year were $658,690,000 (2023: $617,551,000).

The directors consider the Company's key performance indicators to be financial, specifically revenue and operating profit. These are disclosed in the financial statements. As the Company's revenues are branding fees, they are dependent on the external sales of the Novelis Inc. group.

Due to Novelis Group restructuring, Novelis Services Limited will be liquidated and all operations will transfer to Novelis UK Ltd (current immediate parent company). The timing of this event is expected to take place during the next financial year. As such, the financial statements have been prepared on a basis other than going concern.

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. The Company has no employees.

Financial risk management / principal risks and uncertainties

Risk Management Policies are set by the Novelis Group, and are adopted in full by the Company. The Company has minimal exposure to liquidity and pricing risk as there are minimal costs other than amortisation. The Company also has minimal exposure to foreign exchange or interest risk as virtually all transactions are in the functional currency and the loan receivables bear a fixed rate of interest.

On behalf of the board

A. Sweeney

A Sweeney
Director

08 May 2024

Directors' Report

The directors present their report together with the audited financial statements of the Company for the year ended 31 March 2024.

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

Due to Novelis Group restructuring, Novelis Services Limited will be liquidated and all operations will transfer to Novelis UK Ltd (current immediate parent company). The timing of this event is expected to take place during the next financial year.

3. Going concern

As a result of the restructuring which is to occur in the next financial year, the going concern basis of preparation is no longer appropriate and as such, the financial statements have been prepared on a basis other than going concern.

Adjustments have been made to reclassify fixed assets as current assets. No other adjustments were necessary to the amounts at which assets and liabilities are stated in the financial statements. The comparative financial statements continue to be prepared on a going concern basis.

4. Results and dividends

The result for the year is set out on page 8. No ordinary dividends were paid during the year (2023: NIL).

The directors do not propose the payment of a final dividend.

5. Subsequent events

There have been no subsequent events.

6. 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.

Directors' Report (continued)

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.

7. Financial Risk Management

Details of the financial risk management considerations of the Company can be found in the Strategic Report (page 2).

8. 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 travel overseas as they understand the need to engage with all stakeholders of the business on a regular basis.

9. 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.

10. 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.

11. 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

08 May 2024

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 2024 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 2024; 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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 2024 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 designed to manipulate financial results. Audit procedures performed by the engagement team included:

- Holding 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; and
- 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
8 May 2024

Novelis Services Limited

Statement of comprehensive income for the year ended 31 March 2024

Registered in England
Number 6628654

	Note	2024 US$'000	2023 US$'000
Revenue	4	**39,752**	44,294
Cost of sales		**(10,215)**	(10,695)
Gross profit		**29,537**	33,599
Administrative Expenses		-	(43)
Operating profit	5	**29,537**	33,556
Interest receivable and similar income	7	**19,063**	17,606
Profit before taxation		**48,600**	51,162
Tax on profit	8	**(7,461)**	(5,823)
Profit for the financial year	13	**41,139**	45,339

The notes on pages 11 to 16 form part of these financial statements. All activities relate to continuing operations.

Statement of financial position as at 31 March 2024

	Note	2024 US$'000	2023 US$'000
Fixed assets			
Intangible assets	9	-	105,525
		-	105,525
Current assets:			
Intangible assets	9	95,475	-
Debtors (including $nil (2023: $408,944,000) due after one year)	10	535,339	506,694
Cash at bank and in hand		28,299	6,092
		659,113	512,786
Creditors: amounts falling due within one year	11	(423)	(760)
Net current assets		658,690	512,026
Total assets less current liabilities		658,690	617,551
Net assets		658,690	617,551
Equity			
Called up share capital	12	201,010	201,010
Profit and loss account	13	457,680	416,541
Total shareholders' funds	14	658,690	617,551

The financial statements on pages 8 to 16 were authorised by issue of the board of directors on 08 May 2024 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.

Statement of changes in equity for the year ended 31 March 2024

	Called up share capital US$000	Profit and loss account US$000	Total shareholders' funds US$000
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**
Balance as at 1 April 2023	201,010	416,541	617,551
Profit for the financial year and total comprehensive income	-	41,139	41,139
Balance as at 31 March 2024	**201,010**	**457,680**	**658,690**

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 and registered in England. The address of its registered office is Latchford Locks 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 have been prepared in accordance with The Companies Act 2006 and applicable accounting standards in the United Kingdom under the historical cost convention.

A restructuring is anticipated in the next financial year whereby the operations, assets and liabilities will transfer, at net book value, to Novelis UK Ltd (immediate parent company). The Company is then to be liquidated during the course of the next financial year. This decision was made during this financial year. As such, the going concern basis of preparation is no longer appropriate and there has been a change in basis of preparation from going concern to a basis other than going concern. Adjustments have been made to reclassify fixed assets as current assets. No other adjustments were necessary to the amounts at which assets and liabilities are stated in the financial statements. The comparative financial statements continue to be prepared on a going concern basis.

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.

1. General information and statement of accounting policies (continued)

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.

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.

Notes to the financial statements (continued)

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:

	2024 US$'000	2023 US$'000
Rest of Europe	**14,453**	18,605
Americas	**18,236**	17,194
Asia	**5,240**	6,055
Middle East	**1,823**	2,440
	39,752	44,294

An analysis of revenue by category is as follows:

	2024 US$'000	2023 US$'000
Branding fees	**39,752**	44,294
	39,752	44,294

5. Operating profit

	2024 US$'000	2023 US$'000
Operating profit is stated after charging		
Amortisation of tradename license (note 9)	**10,050**	10,050

The Company's audit fee of $25,000 (2023: $25,000) has been paid by its parent, Novelis UK Ltd, and no recharge is to be made to the Company. No non-audit services were provided to the Company (2023: nil).

6. Staff costs and directors' emoluments

The Company does not employ any staff other than the three directors (2023: three). The three directors are remunerated through another Group company and no recharge is made to the Company for the services provided by the directors. It is not possible to make an accurate apportionment of their remuneration in respect of each of the Group companies. As such, these financial statements include no remuneration in respect of the directors.

Notes to the financial statements (continued)

7. Interest receivable and similar income

	2024 US$'000	2023 US$'000
Interest receivable on intercompany loans	**19,063**	17,606

8. Tax on profit

	2024 US$'000	2023 US$'000
Current tax:		
UK corporation tax on profits for the year	**7,450**	5,819
Double tax relief	**(631)**	(708)
Overseas tax incurred	**642**	712
Total current tax	**7,461**	5,823
Total tax charge on profit	**7,461**	5,823

UK corporation tax has been provided where applicable at a rate of 25% (2023: 19%).

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below:

	2024 US$'000	2023 US$'000
Profit before taxation	**48,600**	51,162
Profit before taxation multiplied by standard rate in the UK of 25% (2023: 19%)	**12,150**	9,721
Effect of:		
Overseas tax suffered	**642**	712
UK deduction for overseas tax suffered	**(631)**	(708)
Permanent differences	**-**	8
Group relief received for no charge	**(4,700)**	(3,978)
Expenses not deductible for tax purposes	**-**	68
Total tax charge	**7,461**	5,823

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate would 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.

Notes to the financial statements (continued)

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	95,475	95,475
Charge for the year	10,050	10,050
At end of the year	105,525	105,525
Net book amount at 31 March 2024	**95,475**	**95,475**
Net book amount at 31 March 2023	105,525	105,525

10. Debtors

	2024 US$'000	2023 US$'000
Amounts owed by group undertakings	**535,339**	506,168
Corporation tax	-	526
	535,339	506,694

Amounts owed by group undertakings includes $114,912,000 (2023: $95,849,000) interest on the loan, repayable on demand.

The loan of $417,696,000 (2023: $408,944,000), bears interest at a rate of 4.5% (2023: 4.5%), is contractually due to be repaid to the Company by 2 June 2027. However, given the restructuring and liquidation of the Company within the next financial year, this has at 31 March 2024, been classified as due within one year. The amounts owed by group undertakings are unsecured.

11. Creditors: amounts falling due within one year

	2024 US$'000	2023 US$'000
Amounts owed to group undertakings	**314**	672
Corporation tax	**109**	-
Accruals and deferred income	-	88
	423	760

12. Called up share capital

	2024 US$'000	2023 US$'000
Allotted, called up and fully paid:		
201,010,000 ordinary shares of $1 each (2023: 201,010,000)	**201,010**	201,010

13. Profit and loss account

	US$'000
At 1 April 2023	416,541
Profit for the financial year	41,139
At 31 March 2024	**457,680**

No dividends were paid during the financial year (2023: nil) and the directors do not propose the payment of a final dividend.

Notes to the financial statements (continued)

14. Total shareholders' funds

	2024 US$'000	2023 US$'000
Profit for the financial year and net increase of shareholders' funds	41,139	45,339
Opening shareholders' funds	617,551	572,212
Closing shareholders' funds	658,690	617,551

15. Contingent liabilities

As of 31 March, 2024, the senior secured credit facilities of Novelis Inc. consisted of (i) a $0.8 billion (2023: $0.8 billion), three-year secured term loan credit facility (Term Loan Facilities), maturing in September 2026, (ii) a $0.5 billion (2023: $0.5 billion), seven year secured term loan credit facility (Term Loan Facilities), maturing in March 2028 and, (iii) a $2.0 billion (2023: $2.0 billion), five-year asset based loan facility (ABL Revolver), maturing in August 2027. As of March 31, 2024, $13 million (2023: $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, 2024, there were borrowings outstanding of $512m (2023: $463m) 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 is included. Copies of these companies' financial statements can be obtained from their head offices.

The registered office address of Hindalco Industries Limited is 21st Floor, One Unity Centre, Senapati Bapat Marg, Prabhadevi, Mumbai 400013.

The registered office address of Novelis Inc. is 3550 Peachtree Road NE, Suite 1100, 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, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
fiscal 2025	Fiscal year ending March 31, 2025
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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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, 2024 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, 2024

Novelis Corporation
STATEMENTS OF OPERATIONS (UNAUDITED)

in millions	Fiscal 2024	Fiscal 2023
Net sales		
– third parties	$ 5,266	$ 5,691
– related parties	668	710
Total net sales	5,934	6,401
Cost of goods sold (exclusive of depreciation and amortization)	5,275	5,967
Selling, general and administrative expenses	300	281
Depreciation and amortization	153	150
Interest expense - third parties	159	163
Interest expense - related parties	98	29
Research and development expenses	70	69
(Gain) loss on change in fair value of derivative instruments, net	(56)	(416)
Restructuring and impairment, net	2	1
Other income, net	(153)	(80)
	5,848	6,164
Income from continuing operations before income tax (benefit) provision	86	237
Income tax (benefit) provision	(49)	52
Net income	$ 135	$ 185

See accompanying notes to the financial statements.

Novelis Corporation
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in millions	Fiscal 2024	Fiscal 2023
Net income	$ 135	$ 185
Other comprehensive income (loss):		
Currency translation adjustment	(1)	(6)
Net change in pension and other benefits	(1)	(17)
Other comprehensive loss before income tax effect	(2)	(23)
Income tax provision (benefit) related to items of other comprehensive income	1	(5)
Other comprehensive loss, net of tax	(3)	(18)
Comprehensive income	$ 132	$ 167

See accompanying notes to the financial statements.

Novelis Corporation
BALANCE SHEETS (UNAUDITED)

in millions, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 48	$ 42
Accounts receivable, net		
— third parties	396	366
— related parties	1,161	702
Inventories	879	967
Prepaid expenses and other current assets	19	36
Fair value of derivative instruments	52	84
Total current assets	2,555	2,197
Property, plant and equipment, net	2,509	1,691
Goodwill	275	275
Intangible assets, net	63	79
Other long–term assets		
— third parties	13	20
— related parties	1,456	1,447
Total assets	$ 6,871	$ 5,709
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt - related parties	$ 1,234	$ —
Short–term borrowings		
— third parties	512	463
— related parties	581	258
Accounts payable		
— third parties	937	953
— related parties	95	266
Fair value of derivative instruments	53	57
Accrued expenses and other current liabilities		
— third parties	132	190
— related parties	101	28
Total current liabilities	3,645	2,215
Long–term debt, net of current portion		
— third parties	3,068	3,062
— related parties	245	639
Deferred income tax liabilities	174	172
Accrued postretirement benefits	61	71
Other long–term liabilities	40	44
Total liabilities	7,233	6,203
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, 2024 and March 31, 2023	—	—
Additional paid–in capital	—	—
Accumulated deficit	(384)	(519)
Accumulated other comprehensive income	22	25
Total equity	(362)	(494)
Total liabilities and equity	$ 6,871	$ 5,709

See accompanying notes to the financial statements.

Novelis Corporation
STATEMENTS OF CASH FLOWS (UNAUDITED)

in millions	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ 135	$ 185
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	153	150
Gain on unrealized derivatives and other realized derivatives in investing activities, net	(56)	(416)
Loss on sale of assets	5	1
Loss on extinguishment of debt	—	—
Deferred income taxes	2	38
Amortization of fair value adjustments, net	—	—
Amortization of debt issuance costs and carrying value adjustments	6	6
Other, net	16	—
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	(489)	46
Inventories	89	135
Accounts payable	(221)	(182)
Other assets	17	(87)
Other liabilities	53	29
Net cash used in operating activities	$ (290)	$ (95)
INVESTING ACTIVITIES		
Capital expenditures	(927)	(407)
Proceeds from settlement of derivative instruments, net	75	203
Net cash used in investing activities - continuing operations	(852)	(204)
Net cash provided by investing activities - discontinued operations	—	—
Net cash used in investing activities	$ (852)	$ (204)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term borrowings, related parties	838	439
Principal payments of long-term borrowings, related parties	(7)	(344)
Short-term borrowings, net - related parties	323	(222)
Revolving credit facilities and other, net	49	448
Net cash provided by financing activities	$ 1,203	$ 321
Net increase in cash and cash equivalents and restricted cash	61	22
Cash, cash equivalents and restricted cash — beginning of period	42	20
Cash, cash equivalents and restricted cash — end of period	$ 103	$ 42
Supplemental Disclosures:		
Interest paid	$ 80	$ 145
Income taxes paid	9	12
Accrued capital expenditures as of March 31	132	99

See accompanying notes to the financial statements.

Novelis Corporation
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in millions, except number of shares	Preferred Shares		Common Stock					
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Equity
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)
Net income attributable to our common shareholder	—	—	—	—	—	135	—	135
Currency translation adjustment, included in other comprehensive loss	—	—	—	—	—	—	(1)	(1)
Change in pension and other benefits, net of tax benefit of $1 million included in, other comprehensive loss	—	—	—	—	—	—	(2)	(2)
Balance as of March 31, 2024	10,000	$ —	$4,945	$ —	$ —	$ (384)	$ 22	$ (362)

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. 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 2024 or fiscal 2023. 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 sales volumes, conversion premiums, and discount rate, among other considerations. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairment in future periods. For purposes of our quantitative analysis, our estimate of fair value for each reporting unit as of the testing date is based on a weighted average of the value indication from income and market approach. 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 consolidated statements of operations. During our analysis for fiscal 2024 and fiscal 2023, 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. Additionally, we reevaluate the useful lives of long-lived assets (excluding goodwill), at plants impacted by restructuring activities, which may results in accelerated depreciation. Impairments or accelerated depreciation 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 2024 and fiscal 2023, 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.

Recently Adopted Accounting Standards

On April 1, 2023, we adopted ASU 2022-04, which requires a buyer in a supplier finance program to disclose qualitative and quantitative information about its supplier finance programs, including the key terms of the program, the amount of obligations outstanding at the end of the reporting period, and a description of where those obligations are presented in the balance sheet. If presented in more than one balance sheet line item, the amount in each line item should be disclosed. Further, effective April 1, 2024, a roll-forward of such amounts during the annual period should be presented. The adoption of this guidance resulted in enhanced disclosures regarding these programs (see below) and did not have a material impact on our consolidated financial condition, results of operations, or cash flows.

We did not adopt any other new accounting pronouncements during fiscal 2024 and fiscal 2023 that had a material impact on our consolidated financial condition, results of operations, or cash flows.

Supplier Finance Programs

The Company participates in supply chain finance programs under which participating suppliers may elect to sell some or all of their Novelis receivables to a third-party financial institution. Supplier participation in the programs is solely up to the supplier, and participating suppliers negotiate their arrangements directly with the financial institutions. The payment terms that we have with our suppliers under these programs range up to 180 days and are considered commercially reasonable.

On March 31, 2024, and March 31, 2023, confirmed supplier invoices that are outstanding and subject to the third-party programs included in accounts payable on the consolidated balance sheets were $37 million and $97 million, respectively.

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, 2024	March 31, 2023
Trade accounts receivable	$ 372	$ 306
Other accounts receivable	25	61
Accounts receivable — third parties	397	367
Allowance for credit losses — third parties	(1)	(1)
Accounts receivable, net — third parties	$ 396	$ 366
Trade accounts receivable — related parties	$ 1,161	$ 702

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, 2024	Year Ended March 31, 2023
Factoring expense	$ 40	$ 34

4. INVENTORIES

Inventories consists of the following.

	March 31,	
in millions	2024	2023
Finished goods	$ 215	$ 204
Work in process	439	529
Raw materials	177	193
Supplies	48	41
Inventories	$ 879	$ 967

5. PROPERTY, PLANT AND EQUIPMENT

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

	March 31,	
in millions	2024	2023
Land and property rights	$ 75	$ 69
Buildings	868	843
Machinery and equipment	1,906	1,824
Gross property, plant and equipment (excluding construction in progress)	2,849	2,736
Accumulated depreciation and amortization	(1,582)	(1,501)
Property, plant and equipment, net (excluding construction in progress)	1,267	1,235
Construction in progress	1,242	456
Property, plant and equipment, net	$ 2,509	$ 1,691

For the years ended March 31, 2024 and 2023, we capitalized $26 million and $6 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 2024	Fiscal 2023
Depreciation expense related to property, plant and equipment, net	$ 132	$ 125

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 2024.The following table summarizes "Goodwill" for the years ended March 31, 2024 and 2023.

in millions	March 31, 2024			March 31, 2023		
	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, 2024			March 31, 2023		
in millions	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and software	$ 272	$ (257)	$ 15	$ 267	$ (252)	$ 15
Customer-related intangible assets	305	(257)	48	305	(241)	64
	$ 577	$ (514)	$ 63	$ 572	$ (493)	$ 79

During fiscal 2024 and fiscal 2023, 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 2024	Fiscal 2023
Amortization expense related to intangible assets included in depreciation and amortization	$ 21	$ 24

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
2025	$ 24
2026	15
2027	15
2028	3
2029	—

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, 2024 and 2023.

	March 31,		Ownership %
in millions, except for percentage	2024	2023	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	2024	2023
Accounts receivable, net — related parties(1)	$ 1,161	$ 702
Other long–term assets — related parties(2)	1,456	1,447
Short–term borrowings — related parties	581	258
Accounts payable — related parties	95	266
Interest payable - related parties(3)	101	28
Long–term debt, net of current portion — related parties	245	639

(1) Accounts receivable, net — related parties includes $938 million and $219 million of loan receivable - related parties and interest receivable - related parties, respectively, as of March 31, 2024. Accounts receivable, net - related parties includes $358 million and $109 million of loan receivable - related parties and interest receivable - related parties, respectively, as of March 31, 2023.
(2) Included in "Other long-term assets."
(3) 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	2024	2023
Interest expense - related parties	$ 98	$ 29

During the years ended March 31, 2024 and 2023, "Net product sales — related parties" were $668 million and $710 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, 2024	March 31, 2023
ASSETS			
Operating lease right-of-use assets	Other long–term assets	$ 13	$ 15
Finance lease assets(1)	Property, plant and equipment, net	—	—
Total lease assets		$ 13	$ 15
LIABILITIES			
Current:			
Operating lease liabilities	Accrued expenses and other current liabilities	$ 3	$ 3
Finance lease liabilities	Current portion of long–term debt	1	—
Long-term:			
Operating lease liabilities	Other long–term liabilities	8	11
Total lease liabilities		$ 12	$ 14

(1) Finance lease assets are recorded net of accumulated depreciation of less than $1 million as of March 31,2024 and 2023.

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, 2024, and 2023.

Expense Type *(in millions)*	Income Statement Classification	Fiscal 2024	Fiscal 2023
Operating lease costs[1]	Selling, general and administrative expenses	$ 9	$ 9

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

Future minimum lease payments as of March 31, 2024, 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]
2025	$ 5
2026	3
2027	2
2028	1
2029	1
Thereafter	1
Total minimum lease payments	13
Less: interest	1
Present value of lease liabilities	$ 12

(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, 2024.

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

	March 31,	
	2024	2023
Weighted-average remaining lease term		
Operating leases	4.5 years	4.9 years
Finance leases	2.0 years	2.7 years
Weighted-average discount rate		
Operating leases	4.20 %	4.41 %
Finance leases	5.96 %	4.14 %

The following table presents supplemental information on our operating leases for the fiscal years ended March 31, 2024 and 2023. Operating and financing cash flows from finance leases were immaterial for the fiscal year ended March 31, 2024. Leased assets obtained in exchange for new operating and financing lease liabilities were $1 million for the fiscal year ended March 31, 2024, individually and in the aggregate.

in millions	Fiscal 2024	Fiscal 2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 11	$ 11

Financing cash flows from finance leases were not material in the fiscal years ended March 31, 2024 and 2023.

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in millions	2024	2023
Accrued compensation and benefits	$ 53	$ 41
Accrued interest payable - third parties	28	28
Accrued income taxes	8	72
Other current liabilities	43	49
Accrued expenses and other current liabilities - third parties	$ 132	$ 190
Accrued interest payable - related parties[1]	101	28
Accrued expenses and other current liabilities - related parties	$ 101	$ 28

(1) This represents interest on related party debt with Novelis Inc., Novelis ALR International, Inc., and Novelis UK Ltd. See Note 10 - Debt for additional information.

10. DEBT

Debt consists of the following.

		March 31, 2024			March 31, 2023		
in millions	Interest Rates[(1)]	Principal	Unamortized Carrying Value Adjustments[(2)]	Carrying Value	Principal	Unamortized Carrying Value Adjustments[(2)]	Carrying Value
Short-term borrowings - third parties	5.862 %	$ 512	$ —	$ 512	$ 463	$ —	$ 463
3.25% Senior Notes, due November 2026	3.25 %	750	(6)	744	750	(8)	742
4.75% Senior Notes, due January 2030	4.75 %	1,600	(18)	1,582	1,600	(22)	1,578
3.875% Senior Notes, due August 2031	3.875 %	750	(8)	742	750	(9)	741
Total debt - third parties		3,612	(32)	3,580	3,563	(39)	3,524
Less: Short-term borrowings - third parties		(512)	—	(512)	(463)	—	(463)
Current portion of long-term debt		—	—	—	—	—	—
Long-term debt, net of current portion - third parties		$ 3,100	$ (32)	$ 3,068	$ 3,100	$ (39)	$ 3,061
Related party debt[(3)] :							
Short term borrowings - related parties	8.60 %	$ 581	$ —	$ 581	$ 258	$ —	$ 258
4.75% Fixed, due April 2030 (Novelis Inc.)	4.75 %	194	—	194	197	—	197
3.50% Fixed, due December 2024 (Novelis ALR International, Inc.)	3.50 %	1,234	—	1,234	439	—	439
5.50% Fixed, due November 2026 (Novelis UK Ltd.)	5.50 %	51	—	51			
Debt Refinancing Fees paid on behalf of Novelis Corporation		—	—	—	3	—	3
Total debt - related parties		2,060	—	2,060	897	—	897
Less: Short term borrowings - related parties		(581)	—	(581)	(258)	—	(258)
Less: Current portion of long-term debt		(1,234)	—	(1,234)	—	—	—
Long-term debt, net of current portion - related parties		$ 245	$ —	$ 245	$ 639	$ —	$ 639

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2024. 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. A promissory note due to Novelis UK Ltd. with a maturity date of November 2026, bearing interest at a fixed rate of 5.5% per annum.

(4) Short-term borrowings - related parties consists of a short-term demand note with 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, 2024 for our debt denominated in foreign currencies) are as follows.

As of March 31, 2024	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ 2,327
2 years	—
3 years	801
4 years	—
5 years	—
Thereafter	2,544
Total debt	$ 5,672

Short-Term Borrowings

As of March 31, 2024, our short-term borrowings consisted of $512 million of borrowings on our ABL Revolver facility. 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, 2024, we were in compliance with the covenants for our Senior Notes.

<u>5.875% Senior Notes due September 2026</u>

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.

<u>2026 Senior Notes</u>

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.

<u>2030 Senior Notes</u>

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.

<u>2031 Senior Notes</u>

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, 2024, 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.

ABL Revolver

As of March 31, 2024, the commitments under our senior secured ABL Revolver are $2.0 billion.

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.

In April 2024, the Company amended the ABL Revolver facility. The amendment makes certain changes that provide the Company with additional flexibility to operate its business, including with relation to fees on obligations denominated in foreign currencies.

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, 2024, we were in compliance with the covenants for our ABL Revolver.

As of March 31, 2024, we had $512 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"), 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. The amount of cash paid to settle Hindalco SARs is limited to three times the target payout, depending on the plan year. The Hindalco SARs do not transfer any shareholder rights in Hindalco to a participant. The Hindalco 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 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, 2025, 2026, and 2027 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 has been recorded.

in millions	Fiscal 2024	Fiscal 2023
Total compensation expense	$ 6	$ 3

The table below shows the RSUs activity for the year ended March 31, 2024.

	Number of RSUs	Grant Date Fair Value *(in INR)*	Aggregate Intrinsic Value *(USD in millions)*
RSUs outstanding as of March 31, 2023	1,873,805	374.32	$ 10
Granted	380,821	417.91	2
Exercised	(435,446)	257.89	2
Forfeited/Cancelled	(105,709)	410.68	—
RSUs outstanding as of March 31, 2024	1,713,471	411.35	12

During fiscal 2023, we granted 1,516,109 RSUs with a grant date fair value of INR 411.06, and the aggregate intrinsic value of RSUs exercised was $3 million.

Total cash payments made to settle RSUs were $2 million and $3 million, in fiscal 2024 and fiscal 2023, respectively.

As of March 31, 2024, unrecognized compensation expense related to the RSUs was $5 million, which will be recognized over the remaining weighted average vesting period of 1.2 years.

The table below shows Hindalco SARs activity for fiscal 2024.

	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, 2023	540,998	333.75	5.4	$ —
Granted	268,788	417.90	6.3	—
Exercised	(191,973)	210.94	—	—
Forfeited/Cancelled	(36,648)	407.82	—	—
Hindalco SARs outstanding as of March 31, 2024	581,165	408.57	5.4	1
Hindalco SARs exercisable as of March 31, 2024	138,341	397.08	4.6	$ —

During fiscal 2023, we granted 282,908 Hindalco SARs with a grant date fair value of INR 411.10, and the aggregate intrinsic value of Hindalco SARs exercised was $1 million.

The cash payments made to settle Hindalco SAR liabilities were less than $1 million and $1 million in fiscal 2024 and fiscal 2023, respectively.

As of March 31, 2024, unrecognized compensation expense related to the non-vested Hindalco SARs (assuming all future performance criteria are met) was $1 million that are expected to be recognized over a weighted average period of 1.3 years.

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

	Fiscal 2024	Fiscal 2023
Risk-free interest rate	6.95%-7.15%	3.11%-7.24%
Dividend yield	0.54 %	1.03 %
Volatility	26%-43%	32%-47%

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.

12. POSTRETIREMENT BENEFIT PLANS

Our pension obligations relate to funded defined benefit pension plans 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 2024	Fiscal 2023
Funded pension plans	$ 8	$ —
Unfunded pension plans	1	1
Savings and defined contribution pension plans	54	50
Total contributions	$ 63	$ 51

During fiscal 2025, we expect to contribute $8 million to our funded pension plans, $1 million to our unfunded pension plans and $55 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 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Benefit obligation at beginning of period	$ 509	$ 594	$ 27	$ 31
Service cost	2	1	1	1
Interest cost	26	23	2	—
Benefits paid	(31)	(30)	(1)	(1)
Curtailments, settlements and special termination benefits	—	—	—	—
Actuarial gains	(8)	(79)	(3)	(4)
Other	(3)	—	1	—
Benefit obligation at end of period	$ 495	$ 509	$ 27	$ 27
Benefit obligation of funded plans	$ 495	$ 509	$ —	$ —
Benefit obligation of unfunded plans	—	—	27	27
Benefit obligation at end of period	$ 495	$ 509	$ 27	$ 27

	Pension Benefit Plans	
in millions	Fiscal 2024	Fiscal 2023
Change in fair value of plan assets		
Fair value of plan assets at beginning of period	$ 465	$ 563
Actual return on plan assets	21	(67)
Benefits paid	(31)	(30)
Company contributions	8	—
Other	(3)	(1)
Fair value of plan assets at end of period	$ 460	$ 465

	March 31,			
	2024		2023	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Funded status				
Assets less the benefit obligation of funded plans	$ (35)	$ —	$ (44)	$ —
Benefit obligation of unfunded plans	—	(27)	—	(27)
Total net plan liabilities	$ (35)	$ (27)	$ (44)	$ (27)
As included in our balance sheets within Total assets / (Total liabilities)				
Accrued expenses and other current liabilities	—	(1)	—	(2)
Accrued postretirement benefits	(35)	(26)	(44)	(25)
Total net plan liabilities	$ (35)	$ (27)	$ (44)	$ (27)

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,			
	2024		2023	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Beginning balance in accumulated other comprehensive loss	$ (3)	$ 17	$ (24)	$ 14
Net actuarial losses	3	3	20	3
Amortization of:				
Prior service credit	—	(1)	—	(1)
Actuarial losses	—	(1)	1	1
Total postretirement amounts recognized in accumulated other comprehensive loss	$ —	$ 18	$ (3)	$ 17

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, 2024	March 31, 2023
The projected benefit obligation and accumulated benefit obligation for all defined benefit pension plans:		
Projected benefit obligation	$ 495	$ 509
Accumulated benefit obligation	495	509
Pension plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligation	$ 495	$ 509
Fair value of plan assets	460	465
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	$ 495	$ 509
Fair value of plan assets	460	465

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
2025	$ 33	$ 1
2026	34	2
2027	35	2
2028	36	2
2029	36	2
2030 through 2034	181	13
Total	$ 355	$ 22

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 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Service cost	$ 2	$ 1	$ 1	$ 1
Interest cost	26	23	2	2
Expected return on assets	(32)	(31)	—	—
Amortization — losses, net	—	(1)	(1)	(1)
Amortization — prior service credit	—	—	(1)	(1)
Settlement/curtailment (gain) loss	—	—	—	—
Net periodic benefit cost[(1)]	$ (4)	$ (8)	$ 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 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Weighted average assumptions used to determine benefit obligations				
Discount rate	5.5 %	5.3 %	5.5 %	5.3 %
Average compensation growth	—	—	—	—
Weighted average assumptions used to determine net periodic benefit cost				
Discount rate	5.3 %	4.0 %	5.3 %	4.0 %
Average compensation growth	—	—	—	—
Expected return on plan assets	7.1	5.8	—	—

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 2025.

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 2024 and $1 million in fiscal 2023. The assumed health care cost trend used for measurement purposes is 7.3% for fiscal 2025, decreasing gradually to 5.0% in 2033 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.

Asset Category	Target Allocation Ranges	Allocation in Aggregate as of March 31, 2024	2023
Equity	25%-32%	31 %	28 %
Debt Securities	60%-69%	61 %	61 %
Other	4%-5%	4 %	7 %

Fair Value of Plan Assets

All plan assets as of March 31, 2024 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 2024	Fiscal 2023
Gains on remeasurement of monetary assets and liabilities, net	$ (6)	$ (1)
Currency gains, net	(6)	(1)

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, 2024 and 2023.

	March 31, 2024				
	Assets		Liabilities		Net Fair Value
in millions	Current	Noncurrent	Current	Noncurrent	Assets/ (Liabilities)
Derivative instruments					
Metal contracts	$ 17	$ 1	$ (44)	$ (2)	$ (28)
Currency exchange contracts	33	—	(4)	—	29
Energy contracts	2	—	(5)	—	(3)
Total derivative fair value	$ 52	$ 1	$ (53)	$ (2)	$ (2)

	March 31, 2023				
	Assets		Liabilities		Net Fair Value
	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

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, 2024 and March 31, 2023, we had 434 kt and 342 kt, respectively, of outstanding aluminum sales/purchase forward contracts. The maximum and average duration of metal forward contracts is four years and less than one year, 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, 2024 and March 31, 2023 we had less than 1 kt outstanding copper and LMP forward contracts. The maximum and average duration of those contracts is less than one year.

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, 2024, we had $177 million in outstanding foreign currency exchange contracts. As of March 31, 2023, we had $136 million in 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 less than three years and less than two years, 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, 2024, and March 31, 2023 the fair value was a liability of less than $1 million. The average duration of these forward contracts is less than one year in length.

We use diesel fuel forward purchase contracts to manage our exposure to fluctuating fuel prices in North America. As of March 31, 2024 and 2023, we had an outstanding notional of 6 million gallons, and 1 million gallons, respectively. The fair value as of March 31, 2024 was a liability of $3 million, and as of March 31, 2023 was an asset of less than $1 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 2024	Fiscal 2023
Derivative instruments		
Metal contracts	$ 71	$ 412
Currency exchange contracts	(10)	2
Energy contracts	(5)	2
Gain (loss) on change in fair value of derivative instruments, net	$ 56	$ 416

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, 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
Other comprehensive loss before reclassifications	(1)	(2)	(3)
Amounts reclassified from accumulated other comprehensive loss, net	—	—	—
Net current-period other comprehensive loss	$ (1)	$ (2)	$ (3)
Balance as of March 31, 2024	$ 10	$ 12	$ 22

(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, 2024 and March 31, 2023, 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, 2024 and March 31, 2023. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	March 31,			
	2024		2023	
in millions	Assets	Liabilities	Assets	Liabilities
Level 2 instruments				
Metal contracts	$ 18	$ (46)	$ 47	$ (54)
Currency exchange contracts	33	(4)	38	(4)
Energy contracts	2	(5)	5	(5)
Total level 2 instruments	53	(55)	90	(63)
Netting adjustment(1)	(8)	8	(33)	33
Total net	$ 45	$ (47)	$ 57	$ (30)

(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,			
	2024		2023	
in millions	Carrying Value	Fair Value	Carrying Value	Fair Value
Total debt — third parties (excluding short-term borrowings)	$ 3,068	$ 3,068	$ 3,062	$ 2,816
Total debt — related parties (excluding short-term borrowings)	1,462	1,462	624	624

17. OTHER (INCOME) EXPENSES, NET

Other income, net consists of the following.

in millions	Fiscal 2024	Fiscal 2023
Non-operating net periodic benefit cost	$ (5)	$ (8)
Other, net - third parties	$ 10	$ 8
Other, net - related parties	$ (158)	$ (80)
Other income, net	$ (153)	$ (80)

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 (benefit) provision are as follows.

in millions	Fiscal 2024	Fiscal 2023
Domestic (U.S.)	$ 86	$ 237
Pre-tax income	86	237

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

in millions	Fiscal 2024	Fiscal 2023
Current provision:		
Federal	$ (50)	$ 2
State	(1)	12
Total current	(51)	14
Deferred provision:		
Federal	—	48
State	2	(10)
Total deferred	2	38
Income tax (benefit) provision	$ (49)	$ 52

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	2024	2023
Deferred income tax liabilities:		
Provisions not currently deductible for tax purposes	$ 303	$ 270
Deferred tax liabilities	(391)	(363)
Total deferred income tax liabilities	(88)	(93)
Less: valuation allowance	(86)	(79)
Net deferred income tax liabilities	$ (174)	$ (172)

At March 31, 2024 the Company had total deferred tax liabilities, net of deferred tax assets and net operating losses, of approximately $88 million primarily arising from temporary differences that will result in future taxes.. 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 temporary differences that will result in future taxes.

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 $86 million and $79 million were necessary as of March 31, 2024 and 2023, respectively.

As of March 31, 2024, we had net operating loss carryforwards of approximately $30 million and tax credit carryforwards of $141 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, 2024, valuation allowances of $86 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, 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 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, 2024 and March 31, 2023, 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 $7 million and $5 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.

Income Taxes Payable

Novelis Corporation income taxes payable is $8 million as of March 31, 2024. However, Novelis Corporation is part of a U.S. 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.

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 $78 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. For example, during fiscal 2022, we were notified of an investigation into the Novelis Yeongju location by South Korean environmental authorities related to self-reporting by the facility of manufacturing and production emissions above applicable limits. The investigation related to previous investigations at the facility during which certain emissions amounts were identified as above applicable limits triggering self-reporting, and instances in which reporting by a third-party measuring emissions may have inconsistently reported information to the facility, impacting what was reported to regulators. Based on the information learned, Novelis filed a leniency application and voluntarily disclosed to South Korean environmental authorities. The investigation remains ongoing and the Company has booked a reserve for the matter.

We have established liabilities based on our estimates for currently anticipated costs associated with environmental matters. We estimate that the costs related to our environmental liabilities as of March 31, 2024 were approximately $3 million, of which $1 million was related to restructuring actions and the remaining $2 million was related to undiscounted clean-up costs. Additionally, approximately $2 million of the environmentally liability was included in other long–term liabilities with the remaining $1 million included in accrued expenses and other current liabilities in our balance sheet as of March 31, 2024. As of March 31, 2023, approximately $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.

Novelis South America Holdings LLC

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 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, 2024 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, 2024

Novelis South America Holdings LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
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 2024	Fiscal 2023
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, 2024	March 31, 2023
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, 2024 and March 31, 2023	—	—
Additional paid–in capital	1	1
Accumulated deficit	(1)	(1)
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 2024	Fiscal 2023
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)

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, 2022	1	$ —	$ 1	$ (1)	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2023	1	$ —	$ 1	$ (1)	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2024	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, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 Holdings Inc. and certify that the information included therein accurately reflects the financial position of Novelis Holdings Inc. as of March 31, 2024 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, 2024

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

Novelis Holdings Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Interest expense and amortization of debt issuance costs	113,018	57,401
Unrealized losses on change in fair value of derivative instruments	1,642	23,436
Other income, net	(1,075)	(15,804)
	113,585	65,033
Loss before income tax benefit	(113,585)	(65,033)
Income tax benefit	(29,319)	(17,168)
Net loss	$ (84,266)	$ (47,865)

See accompanying notes to the financial statements.

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

in thousands	Fiscal 2024	Fiscal 2023
Net loss	$ (84,266)	$ (47,865)
Comprehensive loss	(84,266)	(47,865)

See accompanying notes to the financial statements.

Novelis Holdings Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,585	$ 226
Accounts receivable, net		
— third parties (net of allowance for credit losses of $— as of March 31, 2024$—and March 31, 2023)	62	—
— related parties	37	—
Prepaid expenses and other current assets	28,272	4,579
Fair value of derivative instruments	95	—
Total current assets	30,051	4,805
Investment in subsidiaries	1,515,272	1,511,522
Deferred income tax assets	56,976	35,774
Other long–term assets		
— third parties	1,176	1,890
Total assets	$ 1,603,475	$ 1,553,991
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt - related parties	$ 1,239,279	$ —
Short–term borrowings - related parties	113,416	114,072
Accounts payable		
— related parties	584	1,798
Fair value of derivative instruments	31,615	30,988
Accrued expenses and other current liabilities	211,110	89,547
Total current liabilities	1,596,004	236,405
Long–term debt, net of current portion - related parties	—	1,228,789
Other long–term liabilities - related parties	29,090	29,900
Total liabilities	1,625,094	1,495,094
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, 2024 and March 31, 2023	—	—
Additional paid–in capital	3,750	—
(Accumulated deficit) retained earnings	(25,369)	58,897
Total equity of our common shareholder	(21,619)	58,897
Noncontrolling interests	—	—
Total equity	(21,619)	58,897
Total liabilities and equity	$ 1,603,475	$ 1,553,991

See accompanying notes to the financial statements.

Novelis Holdings Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net loss	$ (84,266)	$ (47,865)
Adjustments to determine net cash provided by operating activities:		
Loss on unrealized derivatives and other realized derivatives in investing activities, net	$ 1,642	$ 11,718
Loss on extinguishment of debt	—	—
Deferred income taxes	(21,202)	(9,053)
Changes in assets and liabilities:		
Due To/From Related Parties	(1,251)	1,243
Other assets	97,870	7,651
Other liabilities	(1,176)	36,526
Net cash (used in) provided by operating activities	$ (8,474)	$ 220
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Proceeds from issuance of long-term borrowings, related parties	$ 1,239,279	$ 1,228,789
Principal payments of long-term borrowings, related parties	(1,228,789)	(1,228,827)
Short-term borrowings, net - related parties	(657)	—
Net cash provided by (used in) financing activities	$ 9,833	$ (38)
Net increase in cash and cash equivalents and restricted cash	$ 1,359	$ 182
Cash, cash equivalents and restricted cash — beginning of period	226	44
Cash, cash equivalents and restricted cash — end of period	$ 1,585	$ 226

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	Common Stock Amount	Additional Paid-in Capital	(Accumulated Deficit) retained earnings	Total Equity
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
Net loss attributable to our common shareholder	—	—	—	(84,266)	(84,266)
Contribution of shares in a non-marketable investment	—	—	3,750	—	3,750
Balance as of March 31, 2024	2,000	$ —	$ 3,750	$ (25,369)	$ (21,619)

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, 2024 and 2023.

in thousands, except for percentage	March 31, 2024	March 31, 2023	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	3,750	—	100%
Investments in subsidiaries	$ 1,515,272	$ 1,511,522	

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, 2024	March 31, 2023
Accounts payable — related parties	584	1,798
Other long–term liabilities - related parties	29,090	29,900
Short–term borrowings - related parties	113,416	114,072
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, 2024 Principal(2)	March 31, 2023 Principal(2)
Related Party Debt (3)			
Short-term borrowings	5.00 %	$ 113,416	$ 114,072
Floating rate debt, due March 2025	8.60 %	1,239,279	—
Floating rate debt, due December 2024		—	1,228,789
Total debt - related party		1,352,695	1,342,861
Less: Short-term borrowings		(113,416)	(114,072)
Current portion of long-term debt		(1,239,279)	—
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, 2024.

(2) There are no differences between the principal and carrying value balances of debt as of March 31, 2024 and March 31, 2023.

(3) The floating rate debt due March 2025 represent related party debt with Novelis Corp. Short-term borrowings as of March 31, 2024 are related to EUR 105 million in principal loans from Novelis Netherlands B.V. due December 2024.

Principal repayment requirements for our total debt over the next five years and thereafter using exchange rates as of March 31, 2024 for our debt denominated in foreign currencies are as follows (in thousands).

As of March 31, 2024	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ 1,352,695
2 years	—
3 years	—
4 years	—
5 years	—
Thereafter	—
Total debt	$ 1,352,695

4. CURRENCY LOSSES (GAINS)

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

in thousands	Fiscal 2024	Fiscal 2023
Gains on remeasurement of monetary assets and liabilities, net[1]	$ (1,021)	$ (4,086)
Currency gains, net	(1,021)	(4,086)

(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, 2024 and 2023.

	March 31, 2024				
	Assets		Liabilities		Net Fair Value
in thousands	Current	Noncurrent	Current	Noncurrent	Assets/ (Liabilities)
Derivative instruments					
Currency exchange contracts	95	—	(31,615)	—	(31,520)
Total derivative fair value	$ 95	$ —	$ (31,615)	$ —	$ (31,520)

	March 31, 2023				
	Assets		Liabilities		Net Fair Value
	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)

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 in outstanding foreign currency forwards hedges as of March 31, 2024 and 2023. These contracts cover the same periods as known or expected exposures. These contracts have a maximum duration of three years and an average duration of less than three years.

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 2024	Fiscal 2023
Derivative instruments		
Currency exchange contracts	(1,642)	(11,718)
Gain (loss) recognized in other income, net	$ (1,642)	$ (11,718)

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, 2024 and March 31, 2023, 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, 2024 and March 31, 2023. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	March 31,			
	2024		2023	
in thousands	Assets	Liabilities	Assets	Liabilities
Level 2 instruments				
Currency exchange contracts	95	(31,615)	1,890	(31,798)
Total level 2 instruments	95	(31,615)	1,890	(31,798)
Total net	$ 95	$ (31,615)	$ 1,890	$ (31,798)

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,			
	2024		2023	
Liabilities ***(in thousands)***	Carrying Value	Fair Value	Carrying Value	Fair Value
Total debt — related parties (excluding short-term borrowings)	1,239,279	1,239,279	1,228,789	1,228,789

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 2024	Fiscal 2023
Domestic (U.S.)	$ (113,585)	$ (65,033)
Pre-tax income before equity in net loss of non-consolidated affiliates	(113,585)	(65,033)

The components of our income tax benefit are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
Federal	$ —	$ —
State	(8,117)	(8,115)
Total current	$ (8,117)	$ (8,115)
Deferred provision:		
Federal	$ (22,610)	$ (7,776)
State	1,408	(1,277)
Total deferred	$ (21,202)	$ (9,053)
Income tax benefit	$ (29,319)	$ (17,168)

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	2024	2023
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 114,798	$ 92,403
Deferred tax liabilities	(16,734)	(16,475)
Total deferred income tax assets	98,064	75,928
Less: valuation allowance	(41,088)	(40,154)
Net deferred income tax assets	$ 56,976	$ 35,774

At March 31, 2024, the Company had total deferred tax assets, net of deferred tax liabilities and net operating losses, of approximately $98 million primarily arising from book reserves not deductible for tax and net operating loss carryforwards. At March 31, 2023, the Company had total deferred tax assets of approximately $76 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 $41 million and $40 million were necessary as of March 31, 2024 and 2023, respectively.

As of March 31, 2024, we had net operating loss carryforwards of approximately $85 million (tax effected). As of March 31, 2024, valuation allowances of $39 million and $2 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, 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.

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, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 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, 2024 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, 2024

Novelis Services (North America) Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
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 2024**	**Fiscal 2023**
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, 2024		March 31, 2023	
ASSETS				
Current assets:				
Restricted cash		25		13
Total current assets		25		13
Total assets	$	25	$	13
LIABILITIES AND SHAREHOLDER'S EQUITY				
Current liabilities:				
Accounts payable				
— related parties	$	25	$	13
Total liabilities		25		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, 2024 and March 31, 2023		—		—
Accumulated deficit		—		—
Total equity		—		—
Total liabilities and equity	$	25	$	13

See accompanying notes to the financial statements.

Novelis Services (North America) Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ —	$ —
Adjustments to determine net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts payable	12	—
Net cash provided by operating activities	**$ 12**	**$ —**
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	$ 12	$ —
Cash, cash equivalents and restricted cash — beginning of period	13	13
Cash, cash equivalents and restricted cash — end of period	**$ 25**	**$ 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, 2022	1,000	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2023	1,000	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2024	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	**2024**	**2023**
Accounts payable — related parties	$ 25	$ 13

Novelis Global Employment Organization Inc.

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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, 2024 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, 2024

Novelis Global Employment Organization Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Selling, general and administrative expenses	$ 2,056	$ 413
Interest expense and amortization of debt issuance costs	115	173
Research and development expenses	—	(6)
Other income, net	(37)	(353)
	2,134	227
Loss before income tax provision (benefit)	(2,134)	(227)
Income tax provision (benefit)	752	(62)
Net loss	$ (2,886)	$ (165)

See accompanying notes to the financial statements.

Novelis Global Employment Organization Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net loss	$ (2,886)	$ (165)
Comprehensive loss	$ (2,886)	$ (165)

See accompanying notes to the financial statements.

Novelis Global Employment Organization Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Accounts receivable, net		
— related parties	$ 5,821	$ 7,525
Prepaid expenses and other current assets	61	—
Total current assets	5,882	7,525
Deferred income tax assets	—	175
Total assets	$ 5,882	$ 7,700
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short–term borrowings - related parties	$ 1,068	$ 372
Accounts payable		
— related parties	79	371
Accrued expenses and other current liabilities	1,540	1,492
Total current liabilities	2,687	2,235
Deferred income tax liabilities	616	—
Total liabilities	3,303	2,235
Shareholder's equity:		
Common stock, 0.01 par value; 100 number of shares authorized; 10 shares issued and outstanding as of March 31, 2024 and March 31, 2023	—	—
Additional paid–in capital	6,074	6,074
Accumulated deficit	(3,495)	(609)
Total equity	2,579	5,465
Total liabilities and equity	$ 5,882	$ 7,700

See accompanying notes to the financial statements.

Novelis Global Employment Organization Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net loss	$ (2,886)	$ (165)
Adjustments to determine net cash provided by operating activities:		
Deferred income taxes	790	(71)
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	1,413	(2,143)
Accounts payable	—	(5)
Other assets	(61)	—
Other liabilities	47	(168)
Net cash used in operating activities	$ (697)	$ (2,552)
FINANCING ACTIVITIES		
Net proceeds from issuance (repayments) of short-term borrowings - related party	$ 697	$ (3,198)
Contributed capital	—	5,750
Net cash provided by (used in) financing activities	$ 697	$ 2,552
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 Global Employment Organization 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, 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	10	—	6,074	(609)	5,465
Net loss attributable to our common shareholder	—	—	—	(2,886)	(2,886)
Balance as of March 31, 2024	10	$ —	$ 6,074	$ (3,495)	$ 2,579

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	2024	2023
Accounts receivable, net — related parties	$ 5,821	$ 7,525
Accounts payable — related parties	$ 79	$ 371

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.

		March 31, 2024			March 31, 2023		
in thousands	Interest Rates[1]	Principal	Unamortized Carrying Value Adjustments	Carrying Value	Principal	Unamortized Carrying Value Adjustments	Carrying Value
Short-term borrowings - related party demand note[2]	8.60 %	$ 1,068	$ —	$ 1,068	$ 372	$ —	$ 372

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2024, 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.

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 (U.S.) and foreign components of our loss before income tax provision (benefit) are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Domestic (U.S.)	$ (2,134)	$ (227)
Foreign (all other countries)	$ —	$ —
Pre-tax loss	(2,134)	(227)

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

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
Federal	$ 41	$ —
State	(79)	9
Total current	$ (38)	$ 9
Deferred provision:		
Federal	$ 773	$ (54)
State	17	(17)
Total deferred	$ 790	$ (71)
Income tax provision (benefit)	$ 752	$ (62)

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	2024	2023
Deferred income tax assets:		
Total deferred income tax assets	$ —	$ 175
Deferred income tax liabilities:		
Total deferred income tax liabilities	$ 616	$ —

Novelis Services (Europe) Inc.

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 Services (Europe) Inc. and certify that the information included therein accurately reflects the financial position of Novelis Services (Europe) Inc. as of March 31, 2024 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, 2024

Novelis Inc.
3550 Peachtree Road NE, 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 2024	Fiscal 2023
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 2024**	**Fiscal 2023**
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, 2024	March 31, 2023
ASSETS		
Total assets	$ —	$ —
LIABILITIES AND SHAREHOLDER'S EQUITY		
Total liabilities	—	—
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, 2024 and March 31, 2023	—	—
Total equity	—	—
Total liabilities and equity	$ —	$ —

See accompanying notes to the financial statements.

Novelis Services (Europe) Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ —	$ —
Adjustments to determine net cash provided by operating activities:		
Changes in assets and liabilities:		
Other liabilities	—	(293)
Net cash used in operating activities	$ —	$ (293)
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)
Cash, cash equivalents and restricted cash — beginning of period	—	293
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

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, 2022	1,000	$ —	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	—	—	—
Balance as of March 31, 2023	1,000	$ —	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	—	—	—
Balance as of March 31, 2024	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 2024

NOVELIS VIETNAM COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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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 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 2024, 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 2024 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
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NOVELIS
VIỆT NAM
T.X. TÂN UYÊN - T. BÌNH DƯƠNG

Sang Youn So
General Manager

Binh Duong province, SR Vietnam
26 April 2024

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 2024 and approved by the General Manager of the Company on 26 April 2024. The financial statements comprise the balance sheet as at 31 March 2024, 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
T: +84 (28)38230796, www.pwc.com/vn

pwc

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 2024, 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 have been prepared on a liquidation basis of accounting; and

- Note 15 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

CÔNG TY TNHH PWC (VIỆT NAM)

Quach Thanh Chau
Audit Practising Licence No.
0875-2023-006-1
Authorised signatory

Vo Xuan Thoi
Audit Practising Licence No.
5948-2023-006-1

Report reference number: HCM15508
Ho Chi Minh City, 26 April 2024

NOVELIS VIETNAM COMPANY LIMITED

Form B 01/CDHĐ – DNKLT

BALANCE SHEET

Code	ASSETS	Note	As at 31 March 2024 VND	As at 31 March 2023 VND
100	**ASSETS**		**100,063,438,917**	**166,580,048,340**
110	**Cash**		**49,077,531,845**	**52,642,658,087**
111	Cash	3	49,077,531,845	52,642,658,087
130	**Receivables**		**19,910,504**	**20,561,226,388**
131	Trade accounts receivable		-	20,427,230,388
137	Other receivables		19,910,504	133,996,000
140	**Inventories**		**-**	**22,940,000**
150	**Fixed assets**		**-**	**35,869,520,226**
151	Tangible fixed assets	4(a)	-	19,538,372,325
153	Intangible fixed assets	4(b)	-	16,331,147,901
180	**Other assets**		**50,965,996,568**	**57,483,703,639**
181	Prepaid expenses		9,900,000	9,900,000
182	Value added tax ("VAT") to be reclaimed	6(a)	50,116,102,662	53,875,597,607
183	Tax and other receivables from the State	6(a)	839,993,906	839,993,906
185	Deferred income tax assets		-	2,758,212,126
300	**LIABILITIES**		**465,453,832**	**90,128,092,146**
311	Trade accounts payable	5	52,488,000	34,132,742,765
312	Advances from customers		-	55,193,000,000
313	Tax and other payables to the State		13,533,650	-
315	Accrued expenses	7	399,432,182	802,349,381
400	**OWNER'S EQUITY**		**99,597,985,085**	**76,451,956,194**
410	**Capital and reserves**		**99,597,985,085**	**76,451,956,194**
411	Owner's capital	8, 9	20,820,000,000	20,820,000,000
421	Undistributed earnings	9	78,777,985,085	55,631,956,194
421a	*- Undistributed post-tax profits of previous years*		*55,631,956,194*	*58,688,960,442*
421b	*- Post-tax profit/(loss) of current year*		*23,146,028,891*	*(3,057,004,248)*
440	**TOTAL RESOURCES**		**100,063,438,917**	**166,580,048,340**

M.S.D.N: 3702086500 - C.T.T.N.H.H CÔNG TY TNHH NOVELIS VIỆT NAM T.X TÂN UYÊN - T. BÌNH DƯƠNG

Joo SooHwan
Chief Accountant/Preparer

Sang Youn So
General Manager
26 April 2024

The notes on pages 8 to 20 are an integral part of these financial statements.

NOVELIS VIETNAM COMPANY LIMITED

Form B 02 – DN

INCOME STATEMENT

Code		Note	Year ended 31 March 2024 VND	2023 VND
01	**Revenue from sales of goods**		-	-
02	Less deductions		-	-
10	**Net revenue from sales of goods**		-	-
11	**Cost of goods sold**		**(22,940,000)**	-
20	**Gross loss from sales of goods**		**(22,940,000)**	-
21	Financial income		1,571,727,918	140,292,219
22	Financial expenses		(791,163,633)	(313,219,775)
26	General and administration expenses	11	(2,369,946,191)	(1,641,681,617)
30	**Net operating loss**		**(1,612,321,906)**	**(1,814,609,173)**
31	Other income	12	27,588,072,377	27,275,749
32	Other expenses	12	(71,509,454)	(1,269,670,824)
40	**Net other income/(expenses)**		**27,516,562,923**	**(1,242,395,075)**
50	**Net accounting profit/(loss) before tax**		**25,904,241,017**	**(3,057,004,248)**
51	**Corporate income tax ("CIT") - current**	13	-	**(2,758,212,126)**
52	**CIT - deferred**	13	**(2,758,212,126)**	**2,758,212,126**
60	**Net profit/(loss) after tax**		**23,146,028,891**	**(3,057,004,248)**

CÔNG TY TNHH NOVELIS VIỆT NAM
M.S.D.N: 3702086500 - C.T.T.N.H.H
T.X. TÂN UYÊN - T. BÌNH DƯƠNG

Joo SooHwan
Chief Accountant/Preparer

Sang Youn So
General Manager
26 April 2024

The notes on pages 8 to 20 are an integral part of these financial statements.

NOVELIS VIETNAM COMPANY LIMITED

Form B 03 – DN

CASH FLOW STATEMENT
(Indirect method)

Code		Note	Year ended 31 March 2024 VND	2023 VND
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net accounting profit/(loss) before tax**		**25,904,241,017**	**(3,057,004,248)**
	Adjustments for:			
02	Depreciation, amortisation of fixed assets		3,906,668	1,299,553,177
04	Unrealised foreign exchange gains		177,250	(311,411,637)
05	(Profit)/loss from investing activities		(14,352,391,399)	(15,116)
08	**Operating profit/(loss) before changes in working capital**		**11,555,933,536**	**(2,068,877,824)**
09	Decrease in receivables		24,300,810,829	3,269,203,779
10	Decrease in inventories		22,940,000	-
11	Decrease/(increase) in payables		(39,487,183,768)	6,542,382,459
12	Increase in prepaid expenses		-	(9,900,000)
15	CIT paid		-	(2,758,212,126)
20	**Net cash (outflows)/inflows from operating activities**		**(3,607,499,403)**	**4,974,596,288**
	CASH FLOWS FROM INVESTING ACTIVITIES			
22	Proceeds from disposals of fixed assets		-	33,617,554,546
27	Interest received		42,550,411	15,116
30	**Net cash inflows from investing activities**		**42,550,411**	**33,617,569,662**
50	**Net (decrease)/ increase in cash**		**(3,564,948,992)**	**38,592,165,950**
60	**Cash at beginning of year**	3	**52,642,658,087**	**14,051,092,158**
61	Effect of foreign exchange differences		(177,250)	(600,021)
70	**Cash at end of year**	3	**49,077,531,845**	**52,642,658,087**

M.S.D.N: 3702086500 - C.T.T.N.H.H
CÔNG TY TNHH NOVELIS VIỆT NAM
TX TÂN UYÊN - T. BÌNH DƯƠNG

Joo SooHwan
Chief Accountant/Preparer

Sang Youn So
General Manager
26 April 2024

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 2024

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 2024, the Company had no employee (as at 31 March 2023: 1 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 demand deposits at 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 the basis of the actual time and interest rates for each period when both conditions below are simultaneously satisfied:
(a) It is probable that economic benefits will be generated;
(b) Income can be measured reliably.

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, 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 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 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

	2024 VND	2023 VND
Cash at banks	49,077,531,845	52,642,658,087

4 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Office equipment VND	Total VND
Historical cost				
As at 1 April 2023	38,494,164,122	117,199,999	4,232,241,886	**42,843,606,007**
Disposals	(38,494,164,122)	-	-	**(38,494,164,122)**
Write off	-	(117,199,999)	(4,232,241,886)	**(4,349,441,885)**
As at 31 March 2024	-	-	-	-
Accumulated depreciation				
As at 1 April 2023	18,990,267,600	82,724,196	4,232,241,886	**23,305,233,682**
Charge for the year	-	3,906,668	-	**3,906,668**
Disposals	(18,990,267,600)	-	-	**(18,990,267,600)**
Write off	-	(86,630,864)	(4,232,241,886)	**(4,318,872,750)**
As at 31 March 2024	-	-	-	-
Net book value				
As at 1 April 2023	19,503,896,522	34,475,803	-	**19,538,372,325**
As at 31 March 2024	-	-	-	-

4 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 April 2023	20,843,966,666	315,818,355	**21,159,785,021**
Disposals	(20,843,966,666)	-	**(20,843,966,666)**
Write off	-	(315,818,355)	**(315,818,355)**
As at 31 March 2024	-	-	-
Accumulated amortisation			
As at 1 April 2023	4,512,818,765	315,818,355	**4,828,637,120**
Disposals	(4,512,818,765)	-	**(4,512,818,765)**
Write - off	-	(315,818,355)	**(315,818,355)**
As at 31 March 2024	-	-	-
Net book value			
As at 1 April 2023	16,331,147,901	-	**16,331,147,901**
As at 31 March 2024	-	-	-

5 TRADE ACCOUNTS PAYABLE

	2024		2023	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	52,488,000	52,488,000	-	-
Related parties (Note 16(b))	-	-	34,132,742,765	34,132,742,765
	52,488,000	52,488,000	34,132,742,765	34,132,742,765

6 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:

	As at 1.4.2023 VND	Receivable/payable during the year VND	Net-off/Payment during the year VND	As at 31.3.2024 VND
(a) Receivables				
VAT to be reclaimed	53,875,597,607	1,258,050,509	(5,017,545,454)	50,116,102,662
CIT	839,993,906	-	-	839,993,906
	54,715,591,513	1,258,050,509	(5,017,545,454)	50,956,096,568
(b) Payables				
VAT output	-	5,017,545,454	(5,017,545,454)	-
Personal income tax	-	49,173,144	(49,173,144)	-
Foreign contractor tax	-	2,224,140,583	(2,224,140,583)	-
Others	-	13,533,650	-	13,533,650
	-	7,304,392,831	(7,290,859,181)	13,533,650

7 ACCRUED EXPENSES

	2024 VND	2023 VND
Professional fees	399,432,182	308,574,934
Others	-	493,774,447
	399,432,182	802,349,381

8 OWNER'S CAPITAL

	Charter capital			Amount contributed
	USD	VND Equivalent	%	USD
Novelis Inc.	1,000,000	21,000,000,000	100	1,000,000

Pursuant to the investment certificate No. 8703080842 dated 23 April 2018, the charter capital of the Company is US$1,000,000. The charter capital of the Company has been fully contributed as at the balance sheet date, 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 US$4,875,000, equivalent to VND102,375,000,000.

9 MOVEMENTS IN OWNER'S EQUITY

	Owner's capital VND	Undistributed earnings VND	Total VND
As at 1 April 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**
Net profit for the year	-	23,146,028,891	**23,146,028,891**
As at 31 March 2024	20,820,000,000	78,777,985,085	**99,597,985,085**

10 OFF BALANCE SHEET ITEM

Foreign currency

As at 31 March 2024, included in cash was balances held in foreign currency of US$99.38 (as at 31 March 2023: US$1,234.38).

11 GENERAL AND ADMINISTRATION EXPENSES

	2024 VND	2023 VND
Taxes and legal fees	1,086,555,668	-
Professional fees	692,632,182	(343,093,576)
Staff costs	329,547,124	979,868,892
External service expenses	261,211,217	973,863,039
Depreciation	-	29,882,353
Others	-	1,160,909
	2,369,946,191	1,641,681,617

12 OTHER INCOME AND OTHER EXPENSES

	2024 VND	2023 VND
Other income		
Gains on disposal of fixed assets	14,340,410,124	-
Payables waive-off (Note 14(a))	13,247,662,253	-
Others	-	27,275,749
	27,588,072,377	27,275,749
Other expenses		
Other expenses from writing off fixed assets	30,569,136	-
Depreciation for idle assets	3,906,668	1,269,670,824
Others	37,033,650	-
	71,509,454	1,269,670,824

13 CORPORATE INCOME TAX ("CIT")

The CIT on the Company's accounting profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2024 VND	2023 VND
Net accounting profit/(loss) before tax	25,904,241,017	(3,057,004,248)
Tax calculated at a rate of 20%	5,180,848,203	(611,400,850)
Effect of:		
Expenses not deductible for tax purposes	18,889,891	254,087,592
Tax losses for which no deferred income tax asset was recognised	-	562,083,317
Utilisation of previously unrecognised tax losses	(2,233,472,839)	-
Temporary differences for which no deferred income tax was recognised	(208,053,129)	(204,770,059)
CIT charge (*)	2,758,212,126	-
Charged to the income statement:		
CIT – current	-	2,758,212,126
CIT – deferred	2,758,212,126	(2,758,212,126)
	2,758,212,126	-

(*) The CIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

13 CORPORATE INCOME TAX ("CIT") (continued)

The Company's tax losses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in financial statements. The estimated amount of tax losses available for offset against the Company's future taxable profit is:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2018	Outstanding	11,977,264,559	(11,167,364,193)	809,900,366
2019	Outstanding	7,728,039,369	-	7,728,039,369
2020	Outstanding	3,771,425,406	-	3,771,425,406
2021	Outstanding	9,358,280,101	-	9,358,280,101
2022	Outstanding	2,172,890,887	-	2,172,890,887

The Company did not recognise deferred income tax assets relating to the above tax losses carried forward, as the realisation of the related tax benefits through future taxable profits currently cannot be assessed as probable.

14 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

(a) Related party transactions

The primary transactions with related parties incurred in the year are:

	2024 VND	2023 VND
i) Payables waive-off (Note 12)		
Novelis Korea Limited	6,892,173,605	-
Novelis Inc.	4,266,648,036	-
Novelis Corporation	2,088,840,612	-
	13,247,662,253	-

14 RELATED PARTY DISCLOSURES (continued)

(b) Year- end balances with related parties

	2024 VND	2023 VND
i) Trade accounts receivable		
Novelis Korea Limited	-	20,427,230,388
ii) Trade accounts payable (Note 5)	-	
Novelis Korea Limited	-	27,436,560,110
Novelis Inc.	-	4,410,041,350
Novelis Corporation	-	2,286,141,305
	-	34,132,742,765

15 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 and the Decision. 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 2024.

The financial statements were approved by the General Manager on 26 April 2024.

M.S.D.N: 3702086500 - C.T.T.N.H.H
CÔNG TY TNHH NOVELIS VIỆT NAM

Joo SooHwan
Chief Accountant/Preparer

Sang Youn So
General Manager
26 April 2024

Aleris Asia Pacific International (Barbados) Ltd.

Non-Consolidated Financial Statements
Year ended December 31, 2023
(expressed in Euros)

CHARTERED ACCOUNTANTS

Aleris Asia Pacific International (Barbados) Ltd.

Index to Non-Consolidated Financial Statements

Year ended December 31, 2023

Skeete, Best & Co. Chartered Accountants
Tudor Bridge, St. Michael
Barbados, W.I.
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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, 2023, 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 material accounting policy 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, 2023 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.
March 7, 2024

Aleris Asia Pacific International (Barbados) Ltd.

Non-Consolidated Statement of Financial Position

As of December 31, 2023

(expressed in Euros)

	2023 €	2022 €
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		
Due to penultimate parent (Note 4)	**49,478**	46,433
Due to related company (Note 4)	**36,001**	37,289
Total liabilities	**85,479**	83,722
Shareholder's equity	**2,498,640**	2,500,397
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 March 7, 2024

Director

Aleris Asia Pacific International (Barbados) Ltd.
Non-Consolidated Statement of Changes in Equity
Year ended December 31, 2023
(expressed in Euros)

	Share Capital €	Accumulated Deficit €	Total €
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
Net loss for the year	-	(1,757)	(1,757)
Balance at December 31, 2023	5,029,576	(2,530,936)	2,498,640

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, 2023

(expressed in Euros)

	2023	2022
	€	**€**
Income		
Unrealized foreign exchange gain	**2,293**	-
Expenses		
Professional fees	**4,050**	4,031
Unrealized foreign exchange loss	-	4,119
	4,050	8,150
Net loss and total comprehensive loss for the year	**(1,757)**	(8,150)

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, 2023
(expressed in Euros)

	2023 €	2022 €
Cash flows from operating activities		
Net loss for the year	**(1,757)**	(8,150)
Operating loss before working capital changes	**(1,757)**	(8,150)
Decrease in accounts payable	-	(9,814)
Increase in due to penultimate parent	**3,045**	15,649
(Decrease) increase in due to related company	**(1,288)**	2,315
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, allowing it to maintain its status.

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	2023 €	2022 €
Aleris (Shanghai) Trading Co. Ltd.	100	2,584,119	2,584,119

4. Due to related companies

	2023 €	2022 €
Due to penultimate parent		
Aleris International Inc.	49,478	46,433
Due to related company		
Aleris Ohio Management	36,001	37,289

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

	2023 €	2022 €
100 common shares	5,029,576	5,029,576

(expressed in Euros)

6. Taxation

	2023 €	2022 €
Net loss for the year	(1,757)	(8,150)
Tax charge at 5.5%	(97)	(448)
Tax effect of (income) expenses not allowed for tax	(126)	226
Tax effect of losses expired	661	556
Decrease in deferred tax asset not recorded	(438)	(334)
	-	-

The Company has a potential deferred tax asset amounting to €1,877 (2022 - €2,315). 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 50% of future taxable income. 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
2017	4,044	2024
2018	5,509	2025
2019	4,821	2026
2020	6,213	2027
2021	5,452	2028
2022	4,031	2029
2023	4,050	2030
	34,120	

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.

8. Comparatives

Certain 2022 comparative figures have been restated to conform with the current year's presentation.

9. Subsequent event

On March 4, 2024, Novelis Switzerland GmbH passed a special resolution in accordance with Section 367 of the Companies Act Cap 308 of the laws of Barbados to liquidate and dissolve the company.

ALERIS ASIA PACIFIC LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

ALERIS ASIA PACIFIC LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2023.

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 10 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 2023 (2022: 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 2023 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, 26 April 2024

羅兵咸永道

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 2023;
- 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, comprising material accounting policy information 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 2023, 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.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong SAR, China
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.

pwc 羅兵咸永道

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, 26 April 2024

ALERIS ASIA PACIFIC LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 US$	2022 US$
Revenue	5	2,176,539	2,176,539
Administration expenses		(36,404)	(42,432)
Profit before income tax	6	2,140,135	2,134,107
Income tax expense	7	-	-
Profit and total comprehensive income for the year		2,140,135	2,134,107

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 2023

	Note	2023 US$	2022 US$
NON-CURRENT ASSETS			
Investment in a subsidiary	10	256,529,306	256,529,306
Loan to a subsidiary	11	39,827,898	39,827,898
		296,357,204	296,357,204
CURRENT ASSETS			
Amount due from a subsidiary	12	12,917,490	10,740,950
Cash and cash equivalents	13	10,782,298	10,818,702
		23,699,788	21,559,652
CURRENT LIABILITIES			
Amount due to fellow subsidiaries	12	297,513	297,513
Amount due to an intermediate holding company	12	1,542,272	1,542,272
		1,839,785	1,839,785
NET CURRENT ASSETS		21,860,003	19,719,867
TOTAL ASSETS LESS CURRENT LIABILITIES		318,217,207	316,077,071

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 2023

	Note	2022 US$	2021 US$
EQUITY			
Share capital	15	535,364,692	535,364,692
Capital reserve	14	21,403,333	21,403,333
Accumulated losses		(238,550,818)	(240,690,954)
Total equity		318,217,207	316,077,071

The financial statements on pages 7 to [22] were approved by the board of directors on 26 April 2024 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 2023

	Share capital US$	Capital reserve US$	Accumulated losses US$	Total US$
At 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 and at 1 January 2023	535,364,692	21,403,333	(240,690,954)	316,077,071
Profit and total comprehensive income for the year	-	-	2,140,136	2,140,136
At 31 December 2023	535,364,692	21,403,333	(238,550,818)	318,217,207

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 2023

	Note	2023 US$	2022 US$
Cash flows from operating activities			
Profit before income tax		2,140,135	2,134,107
Adjustment for:			
Interest income		(2,176,539)	(2,176,539)
Net cash used in operating activities		(36,404)	(42,432)
Net decrease in cash and cash equivalents		(36,404)	(42,432)
Cash and cash equivalents at beginning of year		10,818,702	10,861,134
Cash and cash equivalents at end of year	13	10,782,298	10,818,702

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 26 April 2024.

2 Summary of material accounting policies

The material 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.

ALERIS ASIA PACIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of material accounting policies Continued)

2.1 Statement of compliance and basis of preparation (Continued)

(i) New standards and amendments to existing standards which are effective in 2023 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 2023:

HKFRS 17	Insurance Contracts
HKAS 1 (Amendment) and HKFRS Practice Statement 2	Disclosure of Accounting Policies
HKAS 8 (Amendment)	Definition of Accounting Estimates
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction
HKFRS 17 (Amendment)	Initial Application of HKFRS 17 and HKFRS 9—Comparative
HKFRS 12 (Amendments)	International Tax Reform – Pillar Two Model Rules

The adoption of the above new standard and amendments 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 material accounting policies or presentation of the financial information.

(ii) Amendments to standards and interpretations which are relevant to the Company but not yet effective for the year ended 31 December 2023 and have not been early adopted by the Company.

The HKICPA has issued the following amendments and interpretations to which are not yet effective for the year ended 31 December 2023 and have not been early adopted by the Company:

		Effective for accounting periods beginning on or after
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
HKAS 7 and HKFRS 7 (Amendments)	Supplier finance arrangements	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
HKAS 21 (Amendment)	Lack of Exchangeability	1 January 2025
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	to be determined

2 Summary of material accounting policies (Continued)

2.1 Statement of compliance and basis of preparation (Continued)

(ii) Amendments to standards which are relevant to the Company but not yet effective for the year ended 31 December 2023 and have not been early adopted by the Company.

The Company will apply amendments to standards from 1 January 2024 or later period. The adoption of the amendments to standards listed above, in future periods is not expected to have any material impact on the Company's results of operations and financial position.

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 Summary of material accounting policies (Continued)

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.

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.

2 Summary of material accounting policies (Continued)

2.9 Current and deferred income tax (Continued)

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.

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.

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 2023, 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 before income tax

The Company's profit before income tax is arrived at after charging auditor's remuneration of US$34,004 (2022: US$33,128) during the year.

7 Income tax expense

(a) Income tax expenses

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.

The tax charge for the year can be reconciled to profit before income tax per the statement of profit or loss and other comprehensive income as follows:

	2023 US$	2022 US$
Profit before income tax	2,140,136	2,134,107
Tax at Hong Kong profits tax rate of 16.5% (2022: 16.5%)	353,122	352,128
Income not subject to tax	(359,128)	(359,129)
Expenses not deductible for tax purposes	6,006	7,001
Income tax expense	-	-

The Company has not recognised deferred tax assets arising from unused tax losses approximately US$ 1,009,922 (2022: approximately US$1,009,922) at 31 December 2023. These tax losses do not have expiry date once agreed by the Inland Revenue Department.

(a) OECD Pillar Two model rules

Hong Kong, the jurisdiction in which the Company is incorporated, is within the scope of the OECD Pillar Two model rules and will implement the Pillar Two from 2025. However, the Pillar Two legislation has not been enacted. The Government aims to introduce the legislative amendments into the Legislative Council in the second half of 2024. Since the Pillar Two legislation was not enacted or effective at the reporting date, the Company has no related current tax exposure. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

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 (2022: 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 (2022: 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 (2022: 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 (2022: None).

9 Financial instruments by category

The Company holds the following financial instruments:

	2023 US$	2022 US$
Financial assets		
Financial assets at amortised cost		
Amounts due from fellow subsidiaries	12,917,490	10,740,950
Cash and cash equivalents	10,782,298	10,818,702
	23,699,788	21,559,652
Financial liabilities		
Liabilities at amortised cost		
Amount due to immediate holding company	1,542,272	1,542,272
Amounts due to fellow subsidiaries	297,513	297,513
	1,839,785	1,839,785

The Company's exposure to various risks associated with the financial instruments is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

10 Investment in a subsidiary

	2023 US$	2022 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 2023 and 2022 were as follows:

Name of entity	Place of registration and operations	Issued and fully paid registered capital	Proportion ownership directly attributable of the Company 2023	2022	Principal activity
Novelis Aluminum (Zhenjiang) Co., Ltd.	People's Republic of China	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 2023 (2022: Nil) in the statement of profit or loss and other comprehensive income, by which the recoverable amount of the investment exceeds its carrying amount. 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 determined the recoverable amount of its investment in a subsidiary with reference to the net asset value of the subsidiary.

11 Loan to a subsidiary

Loan to a subsidiary was unsecured, carried interest of 5.39% per annum and repayable in 2025 (2022: 5.39% per annum and repayable in 2025).

12 Amounts due from/(to) group companies

The amounts are unsecured, interest-free and repayable on demand.

13 Cash and cash equivalents

	2023 US$	2022 US$
Cash at bank	10,782,298	10,818,702

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.

13 Cash and cash equivalents (Continued)

	2023 US$	2022 US$
United State dollars	10,727,752	10,766,047
EURO	54,546	52,655

14 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.

15 Share capital

	2023 Number of shares	2023 US$	2022 Number of shares	2022 US$
Ordinary shares issued and fully paid:				
At 1 January and 31 December	1,000	535,364,692	1,000	535,364,692

16 Related party transactions

The following transactions were carried out with related parties during the year

	Note	2023 US$	2022 US$
Subsidiary:			
Interest income	11	2,176,539	2,176,539

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 (2022: Nil).

Independent Auditors' Report (TRANSLATION)

To:	Board members of Aleris Aluminum Japan, Ltd.
From:	Kainan Audit Corporation
	Yo Akiba, Designated partner/Executive partner
Date:	May 2, 2024

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 34th fiscal year ended March 31, 2024.

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 34th fiscal year ended March 31, 2024 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 for 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, 2024

Aleris Aluminum Japan, Ltd.

Balance Sheet (Translation)

As of March 31, 2024

(Unit :Yen)

Account	Amount	Account	Amount
Assets		**Liabilities**	
Current assets	**36,107,858**	**Current liabilities**	**4,634,182**
Cash and bank accounts	32,517,455	Accrued expenses	767,871
Account receivables	2,804,562	Accounts payable	370,248
Consumption tax receivables	736,433	Advance Received	788,912
Prepaid expenses	49,408	Provision for bonus	1,961,715
		Income tax payable	296,900
		W/H Inc.Tax	448,536
Fixed assets	**3,654,019**	**Fixed liabilities**	**4,865,362**
Other assets	**3,654,019**	Provision for retirement benefit to employee	4,865,362
Lease deposit	330,000	**Liabilities total**	**9,499,544**
Deferred tax assets	3,324,019		
		Net assets	
		Equity	**30,262,333**
		Share capital	**12,000,000**
		Retained earnings	**18,262,333**
		Earned surplus	1,500,000
		Other retained earnings	16,762,333
		Carried forward retained earnings	16,763,333
		Net assets total	**30,262,333**
Total assets	**39,761,877**	**Total liabilities and net assets**	**39,761,877**

Income Statement (Translation)

year ended March 31, 2024

(Unit :Yen)

Account	Amount	
Sales		**29,189,124**
Gross profit		**29,189,124**
Selling, general and administrative expenses		**27,692,537**
Operating profit		**1,496,587**
Non-operating income		
Other income	57	
Interest income	294	351
Ordinary profit		**1,496,938**
Profit before income taxes		**1,496,938**
Current income taxes	613,844	
Deferred income taxes	579,454	1,193,298
Profit for the year		**303,640**

Statements of Shareholders Equity (Translation)

year ended March 31, 2024

(Unit :Yen)

	Equity					Net assets total
	Share capital	Retained earnings			Total equity	
		Earned surplus	Other retained earnings	Total retained earnings		
			Carried forward retained			
(1) Balance at beginning	12,000,000	1,500,000	16,458,693	17,958,693	29,958,693	29,958,693
(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	303,640	303,640	303,640	303,640
5. Movement in others than equity	0	0	0	0	0	0
Total movement for the year	0	0	303,640	303,640	303,640	303,640
(3) Balance at end	12,000,000	1,500,000	16,762,333	18,262,333	30,262,333	30,262,333

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) 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, 2024

- None

(4) Appropriation of earnings to be done after balance sheet date

- None

3. Other notes

None

Details of account

March 31, 2024

Aleris Aluminum Japan, Ltd.

1. Provisions

(Unit: Yen)

Account	Book value at beginning	Addition	Deduction		Book value at end
			Used	Others	
Bonus accrual	1,942,291	1,961,715	1,019,703	922,588	1,961,715
Provision for retirement benefit to employee	3,661,062	1,204,300	-	-	4,865,362

(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	13,977,568	
Provision for bonus	1,039,127	
Legal welfare	2,033,248	
Allowance for retirement benefit to employee	1,204,300	
Other rental expenses	246,500	
Stationery	88,165	
Office supplies	80,800	
Office rent	1,325,000	
Insurance premium	92,290	
Miscellaneous taxes and dues	10,000	
Entertainment	110,194	
Travel	2,087,905	
Communication	520,233	
Bank charge	151,500	
Meeting expenses	46,208	
Membership fee	375,750	
Contractors' fee	4,114,619	Bookkeeping, audit and consultant fees
Books/Subscription	189,130	
Total	27,692,537	

Supplementary explanation on deferred taxation - SUMMARY
(this is not required to disclose by law but simply for readers' convenience)

Temporary diff and DTA

	2023/3 Temp diff	2024/3 Temp diff	2023/3 DTA/DTL	2024/3 DTA/DTL	Movement
Deferred tax asset elements					
Accrued business tax	34,200	31,000	11,830	10,723	(1,107)
Provision for retirement benefit to	3,661,062	4,865,362	1,266,361	1,682,929	416,568
Provision for director's bonus (plus social insurance)	2,199,713	2,217,906	760,881	767,174	6,293
Tax loss carryforward (note 1)	37,910,669	36,553,241	13,113,300	12,643,766	(469,534)
Sub-total	43,805,644	43,667,509	15,152,372	15,104,591	(47,781)
Valuation allowance (note 1)	(32,520,669)	(34,057,741)	(11,248,899)	(11,780,573)	(531,674)
Net DTA (minus: debit)			3,903,473	3,324,019	(579,454)

Deferred tax liability elements

None	0	0	0	0
DTL Total	0	0	0	0

Balance sheet reclassificartion

Long term asset	3,903,473	3,324,019
Total	3,903,473	3,324,019

Effective tax rate

	2019~	
Corporate income tax	23.20%	
Enterprise tax (income portion- actual)	7.48%	ditto
Enterprise tax (income portion-	7.00%	ditto
Local corporate special tax on enterprize tax - standard	37.00%	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.
Since these losses can be carried forward for 10 years, the next page calculates the maximum amount of deferred tax assets related to the loss carryforwards as tax scheduling.
The recoverability of deferred tax assets is determined based solely on one year of income in the following year, in accordance with Japanese accounting standards applicable to Aleris Aluminum Japan.
The background: The group is under discussion concerning going concern of the Company that should be restructured from the current legal independent corporation to a branch to make the operation simpler in the **near** future.
Since the tax loss carried forward generated by the Company cannot be taken over by the branch,
it is appropriate to shorten the foreseeable taxable income only to one year (last year we extimated forth coming 5 years).
The valuation allowance is also huge because the company will not be able to use the large net operating loss carryforwards in the next year's one-year operating income due to the reason mentioned above.

Supplementary explanation on deferred taxation - Tax Scheduling

	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34	
		1	2	3	4	5	6	7	8	9	10	
Forecast Profit Amount		1,560,000										
Provision for retirement benefits		1,200,000										
Provision for accrued bonuses		2,200,000										
Accrued enterprise taxes		31,000										
Balance of income		4,991,000										
Max use of tax loss carried forwards		(2,495,500)										
By resource of tax loss carried forward:												
Incurred 2018/12	28,931,069	26,435,569										>Valid until 2027 March
Incurred 2020/12	7,622,172	7,622,172										>Valid until 2030 March
Balance of tax loss carried forward	36,553,241	34,057,741	0	0	0	0	0	0	0	0	0	
Unknown timing of realization (director's retirement)												
Estimated unrealizable tax loss carried forward	>> Basis for valuation allowance of deferred tax										34,057,741	

Footnotes:

Forecast profit amount: 2025 budget for operating income is currently considered approx. 1.56 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 2024
und Lagebericht für das Geschäftsjahr
vom 1. April 2023 bis zum 31. März 2024

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN
ABSCHLUSSPRÜFERS

pwc

Inhaltsverzeichnis Seite

Lagebericht für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024
Novelis Casthouse Germany GmbH, Koblenz

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. Durch Analyse von Leading- und Laggingindikatoren werden individuelle EHS-Ziele auf Standortebene sowie für unsere Mitarbeiter abgeleitet. Diese unterstützen in allen Geschäftsbereichen verbindliche Vorgaben mit der Zielsetzung, 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. Dieses wird deutlich durch das Bekenntnis der Geschäftsführung zu einer „Null-Unfall-Politik" hervorgehoben. 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 nun auch digital allen Mitarbeitern zur Verfügung. Mit „Korn Ferry“ haben wir einen starken externen Partner, welcher 2023 und 2024 die Werke im Bereich EHS Schulungen unterstützt. 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. Novelis 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 konjunkturelle Abkühlung der Weltwirtschaft setzte sich auch im Geschäftsjahr 2023/24 fort. Der Angriffskrieg Russlands gegen die Ukraine belastet unter anderem die weltweiten Nahrungsmittel- und Energiemärkte. Zudem wurde in vielen Ländern als Reaktion auf die hohen Inflationsraten die Geldpolitik verschärft. Dennoch kam die weltweite Konjunktur nicht komplett zum Erliegen. Die Verlangsamung der Wachstumsdynamik verlief dabei heterogen. Die USA, Japan sowie einige größere Schwellenländer erwiesen sich als durchaus resilient, während die hohen Energiepreise und die restriktive Geldpolitik die Wirtschaft Großbritanniens und Deutschlands belasteten. In China wirkten Turbulenzen am Immobilienmarkt investitionshemmend, dies wurde jedoch durch konjunkturstimulierende staatliche Maßnahmen kompensiert. Insgesamt kalkuliert der Internationale Währungsfonds (IWF) in seiner jüngsten Studie für das Gesamtjahr 2023 3,0% Wachstum der Weltwirtschaft (2022: 3,4%). Die US-Wirtschaft konnte dabei ein Wachstum von +2,4% erreichen und im Euroraum reduzierte sich das Wirtschaftswachstum auf +0,4%, wobei die deutsche Wirtschaft um -0,3% schrumpfte. Auf Jahressicht weist China mit +5,2% im Vergleich zum Vorjahr erneut ein höheres Wirtschaftswachstum auf.[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

[1] Deutsche Bank Research

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 stabiles Bild. Anders als im Vorjahr lagen weniger Engpasssituationen bei Rohstoffen vor.

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 2.134 pro Tonne im August 2023 bis USD 2.341 pro Tonne im April 2023. Im Durchschnitt des Geschäftsjahres ergab sich ein Preis von USD 2.202 pro Tonne. Der Aluminiumpreis notierte zum 31. März 2024 bei USD 2.183 pro Tonne, was im Vergleich zum 31. März 2023 (USD 2.471 pro Tonne) eine Preisreduzierung von 11% bedeutet. In Euro umgerechnet zeigte sich fast die gleiche Preisreduzierung durch eine kaum veränderte Währungsrelation von rund 11%.

2.3 Vergleichszeitraum

Im Lagebericht erfolgt eine Gegenüberstellung mit dem Zeitraum 1. April 2022 bis 31. März 2023 („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 für die konsolidierte Sicht aus NK und NCG ein Operatives EBITDA von EUR 96,7 Mio. (im Vergleichszeitraum EUR 65,7 Mio.) erzielt, welches oberhalb der Prognose von EUR 82,6 Mio. für das Geschäftsjahr lag. Das operative EBITDA der NCG verbesserte sich im Geschäftsjahr 2023/24 auf EUR 12,5 Mio. (i.Vj. EUR 0,7 Mio). Reduzierte Umsätze konnten durch verbesserte Umarbeitspreise und einen profitableren Produktmix kompensiert werden.

Die fakturierte Menge stellt einen bedeutenden nicht-finanziellen Leistungsindikator dar. Am Standort Voerde reduzierte sich die fakturierte Menge um 17,6 kt von 103,8 kt im Vorjahr auf 86,2 kt. Für den Standort Koblenz sinken die produzierten Tonnage ebenfalls und zwar um -9,0 kt von 172,0 kt auf 163,0 kt. Damit blieben die Mengen an beiden Standorten hinter den Plan-Erwartungen zurück. Ursächlich am Standort Voerde ist die Umstellung auf eine neue Brennertechnologie und eine damit einhergehende Produktionsunterbrechung. Am Standort Koblenz sind Ausfälle, Produktmixveränderungen und technische Störungen die Ursache.

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 2023/2024 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 wesentlicher Abnehmerin abhängig.

Beide Standorte bleiben hinter dem Vorjahr zurück. Ursächlich am Standort Voerde ist die Umstellung auf eine neue Brennertechnologie und eine damit einhergehende Produktionsunterbrechung. Am Standort Koblenz sind Ausfälle, Produktmixveränderungen und technische Störungen die Ursache.

Die Umsatzerlöse haben sich gegenüber dem Vergleichszeitraum um -28% reduziert. Der Rückgang ist insbesondere auf einen geringeren Verkauf an Aluminium Duffel BV (EUR -58 Mio. gegenüber Vj.) und geplante Stillstände zur Umrüstung der Schmelzöfen auf eine neue Brennertechnologie zurückzuführen. Auch der Rückgang des fakturierten Metallpreises von EUR -50 Mio. wirkt sich in der Umsatzbetrachtung negativ aus.

Der Materialaufwand verringert sich gegenüber dem Vergleichszeitraum um EUR 107,1 Mio. (etwa -34,5%). Die Reduzierung resultiert aus den zuvor erwähnten Volumenrückgängen beim Verkauf an Duffel und Koblenz und dem reduzierten Metallzukaufspreis.

Das Ergebnis nach Steuern ist gegenüber dem Vergleichszeitraum um EUR 2,5 Mio. gesunken und beläuft sich in diesem Geschäftsjahr auf EUR -5,5 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 14.770 (i. Vj. TEUR 55.848).

Der Cashflow aus laufender Geschäftstätigkeit veränderte sich im Geschäftsjahr 2023/24 auf TEUR -41.649 (i. Vj. TEUR 16.401), im Wesentlichen resultierend aus am Bilanzstichtag offenen Verbindlichkeiten aus Lieferungen und Leistungen und einer Zunahme der

Forderungen aus Lieferungen und Leistungen. Der Cashflow aus Investitionstätigkeit betrug TEUR -5.037 gegenüber TEUR -2.369 im Vorjahr. Die Veränderung ist auf gestiegene Investitionen in Schmelzöfen und Arbeitssicherheit im Geschäftsjahr zurückzuführen. Der Cashflow aus Finanzierungstätigkeit beträgt TEUR 5.607 (i. Vj. TEUR 2.506). Dies resultiert aus einer Umgliederung der Ergebnisabführung an die Novelis Koblenz GmbH aus dem Cashflow aus laufender Geschäftstätigkeit in den Cashflow aus Finazierungstätigkeit.

2.7 Vermögenslage

Die Bilanzsumme weist im Berichtsjahr eine Verringerung um TEUR 26.845 von TEUR 125.919 auf TEUR 99.073 aus.

Das Umlaufvermögen (Vorräte, Forderungen, liquide Mittel und übrige Aktiva) betrug TEUR 86.600 (i.Vj. TEUR 117.103). Hiervon betrugen die Vorräte TEUR 11.423 (i.Vj. TEUR 18.834) und die Forderungen und sonstigen Vermögensgegenstände TEUR 75.178 (i.Vj. TEUR 98.719).

Der starke Abbau des Umlaufvermögens im Vergleich zum Vorjahr um TEUR 30.503 resultiert im Wesentlichen aus geringeren Forderungen gegen verbundene Unternehmen, aufgrund einer geringeren Cash-Pool Forderung sowie aus stark reduzierten Beständen infolge der geringeren Produktionsmengen.

Auf der Passivseite erhöht sich die Eigenkapitalquote durch den Rückgang der Bilanzsumme auf 44,5% (i. Vj. 35,0%). Weiterhin sinken die Verbindlichkeiten aus Lieferungen und Leistungen aufgrund der geringeren Metallpreise und der geringeren Produktionsauslastung.

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 -2,5 Mio. auf EUR -5,5 Mio.

3. Chancen- und Risikobericht

3.1 Risikomanagement-System

Wie jedes Jahr hat die Novelis Inc. ihre Aktivitäten einer zentralen Koordinierung des Risikomanagements weiter optimiert.

Das Risikomanagement des Unternehmens ist ein strukturierter Prozess, der dem Unternehmen hilft bei der proaktiven Identifizierung von potenziellen Risiken, Ereignissen oder Trends, um daraufhin Aktionspläne zu entwickeln, die das Unternehmen in die Lage versetzt, seine Geschäftsziele zu erreichen. Die Schwerpunkte der Risikoidentifizierung liegen auf der Fertigung, den Regularien für Handel und Zoll, der Metallversorgung, der Lieferkette, Cybersecurity und Personal, sowie auf den externen und internen Einflussfaktoren. Die Säulen sind die Risikoidentifizierung, wobei jährlich durch Interviews eine Meldung wesentlicher

Risiken an das Management und den Prüfungsausschuss erfolgt. Dies wird auch an das lokale Management kommuniziert und soll zu einer verbesserten Risikokultur führen. Weiterhin werden Aktionen zur Minimierung oder Vermeidung von Risiken innerhalb der gesamten Novelis Gruppe geteilt.

3.2 Gegenüberstellung der Chancen und Risiken

Die von der NCG identifizierten Risiken und Potentiale werden in den Strategie- und Jahresplan der lokalen Berichtseinheiten mit aufgenommen und regelmäßig innerhalb des Jahres überprüft und an das lokale, europäische und weltweite Management kommuniziert.

Die Novelis Gruppe wendet die Anforderungen nach SOX 404 (Sarbanes Oxley Act) analog und freiwillig an. SOX 404 verlangt die Einrichtung eines funktionsfähigen internen Kontrollsystems und dessen Prüfung durch den Wirtschaftsprüfer.

Unternehmensbezogene Chancen und Risiken:

Risiken der NCG resultieren im Wesentlichen aus Beschaffungsmarktentwicklungen, Währungsveränderungen und spezifischen Kundenrisiken. Der Überfall auf die Ukraine belastet die Unternehmen immer noch durch höhere Energiekosten. Trotz der immer noch unsicheren Lage haben sich die Probleme in den Lieferketten entschärft.

Wir haben in den vergangenen Jahren gezeigt, dass wir die negativen Einflüsse des Russland-Ukraine-Konflikts mit unserem breiten Produktportfolio und Preissteigerungen an Kunden einigermaßen kompensieren konnten. Wir sind im engen Kontakt mit Kunden und Lieferanten, um potenzielle Auswirkungen auf Lieferungen, Absätze und Produktion zu erkennen, um geeignete Gegenmaßnahmen einzuleiten.

Erhöhen sich die Vormaterialpreise, ist es notwendig, diese Preissteigerungen zeitnah über die Verkaufspreise unserer Produkte weiterzugeben. Das Preisänderungsrisiko wird entweder von vornherein durch Kundenbeistellungen von Aluminium ausgeschlossen oder im Fall der eigenen Materialbeschaffung durch weitgehende Abstimmung der London Metal Exchange (LME)-Preisbasis für die Metalleinkauf- und Verkaufspreise auf ein vertretbares Risiko vermindert. Dies wird durch den Abschluss von Warentermingeschäften (LME Futures) erreicht. Wir arbeiten kontinuierlich daran, die Effektivität unseres Offset-Hedging Prozesses zu überprüfen und zu verbessern. Durch die frühzeitige und systematische Kontrolle von Kreditrisiken bei der Auftragsabwicklung blieben die Forderungsausfälle auf einem sehr niedrigen Niveau.

Die beiden letzten Geschäftsjahre haben 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 2023 insgesamt 735 Flugzeuge ausgeliefert (2019: 863, 2021: 611, 2022: 663) und bei Boeing waren es 528 (2018: 806, 2021: 340, 2022: 480).[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 2023 insgesamt 181 Flugzeuge ausgeliefert, was einem Anstieg von 13% und einer Rückkehr zur Normalität entspricht.[3] Die Marktnachfrage übersteigt auch weiterhin die verfügbaren Novelis Kapazitäten, was für das Geschäftsjahr 2023/24 Preissteigerungen gegenüber dem Geschäftsjahr 2022/23 und eine stabile Produktionsauslastung ermöglicht. 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 Geschäftsjahr ist aufgrund der verfügbaren Kapazitäten eine limitierte Absatzmenge geplant, die eine Fortsetzung der Portfolio-Optimierung und somit einen weiterhin positiven Einfluss auf erzielbare Preise ermöglicht.

Im Bereich der kommerziellen Platte war das letzte Fiskaljahr von starken Volumenrückgängen geprägt. Während das Geschäftsjahr 2022/23 ein Verkäufermarkt war, in der sehr hohe Preise erzielt wurden, hat sich dies in dem Geschäftsjahr 2023/24 gedreht. Zusätzlich existiert ein zunehmender Wettbewerb mit Marktteilnehmern aus den sog. Best-Price-Countries.

Die Auslastung am Standort Koblenz/Voerde ist differenziert. Die Nachfrage im Bereich Luftfahrt, übersteigt die Nachfrage unsere Produktionskapazitäten. Weil nicht alle Produkte mit denselben Anlagen produziert werden können, kann die aktuell geringe Nachfrage im Bereich der Kommerziellen Platte aber nur teils durch Luftfahrt-Produkte ersetzt werden.

Das Geschäft mit Automobilkunden und den damit verbundenen Wärmetauschern befindet sich seit mehreren Monaten in einer Seitwärtsphase. Die vorhandenen Kapazitäten sind nicht vollständig ausgelastet. 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

[2] https://flightplan.forecastinternational.com/2024/02/15/airbus-and-boeing-report-january-2024-commercial-aircraft-orders-and-deliveries/.

[3] https://www.embraer.com/global/en/news?slug=1207334-embraer-deliveries-increased-13-in-2023-and-backlog-reached-us187-billion-a-us12-billion-growth#:~:text=01%2F30%2F2024-,Embraer%20deliveries%20increased%2013%25%20in%202023%20and%20backlog%20reached%20US,a%20US%241.2%20billion%20growth&text=S%C3%A3o%20Jos%C3%A9%20dos%20Campos%20%E2%80%93%20SP,1%20military%20C%2D390%20jet.

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.

Wir sehen für das Jahr 2024 geringere Risiken der Inflation, die sich aus unserer Sicht auf einem niedrigeren Niveau bewegen wird. Im Energiebereich erwarten wir weiterhin höhere Preise als vor dem Ukraine Krieg, die wir versuchen durch die gemachten Preiserhöhungen an Kunden und Kosteneinsparungen zu kompensieren.

Im Zusammenhang mit den im Anhang unter „Haftungsverhältnisse“ gemachten Angaben zu den begebenen Sicherheiten bestehen Risiken aus einer möglichen Inanspruchnahme für die NCG. Allerdings wurden bis zum Zeitpunkt der Jahresabschlusserstellung keine Sicherheiten in Anspruch genommen und das Management erwartet dies auch im Geschäftsjahr 2024/2025 nicht, da davon ausgegangen wird, dass der ursprünglich Verpflichtete in der Lage sein wird, seine vertraglichen Verpflichtungen zu erfüllen.

4. Prognosebericht

4.1 Künftige gesamtwirtschaftliche Situation

Für 2024 wird ein Wirtschaftswachstum von 2,6% für die Weltwirtschaft erwartet, wobei für den Euroraum nur ein leichter Anstieg von 0,2% (Deutschland -0,2%), für die USA eine Steigerung von 0,6% und China um 4,7% erwartet wird.[4]

[4] Deutsche Bank Research (Dezember 2023)

4.2 Künftige Unternehmenssituation

Für das am 1. April 2024 begonnene Geschäftsjahr sehen wir für unsere Produkte weiterhin ein positives Marktumfeld, das auch von unseren Kunden in der Luftfahrt geteilt wird. Airbus hatte Ende 2023 offene Bestellungen für insgesamt 8.598 Flugzeuge, was einer Produktionskapazität von etwa zehn Jahren entspricht. Bei Boeing stand das Auftragsbuch per 31. Dezember 2023 auf 6.216 Flugzeugen. Insbesondere Airbus hat ambitionierte Pläne und möchte von der A320 Familie, der wichtigsten für das Unternehmen, im Jahr 2026 monatlich insgesamt 75 Flugzeuge bauen.[5]

Gleichwohl zeigen die jüngsten geopolitischen Ereignisse, dass die Entwicklung der gesamtwirtschaftlichen Lage mit hohen Unsicherheiten behaftet bleibt. Aufgrund dessen rechnen wir für das Geschäftsjahr vom 1. April 2024 bis 31. März 2025 der NCG mit

- einer leichten Erhöhung der fakturierten Menge insbesondere bei IC-Spezialitäten und Luftfahrtprodukten,
- einer ungünstigeren Kostenstruktur durch steigende Energiebezugskosten,
- einer verbesserten Produktionsauslastung durch eine Erholung in allen Bereichen und Synergien mit anderen Novelis-Standorten,
- einer Operating EBITDA Verbesserung für das kombinierte Geschäft der NCG und der der NK Bereich von 8%,
- einer leichten Operating EBITDA Verbesserung für das Geschäft der NCG,
- einen prognostizierten TRIR von 0,5.

Wir weisen darauf hin, dass nicht quantifizierbare Risiken, unter anderem Rohstoffkosten und Wechselkursveränderungen, das Operating EBITDA erheblich beeinflussen können.

Im Bereich Wärmetauscher geht das Unternehmen von einer Seitwärtsentwicklung der Kundenbedarfe aus, weshalb der Versandmengenausblick um -2% gegenüber dem Geschäftsjahr 2023/24 abgesenkt wird. Des Weiteren sieht das Unternehmen Wachstumspotentiale in dem hochpreisigen Produktbereich „Defense“.

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 +18% von 12.565 Flugzeugen Ende 2022 auf 14.814 Ende 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 2024/25 wird eine steigende Nachfrage an Luftfahrtprodukten von 8% erwartet.

[5] https://flightplan.forecastinternational.com/2024/02/15/airbus-and-boeing-report-january-2024-commercial-aircraft-orders-and-deliveries/

6 https://flightplan.forecastinternational.com/2024/01/15/airbus-and-boeing-report-december-and-full-year-2023-commercial-aircraft-orders-and-deliveries/

Lagebericht für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024
Novelis Casthouse Germany GmbH, Koblenz

Die Investitionstätigkeit wird im Geschäftsjahr 2024/2025 auf dem Niveau des Vorjahres liegen. Schwerpunkte werden Investitionen in die Arbeitssicherheit, die Produktivität unserer Gießereien und die zerstörungsfreie Prüfung unserer Luftfahrtprodukte 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“ (TRIR 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 2024/2025 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.

Koblenz, den 30. April 2024

Novelis Casthouse Germany GmbH

Folker Ohle Nils Leonhardt

Jahresabschluss für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

Novelis Casthouse Germany GmbH, Koblenz
Bilanz zum 31. März 2024

Aktiva		31.03.2024 EUR	31.03.2023 EUR
A.	**Anlagevermögen**		
I.	**Immaterielle Vermögensgegenstände**		
	Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	338.840	72.513
		338.840	72.513
II.	**Sachanlagen**		
1.	Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	1.901.051	1.915.219
2.	Technische Anlagen und Maschinen	5.837.535	3.292.542
3.	Andere Anlagen, Betriebs- und Geschäftsausstattung	1.325.940	1.271.392
4.	Geleistete Anzahlungen und Anlagen im Bau	2.983.701	2.160.499
		12.048.227	8.639.652
		12.387.067	8.712.165
B.	**Umlaufvermögen**		
I.	**Vorräte**		
1.	Roh-, Hilfs- und Betriebsstoffe	5.642.224	7.250.071
2.	Unfertige Erzeugnisse	135.748	127.112
3.	Fertige Erzeugnisse	5.644.589	11.006.532
		11.422.561	18.383.714
II.	**Forderungen und sonstige Vermögensgegenstände**		
1.	Forderungen aus Lieferungen und Leistungen	4.164.520	8.089.762
2.	Forderungen gegen verbundene Unternehmen davon gegen Gesellschafter EUR 14.209.262 (Vj. TEUR 29.455)	64.795.947	85.662.754
3.	Sonstige Vermögensgegenstände	6.217.189	4.966.815
		75.177.656	98.719.332
III.	**Kassenbestand**	138	782
		86.600.355	117.103.828
C.	**Rechnungsabgrenzungsposten**	86.326	103.170
		99.073.748	125.919.163

Passiva	31.03.2024 EUR	31.03.2023 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	11.051.041	11.465.324
2. Sonstige Rückstellungen	10.702.870	14.200.455
	21.753.911	25.665.779
C. Verbindlichkeiten		
1. Verbindlichkeiten aus Lieferungen und Leistungen	29.167.133	55.331.736
2. Verbindlichkeiten gegenüber verbundenen Unternehmen	3.774.476	301.645
3. Sonstige Verbindlichkeiten davon aus Steuern EUR 158.891 (Vj. TEUR 151) davon im Rahmen der sozialen Sicherheit EUR 3.036 (Vj. TEUR 7)	265.387	501.829
	33.206.996	56.135.210
D. Rechnungsabgrenzungsposten	0	5.333
	99.073.748	125.919.163

Novelis Casthouse Germany GmbH, Koblenz
Gewinn- und Verlustrechnung für die Zeit vom 1. April 2023 bis 31. März 2024

		01.04.2023- 31.03.2024 EUR	01.04.2022- 31.03.2023 EUR
1.	Umsatzerlöse	257.549.313	360.116.320
2.	Verminderung oder Erhöhung des Bestands an fertigen und unfertigen Erzeugnissen	-5.353.306	2.749.093
3.	Sonstige betriebliche Erträge	2.477.888	249.636
	davon Erträge aus der Währungsumrechnung EUR 180.868 (Vj. TEUR 26)		
		254.673.895	363.115.049
4.	Materialaufwand		
	a) Aufwendungen für Roh-, Hilfs- und Betriebsstoffe	184.413.792	284.245.627
	b) Aufwendungen für bezogene Leistungen	18.809.335	26.035.390
5.	Personalaufwand		
	a) Löhne und Gehälter	20.041.229	20.004.295
	b) Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung	4.790.814	4.939.599
	davon für Altersversorgung EUR 638.807 (Vj. TEUR 974)		
6.	Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen	1.362.233	887.155
7.	Sonstige betriebliche Aufwendungen	31.947.502	29.987.992
	davon Aufwendungen aus der Währungsumrechnung EUR 132.273 (Vj. TEUR 18)		
		261.364.905	366.100.058
8.	Sonstige Zinsen und ähnliche Erträge	1.346.901	231.684
	davon aus verbundenen Unternehmen EUR 1.273.216 (Vj. TEUR 249)		
9.	Zinsen und ähnliche Aufwendungen	203.365	253.891
	davon an verbundene Unternehmen EUR 64.772 (Vj. EUR 373) davon Aufwendungen aus der Abzinsung EUR 99.094 (Vj. TEUR 254)		
10.	Ergebnis nach Steuern	-5.547.474	-3.007.216
11.	Sonstige Steuern	62.157	67.588
12.	Erträge aus Verlustübernahme	-5.609.631	-3.074.804
13.	Jahresüberschuss/ Jahresfehlbetrag	0	0

Anhang zum Geschäftsjahr 1. April 2023 bis 31. März 2024 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 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 der 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, entsprechend ihrer Nutzungsdauer von 3 - 5 Jahren linear um pro rata -Abschreibungen vermindert. Zugänge im Berichtszeitraum werden zeitanteilig abgeschrieben. 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. Zugänge im Berichtszeitraum werden zeitanteilig 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.

Die im Umlaufvermögen ausgewiesenen Emissionsberechtigungen werden unter den Vorräten ausgewiesen. Unentgeltlich zugeteilte Emissionsberechtigungen werden nicht bilanziert. Für entgeltlich erworbene Emissionsberechtigungen wird das Niederstwertprinzip angewendet.

Rohstoffe, Walzbarren, halbfertige und fertige Produkte werden nach der gleitende 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 2024 in Höhe von insgesamt TEUR 0 (i. Vj. TEUR 683). 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) 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 64.796 (i. Vj. TEUR 85.663). Die Forderungen aus dem Cash-Pool-Vertrag betragen TEUR 14.770 (i. Vj. TEUR 55.848). Die Gesellschaft hat im Geschäftsjahr der Novelis Aluminium Holding Unlimited Company, Dublin ein Darlehen in Höhe von TEUR 35.000 gewährt. Das Darlehen hat eine Laufzeit von einem Jahr und wird mit 4% verzinst.

Aus der Verlustübernahme bestehen **Forderungen gegen Gesellschafter** in Höhe von TEUR 5.610 (i. Vj. TEUR 3.075). Die übrigen Forderungen betreffen den Liefer- und Leistungsverkehr.

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** in der Gesellschaft 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 1,83 % p.a. (i. Vj. 1,79 % p.a.) gemäß der Rückstellungsabzinsungsverordnung vom 18. November 2009 verwendet. Bei diesem Zinssatz handelt sich aufgrund der Regelung 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 1,80 % p.a. würde sich ein Erfüllungsbetrag vor Vermögensverrechnung von TEUR 11.344 ergeben. Der Unterschiedsbetrag im Sinne des § 253 Abs. 6 Satz 1 HGB beträgt zum Stichtag TEUR 75.

Die Bewertung des Verpflichtungsumfangs wird im Rahmen des § 253 Abs. 2 HGB auf Basis der, unverändert zum Vorjahr, folgenden Bewertungsgrundsätze und Rechnungsgrundlagen durchgeführt:

- Bewertungsverfahren: Projected Unit Credit (PUC) i.S.v. IAS 19
- Biometrie: Richttafel 2018 G
- Trend Renten: 1,00 % - 2,00 % (i. Vj. 1,00 % - 2,00 %)
- Trend Entgelte: 2,75 %

Gemäß Tarifvertrag Metall wurden die Gehälter um die feststehende Gehaltserhöhung angepasst. Diese beträgt ab 1. Mai 2024 3,3% und anschließend ab 2025 wird mit der Gehaltsdynamik von 2,75% fortgefahren.

Die Rückstellungen für Pensionen und ähnliche Verpflichtungen enthalten Rückstellungen der Zusatzverordnung von TEUR 10.864 (i. Vj. TEUR 11.291) sowie Rückstellungen gegen den Essener Verband von TEUR 179 (i. Vj. TEUR 167) und für Bolo TEUR 234 (i. Vj. TEUR 213).

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 226, i. Vj. TEUR 186). Bei den Vermögensgegenständen des Deckungsvermögens handelt es sich um einen Rückdeckungsversicherungsanspruch.

Das Deckungsvermögen beträgt zum 31. März 2024 im Total TEUR 226 (i. Vj. TEUR 1.275) und setzt sich zusammen aus ZVOII TEUR 0 (i. Vj. TEUR 1.069) und BOLO in Höhe von TEUR 226 (i. Vj. 206). Die ZVO II 2007 wurde aus den Büchern der Novelis Casthouse entfernt, da eine Bilanzierung nicht verpflichtend ist.

Die Aufwendungen des Jahres betragen für Bolo TEUR 21. Darin enthalten sind Zinsaufwendungen i.H.v. TEUR 4. 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 10.703 (i. Vj. TEUR 14.200) umfassen im Wesentlichen solche für ausstehende Rechnungen, die Herstellung betreffend (TEUR 5.745; i. Vj. TEUR 10.120), Altersteilzeit (TEUR 1.768 i. Vj. TEUR 1.173), Personalverpflichtungen (TEUR 1.171; i. Vj. TEUR 1.168), Urlaubsverpflichtungen (TEUR 809, i. Vj. TEUR 853) und Verpflichtungen für Jubiläen (TEUR 585; i. Vj. TEUR 533).

Die Rückstellungen für Jubiläumsgelder und Altersteilzeit wurden in Höhe des versicherungsmathematisch berechneten Rückstellungsbedarfs ermittelt. 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 1,80 % (i. Vj. 1,50% p.a.) und die Rückstellung für Altersteilzeit bei einer Restlaufzeit von zwei Jahren mit einem Zinssatz von 1,15 % (i.Vj. 0,64 % 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 3.774 (i. Vj. TEUR 302) 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 257.549. Diese verteilen sich wie folgt:

	01.04.2023-31.03.2024 TEUR	**01.04.2022-31.03.2023 TEUR**
Inland	180.681	227.977
Übriges Europa	76.868	132.139
Gesamt	**257.549**	**360.116**

Die Umsatzerlöse des Geschäftsjahres verteilen sich auf die folgenden Tätigkeitsbereiche:

	01.04.2023-31.03.2024 TEUR	**01.04.2022-31.03.2023 TEUR**
Walzbarren	198.232	290.954
Umarbeitung	58.019	52.539
Masseln	0	3.287
Sonstige	1.298	13.336
Gesamt	**257.549**	**360.116**

Unter den sonstigen Umsatzerlösen sind im Wesentlichen Erlöse aus Weiterbelastungen an verbundene Unternehmen enthalten.

Die **sonstigen betrieblichen Erträge** betragen TEUR 2.478 (i. Vj. TEUR 250). Sie beinhalten vorwiegend periodenfremde Erlöse aus der Korrektur einer Verbindlichkeit für Vorjahre TEUR 1.496 und Erstattung der Strompreiskompensation (hierbei handelt es sich um einen öffentlichen Zuschuss) in Höhe von TEUR 797, sowie Fremdwährungserträge (TEUR 181; i. Vj. TEUR 26).

Die **sonstigen betrieblichen Aufwendungen** in Höhe von TEUR 31.948 (i. Vj. TEUR 29.988) betreffen im Wesentlichen konzerninterne Weiterbelastungen in Höhe von TEUR 20.044 (i. Vj. TEUR 19.919).

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.

Im April 2020 wurden Darlehen in Höhe von 775 Mio. USD zur teilweisen Finanzierung der Übernahme von Aleris in Anspruch genommen. Nach der Tilgung wurden bis September 2023 noch 750 Mio. USD in Anspruch genommen. Im September 2023 wurde der Restbetrag von 750 Mio. USD durch neue Term Loans in Höhe von 750 Mio. USD refinanziert, wodurch sich das Fälligkeitsdatum bis September 2026 verlängerte.

Im März 2021 wurden neue Term Loans in Höhe von 500 Mio. USD ausgegeben, um einen Teil der 1,8 Mrd. USD Term Loan Facility zurückzuzahlen. Ein weiterer Teil davon wurde im März 2021 durch die Ausgabe einer grünen Anleihe in Höhe von 500 Mio. € (entspricht 588 Mio. USD) zurückgezahlt.

Von allen Term Loans verbleiben am Ende des Geschäftsjahres 2024 insgesamt 1,2 Mrd. USD.

Mit den 1.500 Mio. USD (ausgegeben im August 2021) und den 1.600 Mio. USD (ausgegeben im Januar 2020) sowie der Green Bonds in Höhe von 500 Mio. € (entspricht 543 Mio. USD per März 2023) wurden bis zum Ende des Geschäftsjahres 2023 insgesamt 3,6 Mrd. USD an Unternehmensanleihen ausgegeben.

Im August 2022 änderte Novelis die ABL-Revolver-Fazilität, um unter anderem die Verpflichtung unter dem ABL-Revolver um 500 Mio. USD auf 2,0 Mrd. USD 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.	973
Verpflichtungen aus Metalleinkaufs- und –verkaufskontrakten (saldiert)	222.011
Gesamtbetrag der sonstigen finanziellen Verpflichtungen:	**222.984**

Die Miet- und Leasingverträge enden zwischen sieben und 19 Monaten.

Verpflichtungen aus Mietverträgen 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 2013-2023 nach dem Treibhausgas-Emissionshandelsgesetz (TEHG) und der Zuteilungsverordnung 2020 (ZuV 2020) aus vorangegangenen Geschäftsjahren, stehen zum Stichtag 31. März 2024 mit 37.673 Emissionsberechtigungen zur Verfügung. Die Abgabeverpflichtung für das Kalenderjahr 2023 wurde von der Gesellschaft bereits erfüllt. Im Geschäftsjahr 2023/24 wurden 14.557 Emissionsberechtigungen zugekauft. Die verbleibenden Emissionsberechtigungen werden in die 5. Handelsperiode überführt und zum Ausgleich der EU ETS (European Trade System) Emissionen des Kalenderjahres 2024 eingesetzt.

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:

	01.04.2023 – 31.03.2024	**01.04.2022 – 31.03.2023**
Gewerbliche Mitarbeiter		
- davon am Standort Koblenz	192	188
- davon am Standort Voerde	109	109
Angestellte		
- davon am Standort Koblenz	14	12
- davon am Standort Voerde	13	12
Gesamt	**328**	**321**

Einführung der globalen Mindestbesteuerung

Mit der Einführung der Regelungen zur globalen Mindestbesteuerung in Deutschland, die auf einer OECD-Initiative basieren, soll eine effektive Mindeststeuer in Höhe von 15% weltweit sichergestellt werden. Diese Vorschriften werden auch unter dem Begriff Pillar 2 gefasst. In Deutschland wurden die entsprechenden Regelungen (nachfolgend auch als MinStG bezeichnet) am 15. Dezember 2023 durch den Bundesrat beschlossen und am 27. Dezember 2023 im Bundesgesetzblatt verkündet. Somit sind diese Regelungen am 28. Dezember 2023 in Kraft getreten und gelten erstmals für Abschlüsse, die nach dem 30. Dezember 2023 beginnen. Gemäß dem MinStG ist eine Ergänzungssteuer für jede Jurisdiktion zu zahlen, die einen effektiven Steuersatz unter 15% aufweist. Die Bestimmung des effektiven Steuersatzes nach dem MinStG ist sehr komplex und beinhaltet eine Vielzahl von spezifischen Anpassungen. Für Novelis finden diese Regelungen damit ab dem Wirtschaftsjahr 2025 Anwendung, welches am 1. April 2024 beginnt. Da das MinStG für das Geschäftsjahr 2023/24 für die Gesellschaft noch keine Anwendung findet, entsteht für das Geschäftsjahr 2023/24 keine Steuerbelastung aus dem MinStG.

Auf die Gesellschaft wird zukünftig grundsätzlich keine Steuermehrbelastung aus der nationalen Ergänzungssteuer entfallen, da sie weder oberste Muttergesellschaft noch Gruppenträgerin der Mindeststeuergruppe im Sinne der § 3 MinStG ist. Allerdings ist sie der Gruppenträgerin, die künftig entstehende Steuermehrbelastungen für alle in Deutschland belegenen Geschäftseinheiten zu tragen hat, zum Ausgleich für etwaige durch die Gesellschaft verursachte nationale Ergänzungssteuerbeträge verpflichtet.

Um den Einfluss für Deutschland ermitteln zu können, wurden von Novelis erste Berechnungsmodelle aufgestellt, die die verschiedenen Bestandteile der neuen Pillar 2 Regularien entsprechend berücksichtigen. Aufgrund der Komplexität der Anwendung der Pillar 2 Gesetzgebung und der Berechnung der möglichen steuerlichen Auswirkungen, sind derzeit die quantitativen und qualitativen Auswirkungen für zukünftige Geschäftsjahre noch nicht zuverlässig abschätzbar. Ab dem Wirtschaftsjahr 2025 sind durch diese Regelung zusätzliche Compliance-Verpflichtung in Form zusätzlicher Steuererklärungen zu berücksichtigen.

Geschäftsführung und Vertretung
Die Geschäftsführung setzte sich im Berichtszeitraum wie folgt zusammen:

- Anja Lambrecht, Director Human Resources, Hofheim (bis 6. Oktober 2023)
- Nils Leonhardt, Director Human Resources, Northeim (ab 6. Oktober 2023)
- Folker Ohle, Vice President Operations, Hofheim am Taunus

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.

Die Organträgerin der Gesellschaft hat mit Datum 01. Januar 2021 von der Novelis Deutschland Holding GmbH, Koblenz, auf die Novelis Aluminium Holding Unlimited Company Zweigniederlassung Deutschland, Göttingen, gewechselt. Es besteht eine ertragssteuerliche Organschaft.

Prüfungs- und Beratungsgebühren

Das für das Geschäftsjahr berechnete Gesamthonorar des Abschlussprüfers beträgt TEUR 75 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 30. April 2024

Novelis Casthouse Germany GmbH

Folker Ohle Nils Leonhardt

Entwicklung des Anlagevermögens 2023/ 2024

Novelis Casthouse Germany GmbH, Koblenz
Entwicklung des Anlagevermögens 2023/ 2024

	Anschaffungskosten				
	01.04.2023 EUR	Zugänge EUR	Abgänge EUR	Umbuchungen EUR	31.03.2024 EUR
I. Immaterielle Vermögensgegenstände					
1. Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	376.022	-6.010	0	461.325	831.337
2. Geschäfts- oder Firmenwert	153.000	0	0	0	153.000
	529.022	-6.010	0	461.325	984.337
II. Sachanlagen					
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	23.091.746	68.008	0	19.429	23.179.183
2. Technische Anlagen und Maschinen	7.703.539	2.663.585	204.008	533.223	10.696.339
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	2.851.479	227.601	-2.917	111.838	3.188.001
4. Geleistete Anzahlungen und Anlagen im Bau	2.160.499	1.949.017	0	-1.125.815	2.983.701
	35.807.263	4.908.211	201.091	-461.325	40.047.224
	36.336.285	**4.902.201**	**201.091**	**0**	**41.031.561**

Kumulierte Abschreibungen				Buchwerte	
01.04.2023 EUR	Zugänge EUR	Abgänge EUR	31.03.2024 EUR	31.03.2024 EUR	31.03.2023 EUR
303.509	188.988	0	492.497	338.840	72.513
153.000	0	0	153.000	0	0
456.509	188.988	0	645.497	338.840	72.513
21.176.527	101.605		21.278.132	1.901.051	1.915.219
4.410.997	788.252	-340.444	4.858.805	5.837.535	3.292.542
1.580.087	283.388	-1.414	1.862.061	1.325.940	1.271.392
0	0	0	0	2.983.701	2.160.499
27.167.611	1.173.245	-341.858	27.998.998	12.048.227	8.639.652
27.624.120	**1.362.233**	**-341.858**	**28.644.495**	**12.387.067**	**8.712.165**

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 2024 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 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 2023 bis zum 31. März 2024 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 2024 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 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 30. April 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
WIRTSCHAFTS-
PRÜFUNGS-
GESELLSCHAFT
SIEGEL
FRANKFURT AM MAIN

pwc digitally signed by

Christian Kwasni
Wirtschaftsprüfer

pwc digitally signed by

ppa. Jürgen Körbel
Wirtschaftsprüfer

Leerseite aus bindetechnischen Gründen

Novelis Casthouse Germany GmbH

Koblenz

Annual Financial Statements as of March 31, 2024
and Management Report for the Financial Year 2023/2024

Auditor's Report

(Translation - the German text is authoritative)

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Management Report for the fiscal year from April 1, 2023 to March 31, 2024
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. Individual EHS targets are determined at site level and for our employees by analyzing leading and lagging indicators. These targets support 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. This is underscored by the management's commitment to a “zero accident policy”. 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 now also available to all employees digitally. We have a strong external partner in “Korn Ferry” to assist with EHS training at the plants in 2023 and 2024. 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.

2. Economic report

2.1 Macroeconomic environment

The global economic slowdown continued in the fiscal year 2023/23. Russia's war against Ukraine is putting pressure on the global food and energy markets. In addition, monetary policy was tightened in many countries in response to the high inflation rates. Nevertheless, the global economy did not come to a complete standstill. Growth slowed at different paces in different countries. The US, Japan and several larger emerging markets proved quite resilient, whereas the high energy prices and restrictive monetary policy impacted the economy in the UK and Germany. In China, turbulence on the real estate market impeded investment, although the government countered this with stimulus measures. In its latest study, the International Monetary Fund (IMF) calculated the overall growth of the global economy at 3.0% for 2023 (2022: 3.4%). The US economy achieved growth of 2.4%, while economic growth in the eurozone declined to 0.4%. The German economy contracted by 0.3%. China again reported higher year-on-year growth, of 5.2% for the full year.[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 stable reporting year. There were fewer raw material shortages than in the previous year.

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 per month ranged from USD 2,134 per metric ton in August 2023 to USD 2,341 per metric ton in April 2023. The average price in the fiscal year was USD 2,202 per metric ton. The price of aluminum was quoted at USD 2,183 per metric ton on March 31, 2024, which represents a year-on-year price decrease of 11% (March 31, 2023: USD 2,471 per metric ton). This constitutes roughly the same price decrease when converted into euros (around 11%), because the changes in the exchange rate were negligible.

[1] Deutsche Bank Research

2.3 Comparative period

The management report includes a comparison with the period from April 1, 2022 to March 31, 2023 (“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 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). NK and NCG achieved operating EBITDA of EUR 96.7 million for their combined business in the fiscal year (comparative period: EUR 65.7 million), which was above the forecast of EUR 82.6 million for the fiscal year. The operating EBITDA of NCG improved to EUR 12.5 million in the fiscal year 2023/24 (comperative period: EUR 0.7 million).The reduced revenue was offset by improved reworking prices and a more profitable product mix.

The volume invoiced constitutes an important non-financial performance indicator. At the Voerde site, the volume invoiced decreased by 17.6 kt, from 103.8 kt in the previous year to 86.2 kt. The tonnage produced at the Koblenz site also declined, by 9.0 kt, from 172.0 kt to 163.0 kt. The volumes at both sites were therefore below expectations. At Voerde, this was attributable to the transition to new burner technology and the production interruption this caused. At Koblenz, it was a result of downtime, changes in the product mix, and technical disruptions.

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

NCG closed fiscal year 2023/2024 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 NK. The company is thus dependent on the future development of NK as its major customer.

Both sites performed less well than in the previous year. At Voerde, this was attributable to the transition to new burner technology and the production interruption this caused. At Koblenz, it was a result of downtime, changes in the product mix, and technical disruptions.

Sales revenue fell by 28% over the comparative period. This was primarily attributable to the decline in sales to Aluminium Duffel BV (EUR 58 million lower than in the prior year) and scheduled downtime to convert the furnaces to new burner technology. The EUR 50 million decline in invoiced metal prices also had a detrimental effect on sales.

Material expenses decreased by EUR 107.1 million (approx. -34.5%) over the comparative period, due in particular to the aforementioned decline in volume of sales to Duffel and Koblenz and the lower purchase price for metal.

After-tax earnings fell by EUR 2.5 million versus the comparative period and amount to EUR -5.5 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 14,770 thousand (prior year: EUR 55,848 thousand).

The operating cash flow changed in the fiscal year 2023/24 to EUR -41,649 thousand (prior year: EUR 16,401 thousand), largely as a result of the outstanding trade payables as of the balance sheet date and an increase in trade receivables. Cash flow from investing activities stood at EUR -5.037 thousand compared to EUR -2,369 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 was EUR 5,607 thousand (prior year: EUR 2,506 thousand). This resulted from a reclassification of the profit transfer to NK from operating cash flow to cash flow from financing activities.

2.7 Net assets

Total assets decreased by EUR 26,845 thousand during the reporting year, from EUR 125,919 thousand to EUR 99,073 thousand.

Current assets (inventories, receivables, liquid and other assets) amounted to EUR 86,600 thousand (prior year: EUR 117,103 thousand). This amount comprises inventories of EUR 11,423 thousand (prior year: EUR 18,834 thousand) and receivables and other assets of EUR 75,178 thousand (prior year EUR 98,719 thousand).

The dramatic year-over-year decline of EUR 30,503 thousand in current assets is mainly attributable to a decrease in receivables from affiliated companies due to a lower cash pool receivable, and to a sharp decline in inventories due to lower production volumes.

On the liabilities side, the equity ratio increased to 44.5% (prior year: 35.0%) due to the decline in total assets. Moreover, trade payables decreased due to the lower metal prices and decline in production.

2.8 Overall statement on the net assets, financial position and results of operations

Loss after tax deteriorated by EUR 2.5 million to EUR -5.5 million versus the comparative period due to the reasons cited in section 2.5.

3. Report on opportunities and risks

3.1 Risk management system

As every year, Novelis Inc. further optimized its central coordination activities in risk management.

A company's risk management is a structured process that helps the company to proactively identify potential risks, events and trends, in order to develop action plans that will enable the company to achieve its business objectives. The focus of risk identification is on production, trade and customs regulations, the metal supply, the supply chain, cybersecurity, staff, and internal and external influences. Risk identification forms the cornerstones, with material risks reported annually to the management and the audit committee via interviews. These are also reported to local management with the aim of improving the risk culture. Action to mitigate and avoid risks continues to be shared across the entire Novelis Group.

3.2 Comparison of opportunities and risks

The risks and potential identified by NCG are included in the strategic and annual plans of the local reporting entities, reviewed on a regular basis throughout the year and communicated to local, European and worldwide management.

The Novelis Group applies the requirements of SOX 404 (section 404 of the Sarbanes Oxley Act) analogously and voluntarily. SOX 404 requires companies to establish a functional internal control system, and have it audited by an auditor.

Company-related opportunities and risks:

NCG's risks mainly result from procurement market developments, exchange rate fluctuation and specific customer risks. The invasion of Ukraine is still putting pressure on companies due to increased energy costs. However, the problems in the supply chain have eased, although the situation is still uncertain.

We have shown in recent years that we are able to counteract the negative effects of the Russia-Ukraine conflict somewhat through our broad product portfolio and price increases for our customers. We are in close contact with customers and suppliers in order to recognize potential effects on deliveries, sales and production, and take appropriate action.

If the prices of primary commodities increase, it is important to pass these prices on quickly via the sale prices of our products. The price change risk is either ruled out from the start through provision of aluminum by customers or, in the case of own material procurement, reduced to an acceptable risk by largely basing metal purchase and sale prices on the London Metal Exchange (LME) prices. We do this by concluding LME futures. We are constantly working to review and improve the efficacy of our offset hedging process. Early and systematic control of credit risks in order processing keeps defaults to a minimum.

The last two fiscal years have 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 735 aircraft in 2023 (2019: 863, 2021: 611, 2022: 663) and Boeing delivered 528 (2018: 806, 2021: 340, 2022: 480).[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 181 aircraft in 2023, which represents an increase of 13% and a return to normality.[3] Market demand continues to exceed available Novelis capacity, enabling year-on-year price increases for the fiscal year 2023/24 and stable production capacity utilization. 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 achievable prices to be maintained.

The last fiscal year was shaped by significant volume declines in the commercial plate segment. Whereas the fiscal year 2022/23 was a seller's market with very high prices achieved, the trend reversed in the fiscal year 2023/24. There is also increasing competition with market participants from 'best price countries'.

Capacity utilization differs between the Koblenz and Voerde sites. Demand in the aviation segment 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 trending sideways for several months now. Existing capacities are not fully utilized. 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,

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[2] https://flightplan.forecastinternational.com/2024/02/15/airbus-and-boeing-report-january-2024-commercial-aircraft-orders-and-deliveries/.

[3] https://www.embraer.com/global/en/news?slug=1207334-embraer-deliveries-increased-13-in-2023-and-backlog-reached-us187-billion-a-us12-billion-growth#:~:text=01%2F30%2F2024-,Embraer%20deliveries%20increased%2013%25%20in%202023%20and%20backlog%20reached%20US,a%20US%241.2%20billion%20growth&text=S%C3%A3o%20Jos%C3%A9%20dos%20Campos%20%E2%80%93%20SP,1%20military%20C%2D390%20jet.

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.

We believe inflationary risk will ease in 2024, and that the inflation rate will remain at a lower level. We expect energy prices to remain higher than before the Ukraine war, and will endeavor to offset them through the price increases for customers already introduced and cost-cutting measures.

There are risks in connection with the collateral pledged as described in the “Contingent liabilities” section of the notes, in terms of the contingent liabilities materializing for NCG. However, no collateral had been realized by the time the financial statements were prepared, nor does the management expect this to happen in fiscal year 2024/2025, as the assumption is that the original obligor will be able to meet its contractual obligations.

4. Outlook report

4.1 Future macroeconomic situation

The global economy is expected to grow by 2.6% in 2024; the eurozone economy just slightly by 0.2% (Germany -0.2%); that of the USA by 0.6% and that of China by 4.7%.[4]

[4]Deutsche Bank Research (December 2023)

4.2 Future company situation

For the fiscal year that started on April 1, 2024, 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 8,598 aircraft at the end of 2023, which corresponds to the production capacity of about ten years. Boeing had an order book of 6,216 aircraft as of December 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 2026.[5]

Nevertheless, recent geopolitical events show that macroeconomic development remains subject to a high degree of uncertainty. For NCG's fiscal year from April 1, 2024 to March 31, 2025 we therefore expect:

- A slight increase in invoiced volume, particularly for IC specialties and aircraft products.
- A less favorable cost structure due to rising energy procurement costs.
- 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 NCG and NK of around 8%.
- A slight improvement in operating EBITDA for the business of NCG.
- A projected TRIR of 0.5.

Please note that the non-quantifiable risks, including commodity costs and exchange rate fluctuation, can considerably impact the operating EBITDA.

The company expects sideways development in customer demand for heat exchangers and has therefore reduced its shipping volume forecast by 2% compared with the fiscal year 2023/24. Furthermore, the company sees growth potential in the high-priced defense product area.

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 18%, from 12,565 planes at the end of 2022 to 14,814 at the end of 2023, 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 8% for the current fiscal year 2025.

Capital spending in the 2024/2025 fiscal year will be at the previous year's level. Priority areas are investments in occupational health and safety, productivity at our foundries, and non-

5 https://flightplan.forecastinternational.com/2024/02/15/airbus-and-boeing-report-january-2024-commercial-aircraft-orders-and-deliveries/

6 https://flightplan.forecastinternational.com/2024/01/15/airbus-and-boeing-report-december-and-full-year-2023-commercial-aircraft-orders-and-deliveries/

destructive testing of aviation products. 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 2024/2025 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.

Koblenz, April 30, 2024

Novelis Casthouse Germany GmbH

Folker Ohle   Nils Leonhardt

Annual Financial Statements
from April 1, 2023 to March 31, 2024

Novelis Casthouse Germany GmbH, Koblenz
Balance Sheet as of March 31, 2024

Assets		31.03.2024 EUR	31.03.2023 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	338,840	72,513
		338,840	72,513
II.	**Tangible fixed assets**		
1.	Land, land rights and buildings, including buildings on third-party land	1,901,051	1,915,219
2.	Technical equipment and machinery	5,837,535	3,292,542
3.	Other equipment, operating and office equipment	1,325,940	1,271,392
4.	Prepayments and assets under construction	2,983,701	2,160,499
		12,048,227	8,639,652
		12,387,067	8,712,165
B.	**Current Assets**		
I.	**Inventories**		
1.	Raw materials, consumables and supplies	5,642,224	7,250,071
2.	Unfinished goods	135,748	127,112
3.	Finished goods	5,644,589	11,006,532
		11,422,561	18,383,714
II.	**Receivables and other assets**		
1.	Trade receivables	4,164,520	8,089,762
2.	Receivables from affiliated companies of which from shareholders EUR 14,209,262 (prior year TEUR 29,455)	64,795,947	85,662,754
3.	Other assets	6,217,189	4,966,815
		75,177,656	98,719,332
III.	**Cash at hand**	138	782
		86,600,355	117,103,828
C.	**Prepaid expenses**	86,326	103,170
		99,073,748	125,919,163

Equity and liabilities		31.03.2024 EUR	31.03.2023 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	11,051,041	11,465,324
2.	Other provisions	10,702,870	14,200,455
		21,753,911	25,665,779
C.	**Liabilities**		
1.	Trade payables	29,167,133	55,331,736
2.	Liabilities to affiliated companies	3,774,476	301,645
3.	Other liabilities of which from taxes EUR 158,891 (prior year TEUR 151) of which from social security EUR 3,036 (prior year TEUR 7)	265,387	501,829
		33,206,996	56,135,210
D.	**Deferred income**	0	5,333
		99,073,748	125,919,163

Novelis Casthouse Germany GmbH, Koblenz
Income Statement for Fiscal Year April 1, 2023 - March 31, 2024

		April 1, 2023- March 31, 2024 EUR	April 1, 2022 - March 31, 2023 EUR
1.	Sales revenue	257,549,313	360,116,320
2.	Decrease/ Increase in finished goods inventories and work in progress	-5,353,306	2,749,093
3.	Other operating income of which from currency translation EUR 180,868 (prior year TEUR 26)	2,477,888	249,636
		254,673,895	363,115,049
4.	Material expenses		
	a) Cost of raw materials, consumables and supplies	184,413,792	284,245,627
	b) Expenses for services rendered	18,809,335	26,035,390
5.	Personnel expenses		
	a) Wages and salaries	20,041,229	20,004,295
	b) Social security, post-employment and other employee benefit costs of which post-employment benefits EUR 638,807 (prior year TEUR 974)	4,790,814	4,939,599
6.	Amortization and write-downs of intangible assets and depreciation and write-downs of tangible fixed assets	1,362,233	887,155
7.	Other operating expenses of which losses from currency translation EUR 132,273 (prior year EUR 18)	31,947,502	29,987,992
		261,364,905	366,100,058
8.	Other interest and similar income of which from affiliated companies EUR 1,273,216 (prior year TEUR 249)	1,346,901	231,684
9.	Interest and similar expenses of which to affiliated companies EUR 64,772 (prior year EUR 373) of which expenses from discounting EUR 99,094 (prior year TEUR 254)	203,365	253,891
10.	Profit after tax	-5,547,474	-3,007,216
11.	Other taxes	62,157	67,588
12.	Income from loss absorption	-5,609,631	-3,074,804
13.	Net income for the year	0	0

Notes to Financial Statements for Fiscal Year April 1, 2023 – March 31, 2024 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 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 are reduced by pro rata amortization on a straight-line basis in accordance with their useful life of 3–5 years. Additions in the reporting period are amortized pro rata temporis. 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. Additions in the reporting period are amortized pro rata temporis.

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.

The emission allowances recognized in current assets are presented under inventories. Emission allowances allocated free of charge are not accounted for. The lower of cost or market principle is applied to purchased emission allowances.

Raw materials, slabs, work in progress and finished goods are assessed according to the moving 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, 2024 totalling EUR 0 thousand (prior year: EUR 683 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), 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 64,796 thousand (prior year: EUR 85,663 thousand). Receivables from the cash pool agreement total EUR 14,770 thousand (prior year: EUR 55,848 thousand). The company granted a loan of EUR 35,000 thousand to Novelis Aluminium Holding Unlimited Company, Dublin in the fiscal year with a term of one year and an interest rate of 4%.

The assumption of losses gave rise to **receivables from shareholders** of EUR 5,610 thousand (prior year EUR 3,075 thousand). The other receivables consist of trade receivables.

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 52,000 thousand (prior year: EUR 52,000 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** in the company 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 1.83% p.a. (prior year: 1,79% p.a.) average market rate for an assumed residual term of 15 years pursuant to the Regulation on the Discounting of Provisions (*Rückstellungsabzinsungsverordnung*) dated November 18, 2009 was applied as a flat discount rate. Due to the 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 1.80% 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 11,344 thousand. The difference within the meaning of section 253 (6) sentence 1 HGB was EUR 75 thousand as at the balance sheet date.

As in the previous year, the measurement of the commitment volume was 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% - 2.00%)
- Salary trend: 2.75%

In accordance with the collective bargaining agreement for the metal industry, the salaries were adjusted by the salary increase determined. This amounts to 3.3% from May 1, 2024 and will continue at a rate of 2.75% from 2025.

The provisions for pensions and similar obligations include provisions relating to the supplementary regulation of EUR 10,864 thousand (prior year: EUR 11,291 thousand), provisions vis-à-vis the Essener Verband of EUR 179 thousand (prior year: EUR 167 thousand) and for BOLO of EUR 234 thousand (prior year: EUR 213 thousand).

The assets that are exempt from attachment by all other creditors and that solely serve to settle post-employment benefit obligations (cover assets as defined by section 246 (2) sentence 2 HGB) have been fully offset against the provisions at their fair value (EUR 226 thousand; prior year: EUR 186 thousand). The plan assets are a reinsurance claim.

The plan assets totalled EUR 226 thousand as of March 31, 2024 (prior year: EUR 1,275 thousand) and comprised EUR 0 thousand (prior year: EUR 1,069 thousand) for ZVOII and EUR 226 thousand (prior year: EUR 206 thousand) for BOLO. ZVOII 2007 has been removed from the Novelis Casthouse books as it is not required to be recognized in the accounts.

The expenses for the year for BOLO were EUR 21 thousand, of which EUR 4 thousand was interest expenses. The income for BOLO totalled 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 10,703 thousand (prior year: EUR 14,200 thousand) mainly comprise provisions for outstanding invoices that concern production (EUR 5,745 thousand; prior year: EUR 10,120 thousand), partial retirement (EUR 1,768 thousand; prior year: EUR 1,173 thousand), personnel obligations (EUR 1,171 thousand; prior year: EUR 1,168 thousand), vacation obligations (EUR 809 thousand; prior year: EUR 853 thousand) and anniversaries (EUR 585 thousand; prior year: EUR 533 thousand).

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 1.80% (prior year: 1.50% 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 1.15% (prior year: 0.64% 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 3,774 thousand (prior year: EUR 302 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.

Income statement disclosures

Sales revenue for the fiscal year amounts to EUR 257,549 thousand. This is broken down as follows:

	April 1, 2023 - March 31, 2024 EUR '000	April 1, 2022 - March 31, 2023 EUR '000
Domestic	180,681	227,977
Other Europe	76,868	132,139
Total	**257,549**	**360,116**

Sales revenue of the fiscal year is attributable to the following areas of activity:

	April 1, 2023 - March 31, 2024 EUR '000	April 1, 2022 - March 31, 2023 EUR '000
Slabs	198,232	290,954
Reworking	58,019	52,539
Ingots	0	3,287
Other	1,298	13,336
Total	**257,549**	**360,116**

Other sales revenue mainly comprises revenue from cost transfers to affiliated companies.

Other operating income amounted to EUR 2,478 thousand (prior year: EUR 250 thousand). It primarily comprises prior-period income from the correction of a liability for previous years in the amount of EUR 1,496 thousand and from electricity price compensation (via a public subsidy) of EUR 797 thousand, and foreign currency income of EUR 181 thousand (prior year: EUR 26 thousand).

Other operating expenses of EUR 31,948 thousand (prior year: EUR 29,988 thousand) mainly comprise intragroup cost transfers of EUR 20,044 thousand (prior year: EUR 19,919 thousand).

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.
Loans in the amount of USD 775 million were taken out in April 2020 to partially finance the takeover of Aleris. After they were repaid, a further USD 750 million was borrowed until September 2023. The remaining balance of USD 750 million was refinanced in September 2023 with new term loans of USD 750 million, which extended the due date until September 2026.
New term loans were issued in March 2021 in the amount of USD 500 million in order to repay part of the USD 1.8 billion term loan facility. A further portion was repaid in March 2021 through the issuance of a green bond in the amount of EUR 500 million (equivalent to USD 588 million).
A total of USD 1.2 billion from all the term loans remains at the end of fiscal year 2024.
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 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.	973
Obligations from metal purchasing and sales contracts (net)	222,011
Total other financial obligations:	**222,984**

The rental and lease agreements have terms ranging from 7 to 19 months.

The obligations from rental 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 2013-2023 allocation period in accordance with the Greenhouse Gas Emissions Trading Act (*Treibhausgas-Emissionshandelsgesetz* – TEHG) and the 2020 Allocation Regulation (*Zuteilungsverordnung 2020* – ZuV 2020) of 37,673 from past fiscal years are available as of the reporting date March 31, 2024. The company has already complied with its surrender obligations for calendar year 2023. A total of 14,557 emission allowances were purchased in the fiscal year, The remaining allowances were transferred to the 5th trading period and used to offset EU ETS (European Trade System) emissions for calendar year 2024.

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, 2023 – March 31, 2024	April 1, 2022 – March 31, 2023
Wage-earning employees		
- at the Koblenz site	192	188
- at the Voerde site	109	109
Salaried employees		
- at the Koblenz site	14	12
- at the Voerde site	13	12
Total	**328**	**321**

Introduction of global minimum taxation

The introduction in Germany of rules on global taxation, based on an OECD initiative, is intended to ensure an effective minimum taxation rate of 15% worldwide. These provisions are also referred to as Pillar 2. The corresponding regulations (hereinafter also referred to as MinStG) were adopted in Germany by the Bundesrat on December 15, 2023 and published in the Federal Law Gazette on December 27, 2023. The regulation thus entered into effect as of December 28, 2023 and will first apply to financial statements starting after December 30, 2023. Pursuant to the MinStG, a supplementary tax is payable in every jurisdiction with an effective tax rate of below 15%. Determining the effective tax rate in line with the MinStG is rather complex and includes a large number of specific adjustments. These regulations therefore apply to Novelis from fiscal year 2025, which begins on April 1, 2024. As the MinStG does not yet apply to the company for the 2023/24 fiscal year, there is no tax charge under the MinStG for the 2023/24 fiscal year.

The company will not incur any additional tax burden from the national supplementary tax in future, as it is neither the ultimate parent company nor the minimum tax group parent within the meaning of section 3 MinStG. However, it is required to compensate the minimum tax group parent which will bear any future additional tax charges for all business units located in Germany for any additional national tax amounts it causes.

Novelis has set up initial calculation models that take into account the various components of the new Pillar 2 regulations in order to determine the effects for Germany. The qualitative and quantitative effects for future fiscal years cannot yet be reliably estimated because of the complexity of applying the Pillar 2 legislation and determining the potential tax impact. Additional compliance obligations in the form of additional tax returns will apply from fiscal year 2025 due to these regulations.

Management and representation

The management team consisted of the following executives in the reporting period:

- Anja Lambrecht, Director Human Resources, Hofheim (until October 6, 2023)
- Nils Leonhardt, Director Human Resources, Northeim (from October 6, 2023)
- Folker Ohle, Vice President Operations, Hofheim am Taunus

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.

The controlling company of the company changed from Novelis Deutschland Holding GmbH, Koblenz, to Novelis Aluminium Holding Unlimited Company Zweigniederlassung Deutschland, Göttingen, with effect from January 1, 2021. There is an income tax consolidation group.

Audit and consulting fees

The total fee for the auditor billed for the fiscal year was EUR 75,000 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, April 30, 2024

Novelis Casthouse Germany GmbH

Folker Ohle Nils Leonhardt

Movement in Fixed Assets

(Appendix to the Notes)

Novelis Casthouse Germany GmbH, Koblenz
Movement in Fixed Assets

		Acquisition costs				
		01.04.2023 EUR	Additions EUR	Disposals EUR	Reclassifications EUR	31.03.2024 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	376,022	-6,010	0	461,325	831,337
2.	Goodwill	153,000	0	0	0	153,000
		529,022	-6,010	0	461,325	984,337
II.	**Tangible fixed assets**					
1.	Land, land rights and buildings, including buildings on third-party land	23,091,746	68,008	0	19,429	23,179,183
2.	Technical equipment and machinery	7,703,539	2,663,585	204,008	533,223	10,696,339
3.	Other equipment, operating and office Equipment	2,851,479	227,601	-2,917	111,838	3,188,001
4.	Prepayments and assets under construction	2,160,499	1,949,017	0	-1,125,815	2,983,701
		35,807,263	4,908,211	201,091	-461,325	40,047,224
		36,336,285	**4,902,201**	**201,091**	**0**	**41,031,561**

Cumulative depreciation				Carrying amounts	
01.04.2023 EUR	Additions EUR	Disposals EUR	31.03.2024 EUR	31.03.2024 EUR	31.03.2023 EUR
303,509	188,988	0	492,497	338,840	72,513
153,000	0	0	153,000	0	0
456,509	188,988	0	645,497	338,840	72,513
21,176,527	101,605		21,278,132	1,901,051	1,915,219
4,410,997	788,252	-340,444	4,858,805	5,837,535	3,292,542
1,580,087	283,388	-1,414	1,862,061	1,325,940	1,271,392
0	0	0	0	2,983,701	2,160,499
27,167,611	1,173,245	-341,858	27,998,998	12,048,227	8,639,652
27,624,120	**1,362,233**	**-341,858**	**28,644,495**	**12,387,067**	**8,712,165**

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 2024, and the statement of profit and loss for the financial year from 1 April 2023 to 31 March 2024 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 2023 to 31 March 2024.

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 2024 and of its financial performance for the financial year from 1 April 2023 to 31 March 2024 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, 30 April 2024

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 2024

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN
ABSCHLUSSPRÜFERS

Inhaltsverzeichnis Seite

Jahresabschluss für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

Novelis Deutschland Holding GmbH, Koblenz
Bilanz zum 31. März 2024

AKTIVA		31.3.2024	31.3.2023
	EUR	EUR	TEUR
A. ANLAGEVERMÖGEN			
Finanzanlagen			
Anteile an verbundenen Unternehmen	359.029.135		359.029
		359.029.135	359.029
B. UMLAUFVERMÖGEN			
Forderungen und sonstige Vermögensgegenstände			
1. Forderungen gegen verbundene Unternehmen	66.423.713		78.633
2. Sonstige Vermögensgegenstände	171.834		15
		66.595.547	78.648
		425.624.682	**437.677**

PASSIVA	EUR	31.3.2024 EUR	31.3.2023 TEUR
A. EIGENKAPITAL			
I. Gezeichnetes Kapital	25.000		25
II. Kapitalrücklage	504.440.498		569.440
III. Verlustvortrag	-161.425.435		-263.510
IV. Jahresüberschuss	58.849.785		102.084
		401.889.848	408.039
B. RÜCKSTELLUNGEN			
1. Steuerrückstellungen	4.714.868		9.194
2. Sonstige Rückstellungen	569.966		1.980
		5.284.834	11.174
C. VERBINDLICHKEITEN			
Verbindlichkeiten gegenüber verbundenen Unternehmen	18.450.000		18.464
		18.450.000	18.464
		425.624.682	**437.677**

Novelis Deutschland Holding GmbH, Koblenz
Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

		01.4.2023- 31.3.2024 EUR	01.4.2022- 31.3.2023 TEUR
1.	Sonstige betriebliche Erträge davon aus Währungsumrechnung EUR 272 (Vj. TEUR 0)	272	64
2.	Sonstige betriebliche Aufwendungen davon aus Währungsumrechnung EUR 0 (Vj. TEUR 1)	398.420	226
		-398.148	**-162**
3.	Sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 1.250.243 (Vj. TEUR 2.544)	1.278.294	4.413
4.	Zinsen und ähnliche Aufwendungen davon an verbundene Unternehmen EUR 599.625 (Vj. TEUR 2.270)	757.961	2.270
5.	Erträge aus Gewinnabführungsvertrag	58.755.743	77.948
		58.877.929	**79.929**
6.	Steuern vom Einkommen und vom Ertrag	28.144	-22.155
7.	**Jahresüberschuss**	**58.849.785**	**102.084**

Anhang zum Jahresabschluss für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

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 der 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 Unternehmensregister veröffentlicht.

Bilanzierungs- und Bewertungsgrundsätze sowie Bilanzerläuterungen

Für die Aufstellung des vorliegenden Jahresabschlusses für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024 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 7.311.998 (i. Vj. TEUR 645). Es bestehen Forderungen gegen die Tochtergesellschaft Novelis Koblenz GmbH, Koblenz, aus der dem Beherrschungs- und Gewinnabführungsvertrag zugrundeliegenden Gewinnabführungsverpflichtung von EUR 58.755.743 (Vorjahr TEUR 77.948). Die Gewinnabführungsverpflichtung resultiert aus dem vorliegenden Geschäftsjahr. Weiterhin bestand im Vorjahr eine Nachforderung gegen die Gesellschafterin aus der Verlustausgleichsverpflichtung für das Rumpfgeschäftsjahr 2021 von TEUR 39. Zusätzlich bestehen zum Geschäftsjahresende Forderungen gegen die Novelis Aluminium Holding i.H.v. EUR 355.973 (Vj. TEUR 0).

Das **Stammkapital** der Gesellschaft in Höhe von EUR 25.000 wird gehalten von der Novelis Deutschland GmbH, Göttingen und ist voll eingezahlt.

Im Berichtszeitraum erfolgte eine Ausschüttung aus der frei verfügbaren **Kapitalrücklage** im Sinne von § 272 Abs. 2 Nr. 4 HGB in Höhe von TEUR 65.000.

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 **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 werden abgezinst.

Die **Verbindlichkeiten** sind zu ihrem Erfüllungsbetrag bewertet und entstammen mit EUR 18.450.000 (Vorjahr TEUR 18.450) aus einem Darlehen mit verbundenen Unternehmen.

Erläuterungen zur Gewinn- und Verlustrechnung

Die **sonstigen Zinsen und ähnlichen Erträge** betreffen mit TEUR 124 Zinserträge aus dem Ausgleich des Ergebnisausgleichs durch die Novelis Koblenz GmbH und die Novelis Deutschland GmbH für das FY 2023 (im Vorjahr TEUR 2.543) sowie mit TEUR 1.127 Zinserträge im Rahmen des Cashpools. Im Vorjahr waren noch TEUR 1.724 aus der Auflösung des Zinsanteils der aufgelösten Steuerrückstellungen enthalten.

Die **Zinsen und ähnlichen Aufwendungen** betreffen mit TEUR 600 Darlehenszinsen gegenüber der Novelis Koblenz GmbH sowie mit TEUR 158 Zinsen auf Steuern. Die Zinsen und ähnlichen Aufwendungen des Vorjahres betrafen mit TEUR 1.253 Zinsaufwendungen gegenüber der Novelis Koblenz GmbH aus Darlehenszins und Zinsen auf Ergebnisabführung für das FY 2022 sowie mit TEUR 1.017 den Zinsaufwand im Rahmen das Cashpools.

Die **Erträge aus der Ergebnisabführung** in Höhe von TEUR 58.756 resultieren aus dem positiven Ergebnis der Novelis Koblenz GmbH (Vj. TEUR 77.948).

Einführung der globalen Mindestbesteuerung

Mit der Einführung der Regelungen zur globalen Mindestbesteuerung in Deutschland, die auf einer OECD-Initiative basieren, soll eine effektive Mindeststeuer in Höhe von 15% weltweit sichergestellt werden. Diese Vorschriften werden auch unter dem Begriff Pillar 2 gefasst. In Deutschland wurden die entsprechenden Regelungen (nachfolgend auch als MinStG bezeichnet) am 15.12.2023 durch den Bundesrat beschlossen und am 27. Dezember 2023 im Bundesgesetzblatt verkündet. Somit sind diese Regelungen am 28.12.2023 in Kraft getreten und gelten erstmals für Abschlüsse, die nach dem 30.12.2023 beginnen. Gemäß dem MinStG ist eine Ergänzungssteuer für jede Jurisdiktion zu zahlen, die einen effektiven Steuersatz unter 15% aufweist. Die Bestimmung des effektiven Steuersatzes nach dem MinStG ist sehr komplex und beinhaltet eine Vielzahl von spezifischen Anpassungen. Für Novelis finden diese Regelungen damit ab dem Wirtschaftsjahr 2025 Anwendung, welches am 1.4.2024 beginnt. Da das MinStG für das Geschäftsjahr 2023/24 für die Gesellschaft noch keine Anwendung findet, entsteht für das Geschäftsjahr 2023 keine Steuerbelastung aus dem MinStG.

Auf die Gesellschaft wird zukünftig grundsätzlich keine Steuermehrbelastung aus der nationalen Ergänzungssteuer entfallen, da sie weder oberste Muttergesellschaft noch Gruppenträgerin der Mindeststeuergruppe im Sinne der § 3 MinStG ist. Allerdings ist sie der Gruppenträgerin, die künftig entstehende Steuermehrbelastungen für alle in Deutschland belegenen Geschäftseinheiten zu tragen hat, zum Ausgleich für etwaige durch die Gesellschaft verursachte nationale Ergänzungssteuerbeträge verpflichtet.

Um den Einfluss für Deutschland ermitteln zu können, wurden von Novelis erste Berechnungsmodelle aufgestellt, die die verschiedenen Bestandteile der neuen Pillar 2 Regularien entsprechend berücksichtigen. Aufgrund der Komplexität der Anwendung der Pillar 2 Gesetzgebung und der Berechnung der möglichen steuerlichen Auswirkungen, sind derzeit die quantitativen und qualitativen Auswirkungen für zukünftige Geschäftsjahre noch nicht zuverlässig abschätzbar. Ab dem Wirtschaftsjahr 2025 sind durch diese Regelung zusätzliche Compliance-Verpflichtung in Form zusätzlicher Steuererklärungen zu berücksichtigen.

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 Supply Chain 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 2024 ist:

	Anteil (%)
Novelis Deutschland GmbH, Göttingen	100,00

Nachtragsbericht

Vorgänge von besonderer Bedeutung nach dem Schluss des Geschäftsjahres haben sich nicht ereignet.

Haftungsverhältnisse

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 750 Mio US$ per September 2023. Im September 2023 wurden diese 750 Mio US$ refinanziert mit neuen Term Loans in Höhe von 750 Mio US$, mit gleichzeitiger Verlängerung der Fälligkeit auf September 2026.

Im März 2021 wurden 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.

Von allen Term Loans verbleiben am Ende des Geschäftsjahres 2024 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 den Green Bonds in Höhe von 500 Mio. € (entspricht 540 Mio. US$ per März 2024) 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 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.

Der Ergebnisabführungsvertrag zwischen der Novelis Koblenz GmbH, Koblenz, und der Novelis Deutschland Holding GmbH, Koblenz, ist aufrecht zu erhalten.

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, 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.

Koblenz, den 30. April 2024

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 2024 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 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 2024 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024.

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.

Frankfurt am Main, den 30. April 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
WIRTSCHAFTS-PRÜFUNGS-GESELLSCHAFT
SIEGEL
FRANKFURT AM MAIN

pwc digitally signed by
Christian Kwasni
Wirtschaftsprüfer

pwc digitally signed by
ppa. Jürgen Körbel
Wirtschaftsprüfer

Leerseite aus bindetechnischen Gründen

Novelis Deutschland Holding GmbH
Koblenz

Annual Financial Statements as of March 31, 2024

INDEPENDENT AUDITOR'S REPORT

(Translation - the German text is authoritative)

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April 1, 2023 to March 31, 2024

Novelis Deutschland Holding GmbH, Koblenz
Balance Sheet as of March 31, 2024

Assets			March 31, 2024	March 31, 2023
		EUR	EUR	kEUR
A.	**Fixed Assets**			
	Long-term financial assets			
	Shares in affiliated companies	359,029,135		359,029
			359,029,135	359,029
B.	**Current Assets**			
	Receivables and other assets			
1.	Receivables from affiliated companies	66,423,713		78,633
2.	Other assets	171,834		15
			66,595,547	78,648
			425,624,682	**437,677**

Equity and liabilities		March 31, 2024	March 31, 2023
	EUR	EUR	kEUR
A. Equity			
I. Subscribed capital	25,000		25
II. Capital reserve	504,440,498		569,440
III. Loss carried forward	-161,425,435		-263,510
IV. Net income for the year	58,849,785		102,084
		401,889,848	408,039
B. Provisions			
1. Provisions for taxes	4,714,868		9,194
2. Other provisions	569,966		1,980
		5,284,834	11,174
C. Liabilities			
Liabilities to affiliated companies	18,450,000		18,464
		18,450,000	18,464
		425,624,682	**437,677**

Novelis Deutschland Holding GmbH, Koblenz
Income Statement for Financial Year April 1, 2023 - March 31, 2024

		April 1, 2023- March 31, 2024 EUR	April 1, 2022- March 31, 2023 kEUR
1.	Other operating income of which from currency translation EUR 272 (prior year kEUR 0)	272	64
2.	Other operating expenses of which from currency translation EUR 0 (prior year kEUR 1)	398,420	226
		-398,148	**-162**
3.	Other interest and similar income of which from affiliated companies EUR 1.250.243 (prior year kEUR 2.544)	1,278,294	4,413
4.	Interest and similar expenses of which from affiliated companies EUR 599.625 (prior year kEUR 2.270)	757,961	2,270
5.	Profit from profit transfer agreements	58,755,743	77,948
		58,877,928	**79,929**
6.	Income taxes	28,144	-22,155
7.	Profit after tax	58,849,784	102,084

Notes to the Financial Statements for Financial Year

April 1, 2023 to March 31, 2024

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 aluminium and aluminium 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 apply for the preparation of these annual financial statements for the fiscal year from April 1, 2023 to March 31, 2024. 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 7,311,998 (prior year: kEUR 645). Receivables from the subsidiary Novelis Koblenz GmbH, Koblenz, from the profit transfer obligation under the control and profit transfer agreement amount to EUR 58,755,743 (previous year: kEUR 77,948). The profit transfer obligation results from the fiscal year ended on March 31, 2024. In the previous year, there was also an additional claim of kEUR 39 against the shareholder from the loss compensation obligation for the short financial year 2021. In addition, there were receivables from Novelis Aluminium Holding in the amount of EUR 355,973 (previous year: kEUR 0) at the end of the financial year.

The company's **share capital** in the amount of EUR 25,000 is held by Novelis Deutschland GmbH, Göttingen and is fully paid up.

In the reporting period, a distribution was made from the freely available capital reserve within the meaning of within the meaning of Section 272 (2) No. 4 HGB in the amount of kEUR 65,000.

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.

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. Provisions with a residual term of more than one year are discounted.

Liabilities are measured at their settlement amount. EUR 18,450,000 (prior year: kEUR 18,450) of the liabilities results from a loan with affiliated companies.

Income statement disclosures

Other interest and similar income includes EUR 124 thousand in interest income from compensation via profit/loss transfers by Novelis Koblenz GmbH and Novelis Deutschland GmbH for FY 2023 (prior year: kEUR 2,543) and EUR k1,127 from interest income through the cash pool. In the previous year, kEUR 1,724 from the reversal of the interest portion of the reversed tax provisions.

Other interest and similar expenses includes kEUR 600 in loan interest owed to Novelis Koblenz GmbH, and kEUR 158 in interest on taxes. The other interest and similar expenses in the previous year included interest expenses of kEUR 1,253 to Novelis Koblenz GmbH from loan interest and interest on profit transfer for FY 2022 and kEUR 1,017 in interest expenses in connection with the cash pool.

Income from profit transfer of kEUR 58,756 results from Novelis Koblenz GmbH's net profit (prior year: kEUR 77,948).

Introduction of global minimum taxation

The introduction in Germany of rules on global taxation, based on an OECD initiative, is intended to ensure an effective minimum taxation rate of 15% worldwide. These provisions are also referred to as Pillar 2. The corresponding regulations (hereinafter also referred to as MinStG) were adopted in Germany by the Bundesrat on December 15, 2023 and published in the Federal Law Gazette on December 27, 2023. The regulation thus entered into effect as of December 28, 2023 and will first apply to financial statements starting after December 30, 2023. Pursuant to the MinStG, a supplementary tax is payable in every jurisdiction with an effective tax rate of below 15%. Determining the effective tax rate in line with the MinStG is rather complex and includes a large number of specific adjustments. These regulations therefore apply to Novelis from fiscal year 2025, which begins on April 1, 2024. As the MinStG does not yet apply to the company for the 2023/24 fiscal year, there is no tax charge under the MinStG for the 2023 fiscal year.

The company will not incur any additional tax burden from the national supplementary tax in future, as it is neither the ultimate parent company nor the minimum tax group parent within the meaning of section 3 MinStG. However, it is required to compensate the minimum tax group parent which will bear any future additional tax charges for all business units located in Germany for any additional national tax amounts it causes.

Novelis has set up initial calculation models that take into account the various components of the new Pillar 2 regulations in order to determine the effects for Germany. The qualitative and quantitative effects for future fiscal years cannot yet be reliably estimated because of the complexity of applying the Pillar 2 legislation and determining the potential tax impact. Additional compliance obligations in the form of additional tax returns will apply from fiscal year 2025 due to these regulations.

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 Supply Chain 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 of March 31, 2024 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

Term loans of USD 775 million were taken out in April 2020 to fund part of the consideration for the acquisition of Aleris. After partial repayment, USD 750 million remains outstanding as of September 2023. This amount was refinanced in September 2023 with new term loans of USD 750 million, and the term extended until September 2026.

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).

A total of USD 1.2 billion from all the term loans remains at the end of fiscal year 2024.

A total of USD 3.6 billion in corporate bonds was issued by the end of fiscal year 2023, comprising 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 540 million as of March 2024).

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 company has assigned all receivables to the secured parties as collateral (blanket assignment). The receivables may not be encumbered in favour of third parties. The secured parties must be notified of any attachments without delay.

The profit and loss transfer agreement between Novelis Koblenz GmbH, Koblenz, and Novelis Deutschland Holding GmbH, Koblenz, is to remain in effect.

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, April 30, 2024

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 2024, and the statement of profit and loss for the financial year from 1 April 2023 to 31 March 2024 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 2024 and of its financial performance for the financial year from 1 April 2023 to 31 March 2024 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, 30 April 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd.) Christian Kwasni Wirtschaftsprüfer (German Public Auditor)	(sgd.) ppa. Jürgen Körbel Wirtschaftsprüfer (German Public Auditor)

Testatsexemplar

Novelis Koblenz GmbH
Koblenz

Jahresabschluss zum 31. März 2024
und Lagebericht für das Geschäftsjahr
vom 1. April 2023 bis zum 31. März 2024

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN
ABSCHLUSSPRÜFERS

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Lagebericht für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024
Novelis Koblenz GmbH, Koblenz

1. Geschäfts- und Rahmenbedingungen

1.1 Gegenstand des Unternehmens

Die Novelis Koblenz GmbH, Koblenz (im Folgenden „NK“, „Novelis“ oder die „Gesellschaft“), ist ein Lieferant von Aluminiumprodukten für die Luft- und Raumfahrtindustrie sowie ein Anbieter von Aluminium-Halbzeugen. Dabei sind die gefertigten Bleche, Platten und Bänder keine Massenware, sondern hochspezialisierte Produkte aus mehr als 100 verschiedenen Legierungen für Anwendungen in allen Industriebereichen. Hauptabsatzmärkte sind im Wesentlichen die Luftfahrtindustrie, der Wärmetauschermarkt sowie andere industrielle Anwendungen. Die Gesellschaft betreibt ihr Geschäft am Standort Koblenz.

1.2 Umwelt, Gesundheit und Sicherheit

Bei Novelis 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 von Novelis 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. Durch Analyse von Leading- und Laggingindikatoren werden individuelle EHS-Ziele auf Standortebene sowie für unsere Mitarbeiter abgeleitet. Diese unterstützen in allen Geschäftsbereichen verbindliche Vorgaben mit der Zielsetzung, 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. Dieses wird deutlich durch das Bekenntnis der Geschäftsführung zu einer „Null-Unfall-Politik“ hervorgehoben. 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 nun auch digital allen Mitarbeitern zur Verfügung. Mit „Korn Ferry" haben wir einen starken externen Partner, welcher 2023 und 2024 die Werke im Bereich EHS Schulungen unterstützt. 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. Novelis 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.

1.3 Forschung und Entwicklung

Die Forschung und Entwicklung der Region Novelis Europe ist im Wesentlichen an drei Standorten gebündelt, mit dem Ziel, sich durch mehr Kundennähe, Innovations- und Umsetzungsgeschwindigkeit vom Wettbewerb abzuheben. Das Research & Development Center im Werk Göttingen betreut die Marktsegmente Can, Speciality und Recycling, während die Einrichtung im Werk Sierre, Schweiz, für die Marktsegmente Automotive tätig ist.

Im Innovationszentrum Koblenz entwickelt Novelis neue Produkte für die Anwendungsgebiete Luftfahrt, Platten und lotplattierte Bänder. Mit dieser Einrichtung soll die beständige Vorreiterrolle der anspruchsvollen Produkte auf dem Weltmarkt auch zukünftig sichergestellt werden. Auch die übrigen Novelis-Werke partizipieren an den Ergebnissen.

Die Forschungs- und Entwicklungsaufwendungen beliefen sich im aktuellen Geschäftsjahr auf EUR 5,1 Mio. (Vorjahr EUR 4,9 Mio.).

1.4 Energie

Der Entwicklung der Energiepreise kommt aus Sicht des Unternehmens besondere Bedeutung zu. Wie bereits in den vergangenen Jahren wurde auch für das Geschäftsjahr 2023/2024 ein großer Teil des zu erwartenden Energiebedarfs preislich im Voraus über Rahmenverträge mit den Energieversorgern fixiert, um Preissteigerungsrisiken abzudecken. Im Vergleich zum Vorjahr stiegen die Energiekosten bei der Novelis Koblenz an.

1.5 Mitarbeitende

Als Novelis ist es uns ein großes Anliegen, in unsere Mitarbeiter zu investieren und sie zu entwickeln. Wir bieten interne und externe Ausbildungs- und Weiterbildungsmaßnahmen für Mitarbeiter und für Hochschulabsolventen an. Es existieren Programme, die auf regionaler, europäischer, wie auch auf globaler Ebene angeboten werden. Beispiele hierfür sind das globale Engineering Development Program (EDP) für Hochschulabsolventen mit Bachelor- und/oder Master-Abschluss, der globale Technical Talent Review (GTTR) sowie das standortübergreifende und modulare Führungskräfte-Curriculum. Außerdem gibt es ein spezielles Frauenförderungsprogramm „Women in Novelis“ (WiN) mit verschiedenen Schwerpunkten wie z.B. Mentorship Programm und Taking the Stage Training mit dem Ziel, insbesondere die Entwicklung von Frauen im Unternehmen zu fördern.

Das Unternehmen beschäftigte am Fiskaljahresende 1159 Mitarbeiter. Die Belegschaft unterteilt sich in 743 Mitarbeiter in der Produktion, 375 Mitarbeiter im Vertrieb und in der Verwaltung und darin enthaltende 81 ruhende Arbeitsverhältnisse. Zum Ende des Geschäftsjahres waren zudem 41 junge Menschen im Rahmen einer Berufsausbildung beschäftigt. Die Ausbildungsquote beträgt 3,5%.

2. Wirtschaftsbericht

2.1 Gesamtwirtschaftliche Rahmenbedingungen

Die konjunkturelle Abkühlung der Weltwirtschaft setzte sich auch im Geschäftsjahr 2023/24 fort. Der Angriffskrieg Russlands gegen die Ukraine belastet unter anderem die weltweiten Nahrungsmittel- und Energiemärkte. Zudem wurde in vielen Ländern als Reaktion auf die hohen Inflationsraten die Geldpolitik verschärft. Dennoch kam die weltweite Konjunktur nicht komplett zum Erliegen. Die Verlangsamung der Wachstumsdynamik verlief dabei heterogen. Die USA, Japan sowie einige größere Schwellenländer erwiesen sich als durchaus resilient, während die hohen Energiepreise und die restriktive Geldpolitik die Wirtschaft Großbritanniens und Deutschlands belasteten. In China wirkten Turbulenzen am Immobilienmarkt investitionshemmend, dies wurde jedoch durch konjunkturstimulierende staatliche Maßnahmen kompensiert. Insgesamt kalkuliert der Internationale Währungsfonds (IWF) in seiner jüngsten Studie für das Gesamtjahr 2023 3,0% Wachstum der Weltwirtschaft (2022: 3,4%)[1].

In diesen schwierigen geopolitischen Zeiten konzentriert sich die NK weiterhin darauf, die Bedürfnisse seiner Kunden zu erfüllen, indem wir qualitativ hochwertige, innovative Aluminiumlösungen anbieten. Als Hersteller von flachgewalzten Aluminiumprodukten bezieht die NK Primäraluminium von Produzenten aus aller Welt. Speziell für Aufträge betreffend die Luft- und Raumfahrtindustrie ist die NK auf hochreines Primäraluminium angewiesen, um alle Anforderungen zu erfüllen.

Die weltweite Wirtschaftsleistung erhöhte sich im Jahr 2023 gegenüber dem Vorjahr um +3,0 %. Die US-Wirtschaft konnte dabei ein Wachstum von +2,4 % erreichen und im Euroraum reduzierte sich das Wirtschaftswachstum auf +0,4 %, wobei die deutsche Wirtschaft um -0,3% schrumpfte. Auf Jahressicht weist China mit +5,2 % im Vergleich zum Vorjahr erneut ein höheres Wirtschaftswachstum auf.[2]

2.2 Branchenbezogene Rahmenbedingungen

Die deutsche Aluminiumindustrie verzeichnete im Berichtsjahr ein stabiles Bild. Anders als im Vorjahr lagen weniger Engpasssituationen bei Rohstoffen vor.

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 2.134 pro Tonne im August 2023 bis USD 2.341 pro Tonne im April 2023. Im Durchschnitt des Geschäftsjahres ergab sich ein Preis von USD 2.202 pro Tonne. Der Aluminiumpreis notierte zum 31. März 2024 bei USD 2.183 pro Tonne, was im Vergleich zum 31. März 2023 (USD 2.471 pro Tonne) eine Preisreduzierung von 11 % bedeutet. In Euro umgerechnet zeigte

[1] Deutsche Bank Research (Dezember 2023)
[2] Deutsche Bank Research (Dezember 2023)

sich fast die gleiche Preisreduzierung durch eine kaum veränderte Währungsrelation von rund 11%.

2.3 Vergleichszeitraum

Im Lagebericht erfolgt eine Gegenüberstellung mit dem Zeitraum 1. April 2022 bis 31. März 2023 („Vergleichszeitraum“).

2.4 Finanzielle und nichtfinanzielle Leistungsindikatoren

Die Gesellschaft wendet als wichtigsten finanziellen Leistungsindikator das Operative EBITDA (operatives Ergebnis nach US GAAP Bilanzierungsregeln vor Abschreibung, 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 für die konsolidierte Sicht aus NK und NCG ein Operatives EBITDA von EUR 96,7 Mio. (im Vergleichszeitraum EUR 65,7 Mio.) erzielt, welches oberhalb der Prognose von EUR 82,6 Mio. für das Geschäftsjahr lag. Das operative EBITDA der NK im Geschäftsjahr 2023/24 verbesserte sich stark auf EUR 84,2 Mio. (im Geschäftsjahr 2022/23 EUR 66,4 Mio).

Ursächlich für den Anstieg des operativen EBITDA sind gestiegene Umarbeitspreise in den Produktgruppen Luftfahrt, Defense und Wärmetauscher und realisierte Wechselkursgewinne bei USD basierten Transaktionen. Die gesamte fakturierte Flat Rolled Products (FRP) Menge sank um 9% auf 108 gegenüber dem Vergleichszeitraum. Die in der Prognose angestrebte Mengensteigerung, insbesondere im Geschäft mit Spezialitäten und Kommerziellen Platten blieb hinter den Erwartungen und dem Vorjahr zurück.

Zu den nicht finanziellen Leistungsindikatoren zählt zudem 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 0,3 (i.Vj. 0,1 und im Vorjahr prognostiziert 0,5).

2.5 Ertragslage

Die Umsatzerlöse haben sich gegenüber dem Vergleichszeitraum um EUR 92 Mio. (etwa -11%) reduziert. Dieser Rückgang ist auf die gesunkene Nachfrage nach Kommerziellen Platten (-50%) und Intercompany Spezialitäten (-40%) zurückzuführen. Mit EUR -54 Mio, entfällt der Großteil des Umsatzrückgangs auf die gesunkenen fakturierten Metallpreise. Der Metallpreis wird in unseren Umsätzen weiterbelastet und hat dabei kaum einen Einfluss auf unser operatives Ergebnis. Positiv wirkten sich Preissteigerungen im Bereich Luftfahrt und Wärmetauscher aus.

Das Unternehmen profitiert von einer anhaltenden Erholung im Bereich der Luftfahrt. Die Verkaufstonnage blieb dabei konstant, verbleibt aber deutlich unterhalb der pre-Covid Menge.

Aufgrund von geringeren Produktionsmengen in der firmeneigenen Gießerei konnte das Marktwachstum nicht vollständig genutzt werden.

Durch die hohe Auslastung im Bereich Luftfahrt und durch Engpässe in der Gießerei stehen weniger Kapazitäten für die Produktion von kommerziellen Platten zur Verfügung. Hierdurch und durch eine allgemein geringe Marktnachfrage ging die verkaufte Tonnage um -50% zurück.

Die fakturierte Tonnage im Segment Wärmetauscher steigt auf Gesamtjahressicht um 7% an. Die Mengensteigerung beruht auf Bestandsreduzierungen und einer reduzierten Volatilität der Marktnachfrage gegenüber dem Vorjahr.

Das Segment Specialties bestehend aus den neu qualifizierten Produkten wie Car License Plates und Vormaterialien für Fenster sank um 40% auf 8kt ab. Ursächlich sind eine geringere Marktnachfrage und eine damit verbundene Verlagerung der Produktion an einen kostenoptimierten Produktionsstandort.

Der in USD fakturierte Umsatz wurde zudem durch günstige Wechselkursentwicklungen (USD/EUR) beeinflusst.

Die sonstigen betrieblichen Erträge sind um EUR 38,7 Mio. gegenüber dem Vergleichszeitraum gesunken. Die Reduzierung ist im Wesentlichen auf den Rückgang der Erlöse aus der Auflösung von Rückstellungen für drohende Verluste für Metall- und Fremdwährungsderivate von EUR 55,7 Mio. auf EUR 1,6 Mio. zurückzuführen. Gegenläufig wirkt der Anstieg der Erlöse aus Währungsumrechnung um EUR 15,2 Mio.

Infolge reduzierter Zukaufspreise und der rückläufigen Volumina für Specialties und Kommerzielle Platten ist der Materialaufwand gegenüber dem Vergleichszeitraum um EUR 118,2 Mio. (etwa 19%) gesunken. Infolge der gesunkenen Zukaufspreise verbessert sich die Materialaufwandsquote von 67% auf 63%.

Die Reduzierung des Personalaufwands um EUR 1,8 Mio. (etwa 1,9%) gegenüber dem Vergleichszeitraum ist im Wesentlichen durch einen Rückgang der Aufwendungen für Altersversorgung bedingt. Die stattgefundene Tariferhöhung wirkt sich gegensätzlich aus.

Die Erhöhung der Abschreibungen um EUR +0,2 Mio. (etwa 1,3%) gegenüber dem Vergleichszeitraum ergab sich durch eine erhöhte Investitionsaktivität in den Bereichen der Gießerei und der Plattenfertigung.

Die sonstigen betrieblichen Aufwendungen sind gegenüber dem Vergleichszeitraum um EUR 4,6 Mio. gestiegen. Ursächlich ist im Wesentlichen ein Anstieg der Instandhaltungskosten und die Verbuchung von Wechselkursverlusten.

Trotz der vorhergenannten positiven Effekte in den Bereichen Steigerung der Umarbeitspreise und Wechselkursgewinnen reduziert sich das Jahresergebnis vor Ergebnisabführung von EUR 77,9 Mio. auf EUR 58,8 Mio. Das Ergebnis des Vorjahrs war durch die Auflösung der Rückstellungen für drohende Verluste aus den Derivaten in Höhe von EUR 55,7 Mio. geprägt.

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 EUR 2,5 Mio. (i. Vj. EUR 61,1 Mio.).

Der Cashflow aus laufender Geschäftstätigkeit verringerte sich auf EUR -112,7 Mio. (i.Vj. EUR +34,9 Mio.) aufgrund einer Abnahme der Verbindlichkeiten aus Lieferungen und Leistungen und einer Zunahme der Vorräte und Forderungen.

Der Cashflow aus Investitionstätigkeit betrug EUR -21,0 Mio. im Berichtsjahr (i.Vj. EUR -17,3 Mio.). Haupttreiber dieser Veränderung waren Investitionen in Sachanlagevermögen. Investitionen in die IT, die zerstörungsfreie Materialprüfung und die Arbeitssicherheit standen im Vordergrund.

Weiterhin betrug der Cashflow aus der Finanzierungstätigkeit EUR 74,9 Mio. (i.Vj. EUR 49,1 Mio.). Ursächlich ist eine geringere Ergebnisabführung an die Novelis Deutschland Holding GmbH.

Der Finanzmittelfonds – bestehend aus liquiden Mitteln und den im Cash-Pool zur Verfügung stehenden Mitteln – reduzierte sich von EUR 61,6 Mio. auf EUR 2,8 Mio.

2.7 Vermögenslage

Die Bilanzsumme reduzierte sich im Berichtsjahr um EUR 59,8 Mio. von EUR 518,3 Mio. auf EUR 458,5 Mio. Das Anlagevermögen erhöhte sich um EUR 6,8 Mio. auf EUR 170,9 Mio. Ursächlich ist im Wesentlichen ein Anstieg der geleisteten Anzahlungen und Anlagen im Bau um EUR 9,0 Mio. im Geschäftsjahr, während sich planmäßige Abschreibungen auf das Sachanlagevermögen gegenläufig auswirkten. Ein wesentlicher Anteil entfiel auf Anlagen für die zerstörungsfreie Prüfung unserer Luftfahrtprodukte.

Das Umlaufvermögen (Vorräte, Forderungen und liquide Mittel) beträgt EUR 286,2 Mio. (i.Vj. EUR 356,3 Mio.). Die Vorräte haben sich um EUR -1,6 Mio. auf EUR 159,2 Mio. verringert. Dies ist die Folge des Aluminiumpreises, der sich im Jahresverlauf abgesenkt hat.

Die Forderungen und sonstigen Vermögensgegenstände betrugen EUR 126,8 Mio. (i.Vj. EUR 192,0 Mio.). Diese Veränderung stammt aus gesunkenen Forderungen aus Lieferungen und Leistungen im Geschäft mit externen Kunden (Senkung um EUR 9,6 Mio.), als Resultat der zuvor genannten Volumenrückgänge und eines metallpreisinduzierten Preisrückgangs. Ebenfalls sinken Forderungen gegen verbundene Unternehmen um EUR 57,2 Mio. Diese entfallen weitestgehend auf Cash Pooling.

Auf der Passivseite sinken die Pensionsverpflichtungen um EUR -2,9 Mio. aufgrund des Zinseffektes.

Der Rückgang der Verbindlichkeiten um EUR 54,9 Mio. resultiert im Wesentlichen aus dem Rückgang der Verbindlichkeiten gegenüber verbundenen Unternehmen um EUR 36,2 Mio. auf EUR 79,0 Mio. Die Verbindlichkeit aus der diesjährigen Ergebnisabführung gegenüber der Novelis Deutschland Holding GmbH beträgt EUR 58,8 Mio. (i.Vj. EUR 77,9 Mio.). Weiterhin sinken die Verbindlichkeiten aus Lieferungen und Leistungen von EUR 106,2 Mio. auf EUR 88,0 Mio. aufgrund der geringeren Metallpreise und der geringeren Produktionsauslastung.

2.8 Gesamtaussage zur Vermögens-, Finanz- und Ertragslage

Das Ergebnis nach Steuern verschlechtert sich gegenüber dem Vergleichszeitraum aufgrund der unter dem Punkt 2.5 dargestellten Gründe um EUR 19,7 Mio. auf EUR 59,1 Mio. Die Gesellschaft erzielte ein positives Jahresergebnis vor Ergebnisabführung von EUR 58,8 Mio. sowie einen negativen Cashflow aus der laufenden Geschäftstätigkeit.

3. Chancen und Risikobericht

3.1 Risikomanagement-System

Wie jedes Jahr hat die Novelis Inc. ihre Aktivitäten einer zentralen Koordinierung des Risikomanagements weiter optimiert.

Das Risikomanagement des Unternehmens ist ein strukturierter Prozess, der dem Unternehmen hilft bei der proaktiven Identifizierung von potenziellen Risiken, Ereignissen oder Trends, um daraufhin Aktionspläne zu entwickeln, die das Unternehmen in die Lage versetzt, seine Geschäftsziele zu erreichen. Die Schwerpunkte der Risikoidentifizierung liegen auf der Fertigung, den Regularien für Handel und Zoll, der Metallversorgung, der Lieferkette, Cybersecurity und Personal, sowie auf den externen und internen Einfluss Faktoren. Die Säulen sind die Risikoidentifizierung, wobei jährlich durch Interviews eine Meldung wesentlicher Risiken an das Management und den Prüfungsausschuss erfolgt. Dies wird auch an das lokale Management kommuniziert und soll zu einer verbesserten Risikokultur führen. Weiterhin werden Aktionen zur Minimierung oder Vermeidung von Risiken innerhalb der gesamten Novelis Gruppe geteilt.

3.2 Gegenüberstellung der Chancen und Risiken

Die von der NK identifizierten Risiken und Potentiale werden in den Strategie- und Jahresplan der lokalen Berichtseinheiten mit aufgenommen und regelmäßig innerhalb des Jahres überprüft und an das lokale, europäische und weltweite Management kommuniziert.

Die Gesellschaft wendet die Anforderungen nach SOX 404 analog und freiwillig an. SOX 404 verlangt die Einrichtung eines funktionsfähigen internen Kontrollsystems und dessen Prüfung durch den Wirtschaftsprüfer.

Nachfolgend werden die wesentlichen Risiken gemäß ihrer Rangfolge genannt:

Risiken der NK resultieren im Wesentlichen aus Beschaffungsmarktentwicklungen, Währungsveränderungen und spezifischen Kundenrisiken. Der Überfall auf die Ukraine belastet die Unternehmen immer noch durch höhere Energiekosten. Trotz der immer noch unsicheren Lage haben sich die Probleme in den Lieferketten entschärft.

Wir haben in den vergangenen Jahren gezeigt, dass wir die negativen Einflüsse des Russland-Ukraine-Konflikts mit unserem breiten Produktportfolio und Preissteigerungen an Kunden einigermaßen kompensieren konnten. Wir sind im engen Kontakt mit Kunden und Lieferanten, um potenzielle Auswirkungen auf Lieferungen, Absätze und Produktion zu erkennen, um geeignete Gegenmaßnahmen einzuleiten.

Erhöhen sich die Vormaterialpreise, ist es notwendig, diese Preissteigerungen zeitnah über die Verkaufspreise unserer Produkte weiterzugeben. Das Preisänderungsrisiko wird entweder von vornherein durch Kundenbeistellungen von Aluminium ausgeschlossen oder im Fall der eigenen Materialbeschaffung durch weitgehende Abstimmung der London Metal Exchange (LME)-Preisbasis für die Metalleinkauf- und Verkaufspreise auf ein vertretbares Risiko vermindert. Dies wird durch den Abschluss von Warentermingeschäften (LME Futures) erreicht. Wir arbeiten kontinuierlich daran, die Effektivität unseres Offset-Hedging Prozesses zu überprüfen und zu verbessern. Durch die frühzeitige und systematische Kontrolle von Kreditrisiken bei der Auftragsabwicklung blieben die Forderungsausfälle auf einem sehr niedrigen Niveau.

Die beiden letzten Geschäftsjahre haben 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 2023 insgesamt 735 Flugzeuge ausgeliefert (2019: 863, 2021: 611, 2022: 663) und bei Boeing waren es 528 (2018: 806, 2021: 340, 2022: 480).[3] 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 2023 insgesamt 181 Flugzeuge ausgeliefert, was einem Anstieg von 13% und einer Rückkehr zur Normalität entspricht.[4] Die Marktnachfrage übersteigt auch weiterhin die verfügbaren Novelis Kapazitäten, was für Geschäftsjahr 2023/24 Preissteigerungen gegenüber dem Geschäftsjahr 2022/23 ermöglicht und eine stabile Produktionsauslastung ermöglicht. 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 Geschäftsjahr ist aufgrund der verfügbaren Kapazitäten eine limitierte Absatzmenge geplant, die eine Fortsetzung der Portfolio-Optimierung und somit einen weiterhin positiven Einfluss auf erzielbare Preise ermöglicht.

Im Bereich der Kommerziellen Platte war das letzte Fiskaljahr von starken Volumenrückgängen geprägt. Während das Geschäftsjahr 2022/23 ein Verkäufermarkt war, in der sehr hohe Preise erzielt wurden, hat sich dies in Geschäftsjahr 2023/24 gedreht. Zusätzlich existiert ein zunehmender Wettbewerb mit Marktteilnehmern aus den sog. Best-Price-Countries.

Die Auslastung am Standort Koblenz/Voerde ist differenziert. Die Nachfrage im Bereich Luftfahrt übersteigt unsere Produktionskapazitäten. Weil nicht alle Produkte mit denselben Anlagen produziert werden können, kann die aktuell geringe Nachfrage im Bereich der Kommerziellen Platte aber nur teils durch Luftfahrt-Produkte ersetzt werden.

Das Geschäft mit Automobilkunden und den damit verbundenen Wärmetauschern befindet sich seit mehreren Monaten in einer Seitwärtsphase. Die vorhandenen Kapazitäten sind nicht

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[3] https://flightplan.forecastinternational.com/2024/02/15/airbus-and-boeing-report-january-2024-commercial-aircraft-orders-and-deliveries/.

[4] https://www.embraer.com/global/en/news?slug=1207334-embraer-deliveries-increased-13-in-2023-and-backlog-reached-us187-billion-a-us12-billion-growth#:~:text=01%2F30%2F2024-,Embraer%20deliveries%20increased%2013%25%20in%202023%20and%20backlog%20reached%20US,a%20US%241.2%20billion%20growth&text=S%C3%A3o%20Jos%C3%A9%20dos%20Campos%20%E2%80%93%20SP,1%20military%20C%2D390%20jet.

vollständig ausgelastet. 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 Prognose-fähigkeit 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 NK 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.

Wir sehen für das Jahr 2024 geringere Risiken der Inflation, die sich aus unserer Sicht auf einem niedrigeren Niveau bewegen wird. Im Energiebereich erwarten wir weiterhin höhere Preise als vor dem Ukraine Krieg, die wir versuchen durch die gemachten Preiserhöhungen an Kunden und Kosteneinsparungen zu kompensieren.

Im Zusammenhang mit den im Anhang unter „Haftungsverhältnisse“ gemachten Angaben zu den begebenen Sicherheiten bestehen Risiken aus einer möglichen Inanspruchnahme für die NK. Allerdings wurden bis zum Zeitpunkt der Jahresabschlusserstellung keine Sicherheiten in Anspruch genommen und das Management erwartet dies auch im Geschäftsjahr 2024/2025 nicht, da davon ausgegangen wird, dass der ursprünglich Verpflichtete in der Lage sein wird, seine vertraglichen Verpflichtungen zu erfüllen.

4. Prognosebericht

4.1 Künftige gesamtwirtschaftliche Situation

Für 2024 wird ein Wirtschaftswachstum von 2,6 % für die Weltwirtschaft erwartet, wobei für den Euroraum nur ein leichter Anstieg von 0,2 % (Deutschland -0,2%), für die USA eine Steigerung von 0,6 % und China um 4,7 % erwartet wird.[5]

4.2 Künftige Unternehmenssituation

Für das am 1. April 2024 begonnene Geschäftsjahr sehen wir für unsere Produkte weiterhin ein positives Marktumfeld, das auch von unseren Kunden in der Luftfahrt geteilt wird. Airbus hatte Ende 2023 offene Bestellungen für insgesamt 8.598 Flugzeuge, was einer Produktionskapazität von etwa zehn Jahren entspricht. Bei Boeing stand das Auftragsbuch per 31. Dezember 2023 auf 6.216 Flugzeugen. Insbesondere Airbus hat ambitionierte Pläne und möchte von der A320 Familie, der wichtigsten für das Unternehmen, im Jahr 2026 monatlich insgesamt 75 Flugzeuge bauen.[6]

Gleichwohl zeigen die jüngsten geopolitischen Ereignisse, dass die Entwicklung der gesamtwirtschaftlichen Lage mit hohen Unsicherheiten behaftet bleiben. Aufgrund dessen rechnen wir für das Geschäftsjahr vom 1. April 2024 bis 31. März 2025 der NK mit

- einer leichter Erhöhung der fakturierten Menge insbesondere bei IC-Spezialitäten und Luftfahrtprodukten,
- einer ungünstigeren Kostenstruktur durch steigende Energiebezugskosten,
- einer verbesserten Produktionsauslastung durch eine Erholung in allen Bereichen und Synergien mit anderen Novelis-Standorten,
- einer mittleren Operating EBITDA Verbesserung für das kombinierte Geschäft der NCG und der NK von 8%,
- einer mittleren Operating EBITDA Verbesserung für das Geschäft der NK,
- 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.

Im Bereich Wärmetauscher geht das Unternehmen von einer Seitwärtsentwicklung der Kundenbedarfe aus, weshalb der Versandmengenausblick um -2% gegenüber dem Geschäftsjahr 2023/2024 abgesenkt wird. Des Weiteren sieht das Unternehmen Wachstumspotentiale in dem hochpreisigen Produktbereich „Defense“.

[5] Deutsche Bank Research (Dezember 2023)
[6] https://flightplan.forecastinternational.com/2024/02/15/airbus-and-boeing-report-january-2024-commercial-aircraft-orders-and-deliveries/

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 +18% von 12.565 Flugzeugen Ende 2022 auf 14.814 Ende 2023 gestiegen, wodurch die Kapazität der großen Flugzeugbauer weiterhin über mehrere Jahre vollausgelastet bleibt.[7] 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 2024/2025 wird eine steigende Nachfrage an Luftfahrtprodukten von 8% erwartet.

Die Investitionstätigkeit wird im Geschäftsjahr 2024/2025 auf dem Niveau des Vorjahres liegen. Schwerpunkte werden Investitionen in die Arbeitssicherheit, die Produktivität unserer Gießereien und die zerstörungsfreie Prüfung unserer Luftfahrtprodukte 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 2024/2025 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.

[7] https://flightplan.forecastinternational.com/2024/01/15/airbus-and-boeing-report-december-and-full-year-2023-commercial-aircraft-orders-and-deliveries/

5. Festlegungen zum Frauenanteil gemäß Teilhabe-Gesetz

Durch das „Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst" (BGBl. I 2015 v. 20. April 2015) besteht die Pflicht, turnusmäßig Zielgrößen für den Anteil von Frauen in der Geschäftsführung und in den beiden Führungsebenen unterhalb der Geschäftsführer sowie Fristen zu deren Umsetzung festzulegen. Über die Ergebnisse der Zielerreichung soll jeweils nach Ablauf der Umsetzungsfrist berichtet werden.

Dem Aufsichtsrat der Novelis Koblenz GmbH gehören seit Oktober 2015 sechs Personen an, davon zwei weiblich.

Aufgrund eines Wechsels in der Geschäftsführung sank die Anzahl weiblicher Geschäftsführer von 50% auf 0%.

Innerhalb der ersten und zweiten Managementebene waren im Berichtsjahr 13% Frauen beschäftigt.

Geschäftsführung und Aufsichtsrat haben zur Umsetzung der gesetzlichen Vorgaben für die NK Festlegungen zu Zielgrößen und Umsetzungsfristen getroffen und erreicht. Frist zur Umsetzung ist der 30. Juni 2025.

	Ziel	Ist
Aufsichtsrat	17%	33%
Geschäftsführer	33% (ab mind. drei Geschäftsführern)	0%
1. und 2. Managementebene	20%	13%

Wir haben uns ferner zum Ziel gesetzt bis zum 30.06.2025 zu erreichen, dass ab einer Anzahl von 3 Geschäftsführern bei der Novelis Koblenz GmbH eine Frau Mitglied der Geschäftsführung ist.

Wir haben bewusst eine Zielquote größer Null erst ab der Anzahl von 3 Geschäftsführern festgelegt. Die Beschäftigung von Frauen, in Führungspositionen sowie generell, wird nicht nur als selbstverständlich erachtet, sondern auch als wichtigen Bestandteil in Hinsicht auf Vielfalt und Chance zur Weiterentwicklung wertgeschätzt. Offene Stellen werden unabhängig vom Geschlecht mit der/dem fachlich und persönlich geeignetsten Kandidatin bzw. Kandidaten besetzt. In der Novelis Koblenz GmbH zählt insbesondere das Leistungsprinzip und Chancengleichheit und nicht das Geschlecht. Es zählt Qualifikation und das Erreichte. Das Geschlecht allein ist keine Qualifikation. Wie überall muss die Diskrepanz zwischen der nötigen Akzeptanz von Unternehmensregelungen und einer drohenden Ablehnung im operativen Geschäft gewahrt werden. Bei einer zweiköpfigen Geschäftsführung handelt es sich um kleines Gremium, für welches die Festlegung einer starren Quote uns zu stark einschränken würde.

Koblenz, 30. April 2024

gez. Folker Ohle	gez. Nils Leonhardt
(Geschäftsführer)	(Geschäftsführer)

Jahresabschluss für das Geschäftsjahr vom 1. April 2023 bis 31. März 2024

Novelis Koblenz GmbH, Koblenz
Bilanz zum 31. März 2024

Aktiva	31.03.2024 EUR	31.03.2023 EUR
A. Anlagevermögen		
I. Immaterielle Vermögensgegenstände		
1. Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	761.344	1.522.282
2. Geleistete Anzahlungen	3.017.847	0
	3.779.191	1.522.282
II. Sachanlagen		
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	25.232.194	25.385.806
2. Technische Anlagen und Maschinen	38.462.348	40.146.963
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	17.565.824	20.239.190
4. Geleistete Anzahlungen und Anlagen im Bau	23.347.088	14.308.519
	104.607.454	100.080.478
III. Finanzanlagen		
1. Anteile an verbundenen Unternehmen	44.111.631	44.111.631
2. Ausleihungen an verbundene Unternehmen	18.450.000	18.450.000
davon gegen Gesellschafter EUR 18.450.000 (Vj. EUR 18.450.000)		
	62.561.631	62.561.631
	170.948.276	164.164.391
B. Umlaufvermögen		
I. Vorräte		
1. Roh-, Hilfs- und Betriebsstoffe	52.540.834	51.502.144
2. Walzbarren	43.433.892	39.626.202
3. Unfertige Erzeugnisse	24.400.451	30.181.030
4. Fertige Erzeugnisse	38.793.269	39.504.193
	159.168.446	160.813.569
II. Forderungen und sonstige Vermögensgegenstände		
1. Forderungen aus Lieferungen und Leistungen	96.300.208	105.898.071
2. Forderungen gegen verbundene Unternehmen	25.997.375	83.229.715
3. Sonstige Vermögensgegenstände	4.528.849	2.880.466
	126.826.432	192.008.252
III. Kassenbestand und Guthaben bei Kreditinstituten	221.828	474.018
	286.216.706	353.295.839
C. Rechnungsabgrenzungsposten	1.361.487	885.945
	458.526.469	518.346.175

Passiva	31.03.2024 EUR	31.03.2023 EUR
A. Eigenkapital		
I. Gezeichnetes Kapital	51.130.000	51.130.000
II. Kapitalrücklage	46.416.955	46.416.955
III. Gewinnvortrag	43.772.513	43.772.513
	141.319.469	141.319.469
B. Rückstellungen		
1. Rückstellungen für Pensionen und ähnliche Verpflichtungen	107.365.238	110.286.846
2. Steuerrückstellungen	167.970	687.036
3. Sonstige Rückstellungen	37.567.737	38.962.081
	145.100.945	149.935.963
C. Verbindlichkeiten		
1. Erhaltene Anzahlungen auf Bestellungen	0	39.975
2. Verbindlichkeiten aus Lieferungen und Leistungen	87.965.011	106.209.401
3. Verbindlichkeiten gegenüber verbundenen Unternehmen davon gegen Gesellschafter EUR 58.755.743 (Vj. EUR 77.948.428)	78.963.306	115.175.720
4. Sonstige Verbindlichkeiten davon aus Steuern EUR 3.019.890 (Vj. EUR 2.537.619)	5.177.738	5.574.180
	172.106.055	226.999.276
D. Rechnungsabgrenzungsposten	0	91.467
	458.526.469	518.346.175

Novelis Koblenz GmbH, Koblenz
Gewinn- und Verlustrechnung 01.04.2023-31.03.2024

		01.04.2023-31.03.2024 EUR	01.04.2022-31.03.2023 EUR
1.	Umsatzerlöse	747.640.038	839.788.840
2.	Verminderung des Bestands an fertigen und unfertigen Erzeugnissen	-6.491.503	-5.129.029
3.	Andere aktivierte Eigenleistungen	-584.629	0
4.	Sonstige betriebliche Erträge davon Erträge aus der Währungsumrechnung EUR 25.360.418,84 (Vj. TEUR 15.921) davon für Altersversorgung EUR 1.795.659,27 (Vj. TEUR 0)	47.175.432	85.874.794
		787.739.338	920.534.605
5.	Materialaufwand		
	a) Aufwendungen für Roh-, Hilfs- und Betriebsstoffe	469.347.719	587.017.347
	b) Aufwendungen für bezogene Leistungen	26.346.990	26.833.188
6.	Personalaufwand		
	a) Löhne und Gehälter	79.846.587	75.530.358
	b) Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung davon für Altersversorgung EUR 0 (Vj. TEUR 7.020)	15.639.906	21.796.114
7.	Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen	14.258.389	14.079.322
8.	Sonstige betriebliche Aufwendungen davon Aufwendungen aus der Währungsumrechnung EUR 24.958.834,60 (Vj. TEUR 19.392) davon Aufwendungen aus der Anwendung der Art. 66 und 67 Abs. 1 bis 5 EGHGB (Übergangsvorschriften zum BilMoG) EUR 1.071.950,00 (Vj. TEUR 615)	116.007.655	111.406.826
		721.447.246	836.663.155
9.	Sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 1.474.485,04 (Vj. TEUR 1.973)	1.513.896	1.973.138
10.	Aufwendungen aus Verlustübernahme	5.609.631	3.074.804
11.	Zinsen und ähnliche Aufwendungen davon an verbundene Unternehmen EUR 529.322,12 (Vj. TEUR 64) davon Aufwendungen aus Aufzinsung EUR 1.334.640,00 (Vj. TEUR 2.376)	1.918.890	2.516.863
		-6.014.625	-3.618.528
12.	Steuern vom Einkommen und vom Ertrag	1.168.025	1.454.417
13.	Ergebnis nach Steuern	59.109.442	78.798.506
14.	Sonstige Steuern	353.699	850.078
15.	Aufgrund eines Ergebnisabführungsvertrags abgeführte Gewinne	58.755.743	77.948.428
16.	Jahresüberschuss	0	0

Anhang zum Geschäftsjahr 01.04.2023 – 31.03.2024 der Novelis Koblenz GmbH, Koblenz

Allgemeine Hinweise

Der vorliegende Jahresabschluss der Novelis Koblenz GmbH, Koblenz, (im Folgenden „NK“ 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 ist unter der Firma Novelis Koblenz GmbH mit Sitz in Koblenz im Handelsregister des Amtsgerichts Koblenz unter der Nummer HRB 4239 eingetragen.

Die Gewinn- und Verlustrechnung ist nach dem Gesamtkostenverfahren aufgestellt.

Die Gliederung der Bilanz nach § 266 HGB wurde um die Bilanzlinie „Walzbarren“ ergänzt, um den Besonderheiten der Gesellschaft bzw. der Branche gerecht zu werden und damit die Klarheit der Darstellung zu verbessern. Die Position umfasst Walzbarren aus Fremdproduktion. Größtenteils werden die Walzbarren in der Produktion eingesetzt, teilweise aber auch verkauft.

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 Organträgerin der Gesellschaft ist die Novelis Aluminium Holding Unlimited Company Zweigniederlassung Deutschland, Göttingen.

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 (3-5 Jahre) um planmäßige pro rata Abschreibungen vermindert. Bei voraussichtlich dauernder Wertminderung erfolgen außerplanmäßige Abschreibungen.

Das Wahlrecht gemäß § 248 Abs. 2 Satz 1 HGB wird in Anspruch genommen. Unter den immateriellen Wirtschaftsgütern werden auch selbst geschaffene immaterielle Vermögensgegenstände ausgewiesen. Die Aktivierung ist nach § 255 Abs. 2a Satz 1 HGB auf die Herstellungskosten in der Entwicklungsphase (Entwicklungskosten) beschränkt. Da die Fertigstellung zum 31. März 2024 noch nicht abgeschlossen ist, erfolgt der Ausweis in den „Geleisteten Anzahlungen".

Das **Sachanlagevermögen** ist zu Anschaffungskosten angesetzt und wird, soweit abnutzbar, um planmäßige Abschreibungen vermindert. Fremdkapitalzinsen werden grundsätzlich nicht aktiviert. Bei voraussichtlich dauernder Wertminderung erfolgen außerplanmäßige Abschreibungen.

Gebäude werden planmäßig in 3 - 40 Jahren, technische Anlagen und Maschinen in 3 - 25 Jahren, Betriebs- und Geschäftsausstattung in 1 - 20 Jahren nach der linearen Methode abgeschrieben.

Geringwertige Vermögensgegenstände mit einem Wert bis € 250 netto werden im Jahr des Zugangs sofort als Aufwand erfasst. Für alle beweglichen Vermögensgegenstände mit Anschaffungskosten von mehr als € 250 netto und bis zu € 1.000 netto, wird analog zu § 6 Abs. 2a EStG ein Sammelposten gebildet, der über eine Dauer von fünf Jahren gleichmäßig verteilt abgeschrieben wird.

Die **Anteile an verbundenen Unternehmen** sind zu Anschaffungskosten bzw. zum niedrigeren beizulegenden Wert aktiviert. Bei voraussichtlich dauernder Wertminderung erfolgen außerplanmäßige Abschreibungen.

Angaben zum Anteilsbesitz

Name des verbundenen Unternehmens	Anteil in %	Eigenkapital zum 31.03.2024	Ergebnis vor Abführung 2024
Novelis Casthouse Germany GmbH, Koblenz*	100,00	TEUR 44.113	TEUR -5.610

*) Zwischen der Novelis Casthouse Germany GmbH, Koblenz und der NK besteht ein Ergebnisabführungsvertag. Das ausgewiesene Einzelergebnis stellt das Jahresergebnis vor organschaftlichem Ergebnisausgleich dar.

Die **Ausleihungen an verbundene Unternehmen** betreffen den Gesellschafter Novelis Deutschland Holding GmbH und haben eine Laufzeit von bis zu 5 Jahren. Sie werden zu Nennwerten angesetzt. Einzelwertberichtigungen werden gebildet soweit erforderlich.

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.

Die Anschaffungskosten der Rohstoffe, Walzbarren, halbfertigen und fertigen Erzeugnisse werden nach der gewogenen Durchschnittsmethode ermittelt.

Die Anschaffungs- und Herstellungskosten der Bestände an Hilfs- und Betriebsstoffen sowie Magazinmaterial werden nach der gleitenden Durchschnittsmethode ermittelt. Auf Vorräte mit eingeschränkter Verwertbarkeit werden Abschläge vorgenommen. Das Niederstwertprinzip findet Anwendung. Handelswaren sind zu Anschaffungskosten oder niedrigeren Marktpreisen bilanziert.

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 Wertberichtigungen bzw. 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.

In den **Forderungen gegen verbundene Unternehmen** von insgesamt TEUR 25.997 (i.Vj. TEUR 83.230) sind Forderungen aus dem Cashpool in Höhe von TEUR 2.537 (i.Vj. TEUR 61.146) enthalten.

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 in Höhe von TEUR 51.130 ist voll eingezahlt.

In die **Kapitalrücklage** sind unverändert zum Vorjahr TEUR 46.417 eingestellt.

Die **Rückstellungen für Pensionen und ähnliche Verpflichtungen** sind nach versicherungsmathematischen Grundsätzen unter Zugrundelegung der Richttafeln 2018 G (RT 2018 G) von Prof. Dr. Klaus Heubeck bewertet. 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 1,83% p.a. (i.Vj. 1,79% p.a.) gemäß der Rückstellungsabzinsungsverordnung vom 18. November 2009 verwendet. Bei diesem Zinssatz handelt es 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 1,8 % p.a. würde sich ein Erfüllungsbetrag vor Vermögensverrechnung sowie vor Verrechnung des noch in künftigen Perioden anzusammelnden Unterschiedsbetrags im Sinne des Art. 67 Abs. 1 Satz 1 EGHGB von TEUR 110.245 ergeben. Der Unterschiedsbetrag im Sinne des § 253 Abs. 6 Satz 1 HGB beträgt zum Stichtag TEUR 613.

Das Wahlrecht des Art. 67 Abs. 1 Satz 1 EGHGB, die erforderliche Zuführung auf maximal 15 Jahre zu verteilen, wurde ausgeübt. Der am Ende des Geschäftsjahres noch nicht erfasste Unterschiedsbetrag beläuft sich auf insgesamt TEUR 0 (i.Vj. TEUR 1.073).
Die Bewertung des Verpflichtungsumfangs wird im Rahmen des § 253 Abs. 2 HGB auf Basis der folgenden Bewertungsgrundsätze und Rechnungsgrundlagen durchgeführt:

- Bewertungsverfahren: Projected Unit Credit (PUC) i.S.v. IAS 19
- Biometrie: Richttafel 2018 G
- Trend Renten: 1,00% - 2,00% (i.Vj. 1,00% - 2,00%)
- Trend Entgelte: 2,75%
- BBG-Dynamik: 2,75%

Gemäß Tarifvertrag Metall wurden die Gehälter um die feststehende Gehaltserhöhung angepasst. Diese beträgt ab 01.05.2024 3,3% und ab 2025 wird mit der Gehaltsdynamik von 2,75% fortgefahren.

Die Rückstellungen für Pensionen und ähnliche Verpflichtungen in Höhe von TEUR 107.365 (i.Vj. TEUR 110.287) enthalten Rückstellungen der Zusatzverordnung in Höhe von TEUR 74.021 (i.Vj. TEUR 75.539), Rückstellungen für Anspruchsberechtigte des Essener Verbands in Höhe von TEUR 33.066 (i.Vj. TEUR 34.651) sowie saldierte Rückstellung für BOLO in Höhe von TEUR 278 (i.Vj. TEUR 66). Die Pensionsrückstellungen enthalten solche aus Pensionsverpflichtungen gegenüber früheren Organmitgliedern in Höhe von TEUR 10.056 (i.Vj. TEUR 11.184).

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 2.267, i.Vj. TEUR 4.098). Bei den Vermögensgegenständen des Deckungsvermögens handelt es sich um einen Rückdeckungsversicherungsanspruch.

Das Deckungsvermögen beträgt zum 31. März 2024 im Total TEUR 2.267 (Vj. TEUR 4.098) betrifft ab dem Geschäftsjahr 2023/2024 nur noch die Pensionszusage der BOLO in Höhe von TEUR 2.267 (i.Vj. TEUR 2.239). Die Pensionszusage der ZVOII 2007 wurde aus der Bilanzierung entfernt (i.Vj. TEUR 1.858).

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 37.568 (i.Vj. TEUR 38.962) umfassen im Wesentlichen solche für drohende Verluste aus schwebenden Waren- und Devisenterminkontrakten (TEUR 11.758, i.Vj.

TEUR 11.050), Altersteilzeit (TEUR 8.270, i.Vj. TEUR 6.978), übrige Personalverpflichtungen (TEUR 5.749, i.Vj. TEUR 5.097), Urlaubsrückstellungen (TEUR 3.070, i.Vj. TEUR 3.047), Jubiläen (TEUR 2.678, i.Vj. TEUR 2.514), Frachten (TEUR 1.302, i.Vj. TEUR 6.050), Umsatzboni (TEUR 697, i.Vj. TEUR 1.013) und Gewährleistungen (TEUR 1.427, i.Vj. TEUR 1.508).

Die **Rückstellungen für Jubiläumsgelder und Altersteilzeit** wurden in Höhe des versicherungsmathematisch berechneten Rückstellungsbedarfs ermittelt. 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 15 Jahren mit einem Zinssatz von 1,80 % p.a. (i.Vj. 1,50 % p.a.) und die Rückstellung für Altersteilzeit bei einer Restlaufzeit von 2 Jahren mit einem Zinssatz von 1,15 % p.a. (i.Vj. 0,64 % 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 gegenüber verbundenen Unternehmen** in Höhe von TEUR 78.963 (i.Vj. TEUR 115.176) betreffen im Wesentlichen Verbindlichkeiten aus der Gewinnabführung in Höhe von TEUR 58.756. Im Übrigen enthalten die Verbindlichkeiten gegenüber verbundenen Unternehmen - wie im Vorjahr - solche 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 747.640 (i.Vj. TEUR 839.789). Diese verteilen sich im Wesentlichen auf folgende Länder (Fremdwährungen umgerechnet zu Durchschnittskursen des jeweiligen Vormonats):

	01.04.2023 – 31.03.2024 TEUR	01.04.2022 – 31.03.2023 TEUR
Deutschland	175.124	270.688
Europa	306.474	312.608
Sonstiges Ausland	266.042	256.493
	747.640	839.789

Die **Umsatzerlöse** vor Berücksichtigung von Erlösschmälerungen resultieren mit TEUR 376.186 (i.Vj. TEUR 386.115) aus dem Bereich Luftfahrtplatten, mit TEUR 174.831 (i.Vj. TEUR 178.037) aus dem Bereich Heat Exchange und mit TEUR 89.302 (i.Vj. TEUR 118.442) aus dem Bereich kommerzielle Platten. Weitere Produktgruppen sind Walzbarren, Schrotte und Handelsware.

Die **sonstigen betrieblichen Erträge** betragen TEUR 47.175 (i.Vj. TEUR 85.875). In den sonstigen betrieblichen Erträgen sind im Wesentlichen Kursgewinne aus Sicherungsgeschäften TEUR 14.603 sowie Erträge aus der Währungsumrechnung TEUR 25.360 (i.Vj. TEUR 15.921) enthalten. Unter den periodenfremden Erträgen von TEUR 4.531 sind unter anderem eine Strompreiskompensation in Höhe von TEUR 2.237, Erträge aus der Auflösung von Rückstellungen in Höhe von TEUR 1.623 sowie Erträge aus Altersversorgungsplänen in Höhe von TEUR 1.796 ausgewiesen.

Die **sonstigen betrieblichen Aufwendungen** betreffen mit TEUR 28.623 (i.Vj. TEUR 30.552) Dienstleistungen von verbundenen Unternehmen, Zuführung zur Drohverlustrückstellung in Höhe von TEUR 11.216 (i.Vj. TEUR 10.712), TEUR 18.424 (i.Vj. TEUR 20.804) Frachtkosten, TEUR 24.959 (i.Vj. TEUR 19.392) Fremdwährungsverluste, TEUR 10.056 (i.Vj. TEUR 6.564) Instandhaltungskosten, TEUR 4.335 (i.Vj. TEUR 3.984) Mieten und Pachten, TEUR 2.464 (i.Vj. TEUR 3.196) für konzernfremde Dienstleistungen, TEUR 1.627 (i.Vj. TEUR 1.324) Versicherungen sowie mit TEUR 1.913 (i.Vj. TEUR 1.379) Forschungs- und Entwicklungskosten. Des Weiteren sind TEUR 1.424 (i.Vj. TEUR 1.568) für Prüf- und Beratungskosten, TEUR 725 für Verkaufsprovisionen (i.Vj. TEUR 977), TEUR 773 (i.Vj. TEUR 1.094) für Sonstiges Material, TEUR 957 (i.Vj. TEUR 1.145) für EDV-Kosten, TEUR 630 (i.Vj. TEUR 755) für sonstige Kosten Auslandsbüros, TEUR 697 (i.Vj. TEUR 1.548) für Gewährleistungsaufwendungen sowie TEUR 1.210 (i.Vj. TEUR 1.344) für Reise- und Kfz-Kosten 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 NK stehen, zur Sicherheit übereignet.
Im April 2020 wurden Darlehen in Höhe von USD 775 Mio. zur teilweisen Finanzierung der Übernahme von Aleris in Anspruch genommen. Nach der Tilgung wurden bis September 2023 noch USD 750 Mio. in Anspruch genommen. Im September 2023 wurde der Restbetrag von USD 750 Mio. durch neue Term Loans in Höhe von USD 750 Mio. refinanziert, wodurch sich das Fälligkeitsdatum bis September 2026 verlängerte.
Im März 2021 wurden neue Term Loans in Höhe von USD 500 Mio. ausgegeben, um einen Teil der USD 8 Mrd. Term Loan Facility zurückzuzahlen. Ein weiterer Teil davon wurde im März 2021 durch die Ausgabe einer grünen Anleihe in Höhe von EUR 500 Mio. (entspricht USD 588 Mio.) zurückgezahlt.
Von allen Term Loans verbleiben am Ende des Geschäftsjahres 2024 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 540 Mio. per März 2024) 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 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 Koblenz 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.

Sonstige finanzielle Verpflichtungen/ außerbilanzielle Geschäfte

	Beträge in TEUR
a) Miet- und Leasingraten p.a.	2.471
b) Bestellobligo (Nicht-Metall)	1.871
c) Verpflichtungen aus Metalleinkaufs- und -verkaufskontrakten (saldiert)	321.456
Gesamtbetrag der sonstigen finanziellen Verpflichtungen:	**325.798**

Aufgrund des Gesamtvertrages für Strom und Erdgas für alle deutschen Novelis Werke bestehen keine Abnahmeverpflichtungen mehr auf der Einzelgesellschaftsebene.
Die Miet- und Leasingverträge enden zwischen 3 und 42 Monaten. Verpflichtungen aus Miet- und Pachtverträgen bestehen gegenüber dem verbundenen Unternehmen Novelis Casthouse Germany GmbH, Koblenz, in Höhe von TEUR 171 monatlich. Die beiden Pachtverträge sind auf unbestimmte Zeit abgeschlossen. Sie verlängern sich jeweils um ein Jahr, falls sie nicht mit einer Frist von 12 Monaten zum 1. Januar schriftlich gekündigt werden.

Die Emissionsberechtigungen für die Zuteilungsperiode 2013-2023 nach dem Treibhausgas-Emissionshandelsgesetz (TEHG) und der Zuteilungsverordnung 2020 (ZuV 2020) aus vorangegangenen Geschäftsjahren, stehen zum Stichtag 31.03.2024 mit 14.557 Emissionsberechtigungen zur Verfügung. Die Abgabeverpflichtung für das Kalenderjahr 2023 wurde von der Gesellschaft bereits erfüllt. Im Geschäftsjahr wurden 14.557 Anteile zugekauft. Diese werden im Umlaufvermögen unter den Vorräten in der Bilanz ausgewiesen. Das Niederstwertprinzip findet Anwendung. Die verbleibenden Emissionsberechtigungen werden in die 5. Handelsperiode überführt und zum Ausgleich der EU ETS (European Trade System) Emissionen des Kalenderjahres 2024 eingesetzt.
Die am Bilanzstichtag nicht verwendeten unentgeltlich zugeteilten Emissionsberechtigungen werden nicht bilanziert, sondern erst bei künftiger Verwendung in der Gewinn- und Verlustrechnung berücksichtigt.

Derivative Finanzinstrumente
Die Gesellschaft sichert neben Währungskursen das Metallpreisrisiko durch Warentermingeschäfte (Kauf von Bezugsrechten) ab.

Zum Bilanzstichtag bestanden folgende Sicherungsinstrumente:

	Kontrakt-volumen	**Nominal-betrag**	**Beizulegender Zeitwert**
Metalleinkaufs- und –ver-kaufskontrakte (saldiert)	15.396 t	-6.813 TUSD	-4.296 TEUR
Fremdwährungskontrakte (An- und Verkauf von EUR zu USD sowie EUR zu GBP (saldiert))	155.589 TEUR	-1.100 TUSD	-1.081 TUSD

Die Metalleinkaufs- und -verkaufskontrakte sind in US-Dollar und Euro abgeschlossen. US-Dollar Hedges wurden zum Kassakurs umgerechnet. Der beizulegende Zeitwert entspricht aufgrund der Existenz eines

aktiven Marktes dem Marktpreis. Der beizulegende Zeitwert reflektiert den für Vermögensgegenstände durch Verkauf erzielbaren bzw. den für die Begleichung der Schulden hinzugebenden Betrag. Verpflichtungen aus Metalleinkaufs- und -verkaufskontrakten werden zum Terminpreis bei Abschluss des Warentermingeschäfts bewertet. Dieser Kontraktpreis setzt sich aus dem Kassapreis zuzüglich der Terminkaufzuschläge und -abschläge zusammen.
Für die zum Bilanzstichtag drohenden Verluste aus den bestehenden Sicherungsinstrumenten wurden entsprechende Rückstellungen gebildet.

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.

Einführung der globalen Mindestbesteuerung

Mit der Einführung der Regelungen zur globalen Mindestbesteuerung in Deutschland, die auf einer OECD-Initiative basieren, soll eine effektive Mindeststeuer in Höhe von 15% weltweit sichergestellt werden. Diese Vorschriften werden auch unter dem Begriff Pillar 2 gefasst. In Deutschland wurden die entsprechenden Regelungen (nachfolgend auch als MinStG bezeichnet) am 15.12.2023 durch den Bundesrat beschlossen und am 27. Dezember 2023 im Bundesgesetzblatt verkündet. Somit sind diese Regelungen am 28.12.2023 in Kraft getreten und gelten erstmals für Abschlüsse, die nach dem 30.12.2023 beginnen. Gemäß dem MinStG ist eine Ergänzungssteuer für jede Jurisdiktion zu zahlen, die einen effektiven Steuersatz unter 15% aufweist. Die Bestimmung des effektiven Steuersatzes nach dem MinStG ist sehr komplex und beinhaltet eine Vielzahl von spezifischen Anpassungen. Für Novelis finden diese Regelungen damit ab dem Wirtschaftsjahr 2025 Anwendung, welches am 1.4.2024 beginnt. Da das MinStG für das Geschäftsjahr 2023/24 für die Gesellschaft noch keine Anwendung findet, entsteht für das Geschäftsjahr 2023/24 keine Steuerbelastung aus dem MinStG.

Auf die Gesellschaft wird zukünftig grundsätzlich keine Steuermehrbelastung aus der nationalen Ergänzungssteuer entfallen, da sie weder oberste Muttergesellschaft noch Gruppenträgerin der Mindeststeuergruppe im Sinne der § 3 MinStG ist. Allerdings ist sie der Gruppenträgerin, die künftig entstehende Steuermehrbelastungen für alle in Deutschland belegenen Geschäftseinheiten zu tragen hat, zum Ausgleich für etwaige durch die Gesellschaft verursachte nationale Ergänzungssteuerbeträge verpflichtet.

Um den Einfluss für Deutschland ermitteln zu können, wurden von Novelis erste Berechnungsmodelle aufgestellt, die die verschiedenen Bestandteile der neuen Pillar 2 Regularien entsprechend berücksichtigen. Aufgrund der Komplexität der Anwendung der Pillar 2 Gesetzgebung und der Berechnung der möglichen steuerlichen Auswirkungen, sind derzeit die quantitativen und qualitativen Auswirkungen für zukünftige Geschäftsjahre noch nicht zuverlässig abschätzbar. Ab dem Wirtschaftsjahr 2025 sind durch diese Regelung zusätzliche Compliance-Verpflichtung in Form zusätzlicher Steuererklärungen zu berücksichtigen.

Angaben zur Anzahl der Beschäftigten

Die durchschnittliche Zahl der beschäftigten Arbeitnehmer am Standort Koblenz (ohne Auszubildende und Geschäftsführer) betrug während des Geschäftsjahres:

	01.04.2023 – 31.03.2024
Gewerbliche Mitarbeiter	747
Angestellte	368
Gesamt	**1.115**

Aufsichtsrat

Gemäß Gesellschaftsvertrag und aufgrund gesetzlicher Bestimmungen (Drittbeteiligungsgesetz) hat die Gesellschaft einen Aufsichtsrat. Diesem gehörten während des Geschäftsjahres an:

Anteilseigner:

- Roland Leder (Vorsitzender), Vice President Supply Chain, Novelis Europe, Montabaur
- Wolfram Joos, Vice President Human Resources, Novelis Europe, Zürich, Schweiz
- Gabriella Honti, Director Regional Procurement, Novelis Europe, Friedberg
- Mélanie Lambelet, Director Communications and Government Affairs, Novelis Europe, Thalwil, Schweiz

Arbeitnehmervertreter:

- Bernd Feuerpeil (stellvertretender Vorsitzender), Vorsitzender Betriebsrat Koblenz, Düngenheim, bis 31.07.2023
- Antje Raczkowiak, Stellvertretende Betriebsratsvorsitzende Koblenz, Koblenz (Nachfolgerin von Bernd Feuerpeil, gerichtlich noch nicht bestellt)
- Peter Behrendt, Stellvertretender Versandleiter, Voerde

Geschäftsführung und Vertretung:

Die Geschäftsführung setzt sich wie folgt zusammen:

- Anja Lambrecht, Director Human Resources, Novelis Koblenz, Hofheim, bis 6.10.2023
- Nils Leonhardt, Director Human Resources, Novelis Germany, Northeim ab 6.10.2023
- Folker Ohle, Vice President Operations, Novelis Europe, Hofheim am Taunus

Die Geschäftsführer sind von den Beschränkungen des § 181 BGB befreit.

Gesamtbezüge der Geschäftsführung und des Aufsichtsrats

Die Gesellschaft macht von der Schutzklausel des § 286 Abs. 4 HGB Gebrauch und verzichtet auf die Anhangangabe zu den Bezügen der Geschäftsführung. Die Gesamtbezüge ehemaliger Geschäftsführer betrugen in 2024 TEUR 897 (Vj. TEUR 958). Die Mitglieder des Aufsichtsrates erhielten im aktuellen Geschäftsjahr von der Gesellschaft TEUR 12 (i.Vj. TEUR 18).

Angaben zu Gesellschafterverhältnissen

Gesellschafter der Novelis Koblenz GmbH zum 31. März 2024 ist:

	Anteil %
Novelis Deutschland Holding GmbH, Koblenz	100.00 %

Die Novelis Koblenz 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 der Novelis Koblenz 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 die Novelis Koblenz GmbH darauf verzichtet, einen Teilkonzernabschluss aufzustellen.

Dabei fanden insbesondere die folgenden, wesentlichen im Konzernabschluss des obersten Mutterunternehmens angewandten Bilanzierung-, Bewertungs- und Konsolidierungsmethoden, die in folgender Hinsicht von deutschem Recht abweichen, Anwendung:

- Grundsätzlich unterscheidet sich die Rechnungslegung nach US-GAAP von der nach dem deutschen HGB in der verfolgten Zielsetzung. Während US-GAAP in erster Linie auf die Versorgung der Investoren mit entscheidungsnützlichen Informationen abzielt, ist die HGB-Rechnungslegung von einer stärkeren Betonung des Gläubigerschutzes und des Vorsichtsprinzips geprägt.

- Die Bilanzgliederung nach US-GAAP richtet sich bei den Vermögensgegenständen nach dem Grad der Liquidierbarkeit, bei den Schulden nach der Restlaufzeit. Die Bilanzgliederung für handelsrechtliche Zwecke ist für Kapitalgesellschaften grundsätzlich in § 266 HGB definiert. Die Gliederung orientiert sich hier an der geplanten Verweildauer von Vermögensgegenständen im Unternehmen bzw. an der Unterscheidung nach Finanzierungsquellen.

- Bei der Kalkulation der Abschreibungen liegen zum Teil unterschiedliche Nutzungsdauern der jeweiligen Gegenstände des Anlagevermögens zugrunde.

- Für sämtliche temporäre Differenzen werden latente Steuern gebildet. Latente Steuern sind auch auf Verlustvorträge zu erfassen. Die latenten Steuern sind unter Anwendung des künftig geltenden Steuersatzes - basierend auf der Rechtslage am Bilanzstichtag - zu ermitteln. Für aktive latente Steuern besteht gemäß US-GAAP eine Ansatzpflicht.

- Bei der Bewertung von Rückstellungen erfolgt die Abzinsung mit dem jeweils aktuellen laufzeitkongruenten Kapitalmarktzins. Die verwendeten Zinssätze bei Personalrückstellungen weichen in den Rechnungslegungen voneinander ab.

- Im Handelsrecht macht die Gesellschaft bei Pensionsrückstellungen von dem Wahlrecht des Art. 67 Abs. 1 Satz 1 EGHGB Gebrauch, was in einer Zuführung des Unterschiedsbetrages innerhalb eines Zeitraums von 15 Jahren resultiert. Außerdem beinhaltet die Zuführung zu den Pensionsrückstellungen nach HGB einen Zinsanteil, der im Posten „Zinsen und ähnliche Aufwendungen" ausgewiesen ist.

- Nach US-GAAP sind Rückstellungen für ungewisse Verbindlichkeiten und drohende Verluste aus schwebenden Geschäften nur zu bilden, wenn eine Verpflichtung gegenüber Dritten besteht, die Inanspruchnahme wahrscheinlich ist und die Höhe der Rückstellung zuverlässig schätzbar ist. Bei der Bewertung der Rückstellung nach US-GAAP ist der wahrscheinlichste Wert, bei einer Bandbreite gleichwahrscheinlicher Werte, der niedrigste Wert anzusetzen.

- Bei Leasinggeschäften richtet sich die Bilanzierung nach dem „Right-of-Use" Ansatz. Dabei wird vornehmlich beurteilt, ob ein Nutzungsrecht des Leasingnehmers vorliegt. In diesem Fall hat er die Leasinggegenstände zu aktivieren, es erfolgt keine sofortige aufwandswirksame Erfassung. Ausgenommen davon sind nur kurzfristige Leasingverhältnisse von weniger als 12 Monaten Laufzeit.

- Nach US-GAAP wird kein Lagebericht aufgestellt. Wesentliche Angaben sind jedoch in der sogenannten „Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A)" enthalten.

Der Konzernabschluss der Novelis Inc. wird in deutscher Sprache im elektronischen Bundesanzeiger der Novelis Deutschland GmbH (Amtsgericht Göttingen, HRB 772) veröffentlicht.

Nachtragsbericht

Vorgänge von besonderer Bedeutung nach dem Schluss des Geschäftsjahres haben sich nicht ereignet.

Prüfungs- und Beratungsgebühren

Das für das Geschäftsjahr berechnete Gesamthonorar des Abschlussprüfers beträgt TEUR 285 für Abschlussprüferleistungen.

Koblenz, den 30. April 2024

gez. Folker Ohle	gez. Nils Leonhardt
(Geschäftsführer)	(Geschäftsführer)

Anlagenspiegel (Anlage zum Anhang)

Novelis Koblenz GmbH, Koblenz
Entwicklung des Anlagevermögens 01.04.2023-31.03.2024

		Anschaffungs- und Herstellungskosten				
		01.04.2023 EUR	Zugänge EUR	Abgänge EUR	Umbuchungen EUR	31.04.2024 EUR
I.	**Immaterielle Vermögensgegenstände**					
1.	Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	20.346.204	280.533	1.000.891	26.347	19.652.193
2.	Geschäfts- oder Firmenwert	28.626	0	0	0	28.626
3.	Geleistete Anzahlungen	0	1.209.472	0	1.808.375	3.017.847
		20.374.830	1.490.005	1.000.891	1.834.722	22.698.666
II.	**Sachanlagen**					
1.	Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	35.408.609	626.321	0	526.703	36.561.633
2.	Technische Anlagen und Maschinen	398.005.358	3.523.358	3.383.993	2.126.409	400.271.132
3.	Andere Anlagen, Betriebs- und Geschäftsausstattung	64.533.463	986.704	4.531.819	951.891	61.940.239
4.	Geleistete Anzahlungen und Anlagen im Bau	14.308.519	14.478.294	0	-5.439.725	23.347.088
		512.255.949	19.614.677	7.915.812	-1.834.722	522.120.092
III.	**Finanzanlagen**					
1.	Anteile an verbundenen Unternehmen	44.111.631	0	0	0	44.111.631
2.	Ausleihungen an verbundene Unternehmen	18.450.000	0	0	0	18.450.000
		62.561.631	0	0	0	62.561.631
		595.192.410	**21.104.682**	**8.916.703**	**0**	**607.380.389**

Kumulierte Abschreibungen				Buchwerte	
01.04.2023 EUR	Zugänge EUR	Abgänge EUR	31.04.2024 EUR	31.04.2024 EUR	31.03.2023 EUR
18.823.922	1.067.818	1.000.891	18.890.849	761.344	1.522.282
28.626	0	0	28.626	0	0
0	0	0	0	3.017.847	0
18.852.548	1.067.818	1.000.891	18.919.475	3.779.191	1.522.282
10.022.803	1.306.636	0	11.329.439	25.232.194	25.385.806
357.858.395	7.309.405	3.359.016	361.808.784	38.462.348	40.146.963
44.294.273	4.574.530	4.494.388	44.374.415	17.565.824	20.239.190
0	0	0	0	23.347.088	14.308.519
412.175.471	13.190.571	7.853.404	417.512.638	104.607.454	100.080.478
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
431.028.019	**14.258.389**	**8.854.295**	**436.432.113**	**170.948.276**	**164.164.391**

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

An die Novelis Koblenz GmbH, Koblenz

Prüfungsurteile

Wir haben den Jahresabschluss der Novelis Koblenz GmbH, Koblenz, – bestehend aus der Bilanz zum 31. März 2024 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft. Darüber hinaus haben wir den Lagebericht der Novelis Koblenz GmbH für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 geprüft. Die Erklärung zur Unternehmensführung nach § 289f Abs. 4 HGB (Angaben zur Frauenquote) haben wir in Einklang mit den deutschen gesetzlichen Vorschriften nicht inhaltlich 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 2024 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. April 2023 bis zum 31. März 2024 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. Unser Prüfungsurteil zum Lagebericht erstreckt sich nicht auf den Inhalt der oben genannten Erklärung zur Unternehmensführung.

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.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen die Erklärung zur Unternehmensführung nach § 289f Abs. 4 HGB (Angaben zur Frauenquote) als nicht inhaltlich geprüften Bestandteil des Lageberichts.

Unsere Prüfungsurteile zum Jahresabschluss und zum Lagebericht erstrecken sich nicht auf die sonstigen Informationen, und dementsprechend geben wir weder ein Prüfungsurteil noch irgendeine andere Form von Prüfungsschlussfolgerung hierzu ab.

Im Zusammenhang mit unserer Prüfung haben wir die Verantwortung, die oben genannten sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen

- wesentliche Unstimmigkeiten zum Jahresabschluss, zu den inhaltlich geprüften Lageberichtsangaben oder zu unseren bei der Prüfung erlangten Kenntnissen aufweisen oder
- anderweitig wesentlich falsch dargestellt erscheinen.

Verantwortung der gesetzlichen Vertreter und des Aufsichtsrats 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.

Der Aufsichtsrat ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft zur Aufstellung des Jahresabschlusses und des Lageberichts.

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 30. April 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
WIRTSCHAFTS-
PRÜFUNGS-
GESELLSCHAFT
SIEGEL
FRANKFURT AM MAIN

digitally signed by

Christian Kwasni
Wirtschaftsprüfer

digitally signed by

ppa. Jürgen Körbel
Wirtschaftsprüfer

Leerseite aus bindetechnischen Gründen

Novelis Koblenz GmbH

Koblenz

Annual Financial Statements as of March 31, 2024
and Management Report for Financial Year 2023/2024

Auditor's Report

(Translation - the German text is authoritative)

Contents **Page**

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. Individual EHS targets are determined at site level and for our employees by analyzing leading and lagging indicators. These targets support 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. This is underscored by the management's commitment to a “zero accident policy”. 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 now also available to all employees digitally. We have a strong external partner in “Korn Ferry” to assist with EHS training at the plants in 2023 and 2024. 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.

1.3 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 5.1 million (prior year: EUR 4.9 million).

1.4 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 2023/2024 via master agreements with energy suppliers, in order to cover risks from price increases. Energy costs rose year on year at Novelis Koblenz.

1.5 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 1,159 people as of the end of the fiscal year, comprising 743 production staff, 375 sales and administration staff, and including 81 staff currently inactive. Moreover, 41 young people were employed in vocational training programs as of the end of the fiscal year. The percentage of vocational trainees is 3.5%.

2. Economic report

2.1 Macroeconomic environment

The global economic slowdown continued in fiscal year 2023/2024. The Russian war on Ukraine impacted the global food and energy markets, among other things. In addition, monetary policy was tightened in many countries in reaction to high inflation rates. However, the global economy did not come to a complete standstill. Growth slowed at different paces in different countries. The US, Japan and several larger emerging markets proved quite resilient, whereas the high energy prices and restrictive monetary policy impacted the economy in the UK and Germany. In China, turbulence on the real estate market impeded investment, although the government countered this with stimulus measures. In its latest study, the International Monetary Fund (IMF) calculated the overall growth of the global economy at 3.0% for 2023 (2022: 3.4%).[1]

In such challenging geopolitical times, NK 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.

Global economic output increased by 3.0% year on year in January 2023. The US economy achieved growth of +2.4%, while economic growth in the eurozone declined to +0.4%. The German economy contracted by 0.3%. China again reported higher year-on-year growth, of +5.2% for the full year.[2]

2.2 Industry-related environment

The German aluminum industry had a stable reporting year. There were fewer raw material shortages than in the previous year.

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 per month ranged from USD 2,134 per metric ton in August 2023 to USD 2,341 per metric ton in April 2023. The average price in the fiscal year was USD 2,202 per metric ton. The price of aluminum was quoted at USD 2,183 per metric ton on March 31, 2024, which represents a year-on-year price decrease of 11% (March 31, 2023: USD 2,471 per metric ton). This constitutes roughly the same price decrease when converted into euros (around 11%), because the changes in the exchange rate were negligible.

2.3 Comparative period

The management report includes a comparison with the period from April 1, 2022 to March 31, 2023 (“comparative period”).

[1] Deutsche Bank Research (December 2023)
[2] Deutsche Bank Research (December 2023)

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 provisions (in particular pensions). NK and NCG achieved operating EBITDA of EUR 96.7 million for their combined business in the fiscal year (comparative period: EUR 65.7 million), which was above the forecast of EUR 82.6 million for the fiscal year. NK's operating EBITDA increased sharply to EUR 84.2 million in fiscal year 2023/2024 (prior year: EUR 66.4 million)

This increase was the result of improved reworking prices in the aviation, defense and heat exchanger product groups, and realized exchange rate gains from USD-based transactions. The total volume of invoiced flat rolled products (FRP) fell by 9% to 108kt versus the comparative period. The volume increase targeted in the forecast, particularly in the specialties and commercial plates 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 0.3 (prior year: 0.1; forecast in the prior year: 0.5).

2.5 Results of operations

Sales revenue decreased by EUR 92 million (approx. 11%) versus the comparative period, due to the decline in demand for commercial plates (-50%) and intercompany specialties (-40%). The reduction of EUR 54 million in invoiced metal prices was the main reason for the decline in sales revenue. The price of metal is passed on in our sale prices and has thus little effect on our operating result. Price increases in aviation and heat exchangers had a positive effect.

The company is benefitting from a continuing recovery in aviation. Although sales tonnage has remained constant, it remains considerably below the pre-pandemic volume. Market growth could not be fully exploited due to lower production volumes from the company's own foundry.

The high utilization of capacity in the aviation segment and bottlenecks in the foundry mean less capacity is available for producing commercial plates. This and the general reduction in market demand caused a 50% decline in tonnage sold.

The invoiced tonnage for the full year in the heat exchanger segment increased by 7% due to a reduction in inventories and lower volatility in market demand compared to the previous year.

The specialties segment comprising newly qualified products such as car license plates and primary materials for windows decreased by 40% to 8kt as a result of reduced market demand and the associated cost-optimized relocation of production.

Also, sales invoiced in USD were affected by favorable exchange rate trends (USD/EUR).

Other operating income fell by EUR 38.7 million versus the comparative period. This was primarily due to the decline in income from the reversal of provisions for anticipated losses from metal and foreign-currency derivatives from EUR 55.7 million to EUR 1.6 million. This was partially offset by the increase in currency translation gains of EUR 15.2 million.

Material expenses fell by EUR 118.2 million (approx. 19%) versus the comparative period due to reduced purchase prices and the declining volume for specialties and commercial plates. The material expense ratio improved from 67% to 63% a result of the decline in purchase prices.

The reduction of EUR 1.8 million (approx. 1.9%) in personnel expenses as against the comparative period was due largely to a decline in pension expenses. The increase in wages had the opposite effect.

The rise in depreciation, amortization and write-downs by EUR 0.2 million (approx. 1.3%) versus the comparative period was due to increased investment activity in the foundry and plate manufacturing.

Other operating expenses increased by EUR 4.6 million as against the comparative period, which was largely attributable to the rise in maintenance costs and the recognition of exchange rate losses.

The net profit for the year before profit/loss transfer declined from EUR 77.9 million to EUR 58.8 million despite the aforementioned positive effects from increased reworking prices and exchange rate gains. The prior-year result was shaped by the reversal of provisions for anticipated losses from derivatives of EUR 55.7 million.

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 2.5 million (prior year: EUR 61.1 million).

Cash flow from operating activities declined to EUR -112.7 million (prior year: EUR 34.9 million) due to a reduction in trade payables and an increase in inventories and receivables.

The cash flow from investing activities came to EUR -21.0 million in the reporting year (prior year: EUR -17.3 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.

The cash flow from financing activities was EUR 74.9 million (prior year: EUR 49.1 million). This was a result of lower profit/loss transfers to Novelis Deutschland Holding GmbH.

Cash and cash equivalents, which consist of liquid assets and the resources available in the cash pool, fell from EUR 61.6 million to EUR 2.8 million.

2.7 Net assets

During the reporting year, total assets decreased by EUR 59.8 million, from EUR 518.3 million to EUR 458.5 million. Fixed assets increased by EUR 6.8 million to EUR 170.9 million. This was due largely to the increase of EUR 9.0 million in prepayments and assets under construction in the fiscal year, while depreciation of tangible fixed assets had the opposite effect. A large proportion of this was attributable to non-destructive testing of our aviation products.

Current assets (inventories, receivables, and liquid assets) amounted to EUR 286.2 million (prior year: EUR 356.3 million). Inventories decreased by EUR 1.6 million to EUR 159.2 million. This was a result of the decrease in the price of aluminum during the year.

Receivables and other assets amounted to EUR 126.8 million (prior year: EUR 192.0 million). This change was due to lower trade receivables in business with external customers (decrease of EUR 9.6 million) as a result of the volume reductions stated above and a metal price-induced price decline. Likewise, receivables from affiliated companies decreased by EUR 57.2 million. These are largely attributable to cash pooling.

On the liabilities side, pension obligations declined by EUR 2.9 million due to the compounding effect.

The decrease of EUR 54.9 million in liabilities was primarily due to the decline of EUR 36.2 million to EUR 79.0 million in liabilities to affiliated companies. The liability from this year’s profit transfer to Novelis Deutschland Holding GmbH amounted to EUR 58.8 million (prior year: EUR 77.9 million). Moreover, trade payables decreased from EUR 106.2 million to EUR 88.0 million due to the lower metal prices and decline in business activities.

2.8 Overall statement on the net assets, financial position and results of operations

Loss after tax deteriorated by EUR 19.7 million to EUR 59.1 million versus the comparative period due to the reasons cited in section 2.5. The company generated a net profit for the year before profit/loss transfer of EUR 58.8 million and negative operating cash flow.

3. Report on opportunities and risks

3.1 Risk management system

As every year, Novelis Inc. further optimized its central coordination activities in risk management.

A company's risk management is a structured process that helps the company to proactively identify potential risks, events and trends, in order to develop action plans that will enable the company to achieve its business objectives. The focus of risk identification is on production, trade and customs regulations, the metal supply, the supply chain, cybersecurity, staff, and internal and external influences. Risk identification forms the cornerstones, with material risks reported annually to the management and the audit committee via interviews. These are also reported to local management with the aim of improving the risk culture. Action to mitigate and avoid risks continues to be shared across the entire Novelis Group.

3.2 Comparison of opportunities and risks

The risks and potential identified by NK are included in the strategic and annual plans of the local reporting entities, reviewed on a regular basis throughout the year and communicated to local, European and worldwide management.

The company voluntarily applies the requirements of section 404 of the Sarbanes Oxley Act (SOX 404), which requires companies to establish a functional internal control system, and have it audited it by an auditor.

The main risks are presented in order of their ranking:

NK's risks mainly result from procurement market developments, exchange rate fluctuation and specific customer risks. The invasion of Ukraine is still putting pressure on companies due to increased energy costs. However, the problems in the supply chain have eased, although the situation is still uncertain.

We have shown in recent years that we are able to counteract the negative effects of the Russia-Ukraine conflict somewhat through our broad product portfolio and price increases for our customers. We are in close contact with customers and suppliers in order to recognize potential effects on deliveries, sales and production, and take appropriate action.

If the prices of primary commodities increase, it is important to pass these prices on quickly via the sale prices of our products. The price change risk is either ruled out from the start through provision of aluminum by customers or, in the case of own material procurement, reduced to an acceptable risk by largely basing metal purchase and sale prices on the London Metal Exchange (LME) prices. We do this by concluding LME futures. We are constantly working to review and improve the efficacy of our offset hedging process. Early and systematic control of credit risks in order processing keeps defaults to a minimum.

The last two fiscal years have 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 735 aircraft in 2023 (2019: 863, 2021: 611, 2022: 663) and Boeing delivered 528 (2018: 806, 2021: 340, 2022: 480).[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 181 aircraft in 2023, which represents an increase of 13% and a return to normality.[4] Market demand continues to exceed available Novelis capacity, enabling year-on-year price increases for fiscal year 2023/2024 and stable production capacity utilization. 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 achievable prices to be maintained.

The last fiscal year was shaped by significant volume declines in the commercial plate segment. Whereas fiscal year 2022/2023 was a seller’s market with very high prices achieved, the trend reversed in fiscal year 2023/2024. There is also increasing competition with market participants from ‘best price countries’.

Capacity utilization differs between the Koblenz and Voerde sites. Demand in the aviation segment 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 trending sideways for several months now. Existing capacities are not fully utilized. 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,

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[3] https://flightplan.forecastinternational.com/2024/02/15/airbus-and-boeing-report-january-2024-commercial-aircraft-orders-and-deliveries/.

[4] https://www.embraer.com/global/en/news?slug=1207334-embraer-deliveries-increased-13-in-2023-and-backlog-reached-us187-billion-a-us12-billion-growth#:~:text=01%2F30%2F2024-,Embraer%20deliveries%20increased%2013%25%20in%202023%20and%20backlog%20reached%20US,a%20US%241.2%20billion%20growth&text=S%C3%A3o%20Jos%C3%A9%20dos%20Campos%20%E2%80%93%20SP,1%20military%20C%2D390%20jet.

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 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.

We believe inflationary risk will ease in 2024, and that the inflation rate will remain at a lower level. We expect energy prices to remain higher than before the Ukraine war, and will endeavor to offset them through the price increases for customers already introduced and cost-cutting measures.

There are risks in connection with the collateral pledged as described in the “Contingent liabilities” section of the notes, in terms of the contingent liabilities materializing for NK. However, no collateral had been realized by the time the financial statements were prepared, nor does the management expect this to happen in fiscal year 2024/2025, as the assumption is that the original obligor will be able to meet its contractual obligations.

4. Outlook report

4.1 Future macroeconomic situation

The global economy is expected to grow by 2.6% in 2024; the eurozone economy just slightly by 0.2% (Germany -0.2%); that of the USA by 0.6% and that of China by 4.7%.[5]

4.2 Future company situation

For the fiscal year that started on April 1, 2024, 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 8,598 aircraft at the end of 2023, which corresponds to the production capacity of about ten years. Boeing had an order book of 6,216 aircraft as of December 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 2026.[6]

Nevertheless, recent geopolitical events show that macroeconomic development remains subject to a high degree of uncertainty. For NK's fiscal year from April 1, 2024 to March 31, 2025 we therefore expect:

- A slight increase in invoiced volume, particularly for IC specialties and aircraft products.
- A less favorable cost structure due to rising energy procurement costs.
- Better production capacity utilization as a result of recovery in all areas and synergies with other Novelis sites.
- A moderate improvement in operating EBITDA for the combined business of NCG and NK of 8%.
- A moderate improvement in operating EBITDA for NK.
- 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 expects sideways development in customer demand for heat exchangers, and has therefore reduced its shipping volume forecast by 2% compared with fiscal year 2023/2024. Furthermore, the company sees growth potential in the high-priced defense product area.

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 18%, from 12,565 planes at the end of 2022 to 14,814 at the end 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

[5] Deutsche Bank Research (December 2023)

[6] https://flightplan.forecastinternational.com/2024/02/15/airbus-and-boeing-report-january-2024-commercial-aircraft-orders-and-deliveries/

[7] https://flightplan.forecastinternational.com/2024/01/15/airbus-and-boeing-report-december-and-full-year-2023-commercial-aircraft-orders-and-deliveries/

accordingly positioned itself to benefit from increased demand. Demand for aviation products is expected to rise by 8% for the current fiscal year 2024/2025.

Capital spending in the 2024/2025 fiscal year will be at the previous year’s level. Priority areas are investments in occupational health and safety, productivity at our foundries, and non-destructive testing of aviation products. 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 2024/2025 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.

The Supervisory Board of the Novelis Koblenz GmbH has had six members since October 2015, two of whom are women.

The proportion of female managing directors fell from 50% to 0% due to a change in the management.

Of the first and second level managers in the reporting period, 13% 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 is June 30, 2025.

	Objective	Actual
Supervisory Board	17%	33%
Managing director level	33% (for a minimum of three managing directors)	0%
First and second management levels	20%	13%

We have also set ourselves the target of achieving one female member of the management of Novelis Koblenz GmbH from a minimum total membership of three by June 30, 2025.

We consciously set the objective of greater than zero from a management team size of three. Employing women, both in management positions and in general, is not only a matter of course, but is also valued as an important component in terms of diversity and opportunities for further development. Open positions are filled with the most professionally and personally suitable candidate, regardless of gender. Performance and equal opportunities are the most important factors at Novelis Koblenz GmbH, not gender. Qualifications and experience are what count; gender alone is not a qualification. As everywhere, the discrepancy between the required acceptance of company regulations and the threat of rejection in operating business must be maintained. A management team of two members is a small governing body for which a strict target would be too restrictive.

Koblenz, April 30, 2024

signed Folker Ohle	signed Nils Leonhardt
(Managing Director)	(Managing Director)

Annual Financial Statements
from April 1, 2023 to March 31, 2024

Novelis Koblenz GmbH, Koblenz
Balance Sheet as at March 31, 2024

Assets	31.03.2024 EUR	31.03.2023 EUR
A. Fixed Assets		
I. Intangible fixed assets		
1. Purchased concessions, commercial trademarks, industrial property rights and similar rights and assets and licenses to such rights and assets	761,344	1,522,282
2. Prepayments	3,017,847	0
	3,779,191	1,522,282
II. Tangible fixed assets		
1. Land, land rights and buildings, including buildings on third-party land	25,232,194	25,385,806
2. Technical equipment and machinery	38,462,348	40,146,963
3. Other equipment, operating and office equipment	17,565,824	20,239,190
4. Prepayments and assets under construction	23,347,088	14,308,519
	104,607,454	100,080,478
III. Long-term financial assets		
1. Shares in affiliated companies	44,111,631	44,111,631
2. Loans to affiliated companies	18,450,000	18,450,000
of which from shareholders EUR 18,450,000 (prior year EUR 18,450,000)		
	62,561,631	62,561,631
	170,948,276	164,164,391
B. Current Assets		
I. Inventories		
1. Raw materials, consumables and supplies	52,540,834	51,502,144
2. Slabs	43,433,892	39,626,202
3. Work in progress	24,400,451	30,181,030
4. Finished goods	38,793,269	39,504,193
	159,168,446	160,813,569
II. Receivables and other assets		
1. Trade receivables	96,300,208	105,898,071
2. Receivables from affiliated companies	25,997,375	83,229,715
3. Other assets	4,528,849	2,880,466
	126,826,432	192,008,252
III. Cash at hand and bank balances	221,828	474,018
	286,216,706	353,295,839
C. Prepaid expenses	1,361,487	885,945
	458,526,469	518,346,175

Equity and liabilities	31.03.2024 EUR	31.03.2023 EUR
A. Equity		
I. Subscribed 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	107,365,238	110,286,846
2. Provisions for taxes	167,970	687,036
3. Other provisions	37,567,737	38,962,081
	145,100,945	149,935,963
C. Liabilities		
1. Payments received on account of orders	0	39,975
2. Trade payables	87,965,011	106,209,401
3. Liabilities to affiliated companies of which from shareholders EUR 58,755,743 (prior year EUR 77,948,428)	78,963,306	115,175,720
4. Other liabilities of which from taxes EUR 3,019,890 (prior year EUR 2,537,619)	5,177,738	5,574,180
	172,106,055	226,999,276
D. Deferred income	0	91,467
	458,526,469	518,346,175

Novelis Koblenz GmbH, Koblenz
Income Statement April 1, 2023 - March 31, 2024

		April 1, 2023- March 31, 2024 EUR	April 1, 2022 - March 31, 2023 EUR
1.	Sales revenue	747,640,038	839,788,840
2.	Decrease in finished goods inventories and work in progress	-6,491,503	-5,129,029
3.	Other own work capitalized	-584,629	0
4.	Other operating income of which from currency translation EUR 25,360,418.84 (prior year TEUR 15,921) of which from post-employment benefits EUR 1,795,659,27 (prior year TEUR 0)	47,175,432	85,874,794
		787,739,338	920,534,605
5.	Material expenses		
	a) Cost of raw materials, consumables and supplies	469,347,719	587,017,347
	b) Expenses for purchased services	26,346,990	26,833,188
6.	Personnel expenses		
	a) Wages and salaries	79,846,587	75,530,358
	b) Social security, post-employment and other employee benefit costs of which post-employment benefits EUR 0 (prior year TEUR 7,020)	15,639,906	21,796,114
7.	Amortization and write-downs of intangible assets and depreciation and write-downs of tangible fixed assets	14,258,389	14,079,322
8.	Other operating expenses of which losses from currency translation EUR 24,958,834.60 (prior year TEUR 19,392) of which expenses from the application of Articles 66 and 67 (1) to (5) EGHGB (transitional provisions for BilMoG) EUR 1,071,950.00 (prior year TEUR 615)	116,007,655	111,406,826
		721,447,246	836,663,155
9.	Other interest and similar income of which from affiliated companies EUR 1,474,485.04 (prior year TEUR 1,973)	1,513,896	1,973,138
10.	Expenses from loss absorption	5,609,631	3,074,804
11.	Interest and similar expenses of which to affiliated companies EUR 529,322.12 (prior year TEUR 64) of which expenses from discounting EUR 1,334,640.00 (prior year TEUR 2,376)	1,918,890	2,516,863
		-6,014,625	-3,618,528
12.	Income taxes	1,168,025	1,454,417
13.	Profit after tax	59,109,442	78,798,506
14.	Other taxes	353,699	850,078
15.	Profit transferred on the basis of a profit/loss transfer agreement	58,755,743	77,948,428
16.	Net income for the year	0	0

Notes to fiscal year April 1, 2023–March 31, 2024 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.
The option under section 248 (2) sentence 1 HGB is utilised. Intangible fixed assets also include internally generated intangible assets, for which capitalization is restricted to production costs incurred during

development (development costs) pursuant to section 255 (2a) sentence 1 HGB. As development was not complete as of March 31, 2024, they are recognized under “Prepayments”.

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 a value of up to EUR 250 are expensed immediately in the year they are added.
An omnibus item is recognized in accordance with section 6 (2a) EStG for all chattel assets with acquisition costs of more than EUR 250 net and up to EUR 1,000 net, which are subject to straight-line depreciation over a period of five years.

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, 2024	Net profit/loss for 2024 before transfer
Novelis Casthouse Germany GmbH, Koblenz*	100,00	EUR 44,113 thousand	EUR -5,610 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.

Acquisition costs for raw materials, slabs, work in progress and finished goods are assessed according to the weighted average method.
The acquisition and production costs of consumables and supplies and storeroom materials are determined 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. 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 25,997 thousand (prior year: EUR 83,230 thousand) include receivables from the cash pool contract in the amount of EUR 2,537 thousand (prior year: EUR 61,146 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** 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 1.83% p.a. average market rate for an assumed residual term of 15 years (prior year: 1.79% 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 1.8% 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 110,245 thousand. The difference within the meaning of section 253 (6) sentence 1 HGB was EUR 613 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 0 thousand (prior year: EUR 1,073 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% - 2.00%)

- Salary trend: 2.75%
- 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. This amounts to 3.3% from May 1, 2024 and will continue at a rate of 2.75% from 2025.

The provisions for pensions and similar obligations in the amount of EUR 107,365 thousand (prior year: EUR 110,287 thousand) include provisions relating to the supplementary regulation in the amount of EUR 74,021 thousand (prior year: EUR 75,539 thousand), provisions for beneficiaries of ~~vis-à-vis~~ the Essener Verband in the amount of EUR 33,066 (prior year: EUR 34,651) and a net provision for BOLO of EUR 278 thousand (prior year: EUR 66 thousand). The provisions for pensions include pension obligations to previous company board members of EUR 10,056 thousand (prior year: EUR 11,184 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 2,267 thousand; prior year: EUR 4,098 thousand). The plan assets are a reinsurance claim.

Total plan assets amounted to EUR 2,267 thousand as of March 31, 2024 (prior year: EUR 4,098 thousand)and relate solely to the BOLO pension commitment of EUR 2,267 thousand as of fiscal year 2023/2024 (prior year: EUR 2,239 thousand). The ZVOII 2007 pension commitment has been removed from the accounts (prior year: EUR 1,858 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 37,568 thousand (prior year: EUR 38,962 thousand) primarily comprises provisions for anticipated losses from pending commodity and currency futures transactions (EUR 11,758 thousand; prior year: EUR 11,050 thousand), partial retirement (EUR 8,270 thousand; prior year: EUR 6,978 thousand), other personnel obligations (EUR 5,749 thousand; prior year: EUR 5,097 thousand), vacation provisions (EUR 3,070 thousand; prior year: EUR 3,047 thousand), anniversaries (EUR 2,678 thousand; prior year: EUR 2,514 thousand), freight (EUR 1,302 thousand, prior year EUR 6,050 thousand), sales bonuses (EUR 697 thousand; prior year: EUR 1,013 thousand), and warranties (EUR 1,427 thousand; prior year: EUR 1,508 thousand).

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 1.80% (prior year: 1.50% p.a.) over a residual term of 15 years, while the provisions for partial retirement were discounted using a rate of 1.15% (prior year: 0.64% 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 78,963 thousand (prior year: EUR 115,176 thousand) largely comprise liabilities from the profit transfer of EUR 58,756 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 747,640 thousand (prior year: EUR 839,789 thousand). It is mainly attributable to the following countries (foreign currency converted at the average rates of the respective previous month):

	April 1, 2023 – March 31, 2024	**April 1, 2022 – March 31, 2023**
	EUR '000	**EUR '000**
Germany	175,124	270,688
Europe	306,474	312,608
Rest of the world	266,042	256,493
	747,640	839,789

The **sales revenue**, not including reductions in revenue, is attributable to aircraft plates in the amount of EUR 376,186 thousand (prior year: EUR 386,115 thousand), heat exchange in the amount of EUR 174,831 thousand (prior year: EUR 178,037 thousand) and commercial plates in the amount of EUR 89,302 thousand (prior year: EUR 118,442 thousand). Other product groups are slabs, scrap and merchandise.

Other operating income amounted to EUR 47,175 thousand (prior year: EUR 85,875 thousand). Other operating income largely includes gains from hedging transactions of EUR 14,603 thousand and gains from currency translation of EUR 25,360 thousand (prior year: EUR 15,921 thousand). Prior-period income of EUR 4,531 thousand includes electricity price compensation of EUR 2,237 thousand, income from the reversal of provisions of EUR 1,623 thousand and income from pension plans of EUR 1,796 thousand.

Other operating expenses include services rendered by affiliated companies in the amount of EUR 28,623 thousand (prior year: EUR 30,552 thousand), an allocation to the provision for anticipated losses of EUR 11,216 thousand (prior year: EUR 10,712 thousand), freight charges of EUR 18,424 thousand (prior year: EUR 20,804 thousand), foreign currency losses of EUR 24,959 thousand (prior year: EUR 19,392 thousand), maintenance costs of EUR 10,056 thousand (prior year: EUR 6,564 thousand), leases and rentals of EUR 4,335 thousand (prior year: EUR 3,984 thousand), services rendered by non-group companies of EUR 2,464 thousand (prior year: EUR 3,196 thousand), insurance policies of EUR 1,627 thousand (prior year: 1,324 thousand) and research and development costs of EUR 1,913 thousand (prior year: EUR 1,379 thousand). Furthermore, EUR 1,424 thousand (prior year: EUR 1,568 thousand) is attributable to audit and consulting costs, EUR 725 thousand to sales commissions (prior year: EUR 977 thousand), EUR 773 thousand (prior year: EUR 1,094 thousand) to other materials, EUR 957 thousand (prior year: EUR 1,145 thousand) to data processing costs, EUR 630 thousand (prior year: EUR 755 thousand) to other costs related to foreign offices, EUR 697 thousand (prior year: EUR 1,548 thousand) to warranty expenses, and EUR 1,210 thousand (prior year: EUR 1,344 thousand) to travel and vehicle costs.

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 NK to the secured parties.
Loans in the amount of USD 775 million were taken out in April 2020 to partially finance the takeover of Aleris. After they were repaid, a further USD 750 million was borrowed until September 2023. The remaining balance of USD 750 million was refinanced in September 2023 with new term loans of USD 750 million, which extended the due date until September 2026.
New term loans were issued in March 2021 in the amount of USD 500 million in order to repay part of the USD 8 billion term loan facility. A further portion was repaid in March 2021 through the issuance of a green bond in the amount of EUR 500 million (equivalent to USD 588 million).
A total of USD 1.2 billion from all the term loans remains at the end of fiscal year 2024.
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 540 million as of March 2024).
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.	2,471
b) Purchase order commitments (non-metal)	1,871
c) Obligations from metal purchasing and sales contracts (net)	321,456
Total other financial obligations:	**325,798**

As all Novelis plants in Germany are included in a collective electricity and gas contract, there are no further purchase obligations at individual company level.

The rental and lease agreements have terms ranging from 3 to 42 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 2013-2023 allocation period in accordance with the Greenhouse Gas Emissions Trading Act (*Treibhausgas-Emissionshandelsgesetz* – TEHG) and the 2020 Allocation Regulation (*Zuteilungsverordnung 2020* – ZuV 2020) of 14,557 from past fiscal years are available as of the reporting date March 31, 2024. The company has already complied with its surrender obligations for calendar year 2023. A total of 14,557 emission allowances were purchased in the fiscal year, which were recognized as inventories under current assets. The lower of cost or market value principle is applied. The remaining allowances were transferred to the 5th trading period and used to offset EU ETS (European Trade System) emissions for calendar year 2024.

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.

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)	15,396t	USD -6,813 thousand	EUR -4,296 thousand
Foreign currency contracts (purchase and sale of EUR/USD and EUR/GBP (net))	EUR 155,589 thousand	USD -1,100 thousand	USD -1,081 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.

Introduction of global minimum taxation

The introduction in Germany of rules on global taxation, based on an OECD initiative, is intended to ensure an effective minimum taxation rate of 15% worldwide. These provisions are also referred to as Pillar 2. The corresponding regulations (hereinafter also referred to as MinStG) were adopted in Germany by the Bundesrat on December 15, 2023 and published in the Federal Law Gazette on December 27, 2023. The regulation thus entered into effect as of December 28, 2023 and will first apply to financial statements starting after December 30, 2023. Pursuant to the MinStG, a supplementary tax is payable in every jurisdiction with an effective tax rate of below 15%. Determining the effective tax rate in line with the MinStG is rather complex and includes a large number of specific adjustments. These regulations therefore apply to Novelis from fiscal year 2025, which begins on April 1, 2024. As the MinStG does not yet apply to the company for the 2023/24 fiscal year, there is no tax charge under the MinStG for the 2023/24 fiscal year.

The company will not incur any additional tax burden from the national supplementary tax in future, as it is neither the ultimate parent company nor the minimum tax group parent within the meaning of section 3 MinStG. However, it is required to compensate the minimum tax group parent which will bear any future additional tax charges for all business units located in Germany for any additional national tax amounts it causes.

Novelis has set up initial calculation models that take into account the various components of the new Pillar 2 regulations in order to determine the effects for Germany. The qualitative and quantitative effects for future fiscal years cannot yet be reliably estimated because of the complexity of applying the Pillar 2 legislation and determining the potential tax impact. Additional compliance obligations in the form of additional tax returns will apply from fiscal year 2025 due to these regulations.

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, 2023 – March 31, 2024
Wage-earning employees	747
Salaried employees	368
Total	**1,115**

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 (*Drittelbeteiligungsgesetz*). The members of the Supervisory Board during the fiscal year were:

Shareholders:

- Roland Leder (Chairman), Vice President Supply Chain, Novelis Europe, Montabaur, Germany
- Wolfram Joos, Vice President Human Resources, Novelis Europe, Zurich, Switzerland
- Gabriella Honti, Director Regional Procurement, Novelis Europe, Friedberg
- Mélanie Lambelet, Director Communications and Government Affairs, Novelis Europe, Thalwil, Switzerland

Employee representatives:

- Bernd Feuerpeil, (Vice Chairman), Chairman of Koblenz Works Council, Düngenheim, until July 31, 2023
- Antje Raczkowiak, Vice Chairwoman of the Works Council Koblenz, Koblenz (Successor of Bernd Feuerpeil, not yet appointed by the court)
- Peter Behrendt, Deputy Shipping Manager, Voerde

Management and representation:

The management team consists of the following executives:

- Anja Lambrecht, Director Human Resources, Novelis Koblenz, Hofheim, until October 6, 2023
- Nils Leonhardt, Director Human Resources, Novelis Germany, Northeim, from October 6, 2023
- Folker Ohle, Vice President Operations Novelis Europe, Hofheim am Taunus

The managing directors are exempt from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch* - BGB).

Total remuneration for the Management and Supervisory Board

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. The total remuneration of former managing directors was EUR 897 thousand in 2024 (prior year: EUR 958 thousand). In the current fiscal year, the members of the Supervisory Board received EUR 12 thousand (prior year: EUR 18 thousand) from the company.

Shareholder information

The shareholder of Novelis Koblenz GmbH as at March 31, 2024, 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 285 thousand for audit services.

Koblenz, April 30, 2024

signed Folker Ohle	signed Nils Leonhardt
(Managing Director)	(Managing Director)

Movement in Fixed Assets

(Appendix to the Notes)

Novelis Koblenz GmbH, Koblenz
Statement of changes in fixed assets April 1, 2023 - March 31, 2024

		Acquisition and production costs (APC)				
		01.04.2023 EUR	Additions EUR	Disposals EUR	Reclassifications EUR	31.04.2024 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	20,346,204	280,533	1,000,891	26,347	19,652,193
2.	Goodwill	28,626	0	0	0	28,626
3.	Prepayments	0	1,209,472	0	1,808,375	3,017,847
		20,374,830	1,490,005	1,000,891	1,834,722	22,698,666
II.	**Tangible fixed assets**					
1.	Land, land rights and buildings, including buildings on third-party land	35,408,609	626,321	0	526,703	36,561,633
2.	Technical equipment and machinery	398,005,358	3,523,358	3,383,993	2,126,409	400,271,132
3.	Other equipment, operating and office equipment	64,533,463	986,704	4,531,819	951,891	61,940,239
4.	Prepayments and assets under construction	14,308,519	14,478,294	0	-5,439,725	23,347,088
		512,255,949	19,614,677	7,915,812	-1,834,722	522,120,092
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
		595,192,410	**21,104,682**	**8,916,703**	**0**	**607,380,389**

Cumulative depreciation, amortization and write-downs				Carrying amounts	
01.04.2023 EUR	Additions EUR	Disposals EUR	31.04.2024 EUR	31.04.2024 EUR	31.03.2023 EUR
18,823,922	1,067,818	1,000,891	18,890,849	761,344	1,522,282
28,626	0	0	28,626	0	0
0	0	0	0	3,017,847	0
18,852,548	1,067,818	1,000,891	18,919,475	3,779,191	1,522,282
10,022,803	1,306,636	0	11,329,439	25,232,194	25,385,806
357,858,395	7,309,405	3,359,016	361,808,784	38,462,348	40,146,963
44,294,273	4,574,530	4,494,388	44,374,415	17,565,824	20,239,190
0	0	0	0	23,347,088	14,308,519
412,175,471	13,190,571	7,853,404	417,512,638	104,607,454	100,080,478
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
431,028,019	**14,258,389**	**8,854,295**	**436,432,113**	**170,948,276**	**164,164,391**

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 2024, and the statement of profit and loss for the financial year from 1 April 2023 to 31 March 2024 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 2023 to 31 March 2024. 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 2024 and of its financial performance for the financial year from 1 April 2023 to 31 March 2024 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, 30 April 2024

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 2024

Novelis Netherlands B.V.

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Novelis Netherlands B.V.

1 Financial statements

1.1 Balance sheet as at 31 March 2024

		31 March 2024		31 March 2023	
Assets		EUR	EUR	EUR	EUR
Fixed assets					
Financial fixed assets					
Participations in group companies	1	289,147,352		289,147,353	
Long term receivable from third party	2	39,600,000		39,800,000	
			328,747,352		328,947,353
Current assets					
Receivables					
Short term receivables from third party		1,063,298		1,271,026	
Receivables from group and related companies	3	125,149,923		118,737,427	
			126,213,221		120,008,453
			454,960,573		**448,955,806**
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		(318,105,209)		(322,173,022)	
Result for the year		5,838,533		4,067,813	
			453,550,323		447,711,790
Short-term liabilities					
Short term liabilities to group and related companies	5	59,257		59,257	
Corporate Tax Payable		1,284,308		1,015,075	
Other liabilities and accrued expenses	6	66,685		169,684	
			1,410,250		1,244,016
			454,960,573		**448,955,806**

Novelis Netherlands B.V.

1.2 Profit and Loss account for the year ended 31 March 2024

		01/04/2023 - 31/03/2024		01/04/2022 - 31/03/2023	
		EUR	EUR	EUR	EUR
Interest income		9,537,439		4,834,324	
Interest expense		(1,587,244)		(1,197,903)	
Other operating income	7	-		2,220,079	
Gross Margin			7,950,195		5,856,500
Personell expenses		-		108,798	
Management and administration expenses	8	(150,569)		(264,269)	
Exchange results		833		(1,275,130)	
Total operating expenses			(149,736)		(1,430,601)
Net Margin			7,800,459		4,425,899
Other Income			87,943		-
Derivative Gain/Loss			(1,679)		1,020,295
Net Income before Taxation			7,886,723		5,446,194
Corporate income tax			(2,048,189)		(1,378,381)
Deferred Tax			-		-
Net result after taxation			**5,838,534**		**4,067,813**
Result on Participations	9		(1)		-
Net result after taxation			**5,838,533**		**4,067,813**

Novelis Netherlands B.V.

1.3 Notes to the financial statements as at 31 March 2024

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 2024 have been taken up in the consolidated financial statements of Novelis Inc., Atlanta, Georgia, United States of America for the year ended 31 March 2024, 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.

1.3 Notes to the financial statements as at 31 March 2024 (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.

Novelis Netherlands B.V.

1.3 Notes to the financial statements as at 31 March 2024 (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.

1.4 Notes to the balance sheet as at 31 March 2024 (continued)

1. Participations in group companies

	31/03/2024	31/03/2023
Aleris Canada Holdings ULC	-	1
Aleris Asia Pacific Limited	289,147,352	289,147,352
Aleris Switzerland GmbH	-	-
	289,147,352	289,147,353

Share in issued capital in %

	31/03/2024	31/03/2023
Aleris Canada Holdings ULC, Nova Scotia, Canada	0.00%	100.00%
Aleris Asia Pacific Limited, Hong Kong, China	100.00%	100.00%
Aleris Switzerland GmbH, Neuhausen am Rheinfall, Switzerland	100.00%	100.00%

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 from third 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 2024 an amount of EUR 200,000 was reclassified to short term receivable, resulting in a remaining balance of EUR 39,600,000 as at 31 March 2024 (31 March 2023: EUR 39,800,000).

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.

Novelis Netherlands B.V.

1.4 Notes to the balance sheet as at 31 March 2024 (continued)

3. Receivables from group and related companies

	31/03/2024	31/03/2023
Novelis AG Cash Pool	19,902,215	13,515,760
Novelis Holdings Inc.	105,247,708	105,221,667
	125,149,923	118,737,427

The receivable from Novelis Holdings Inc. represents a loan of EUR 105,000,000 (31 March 2023 : EUR 105,000,000) and accrued interest of EUR 247,708 as at 31 March 2024 (31 March 2023: EUR 221,667) and is repayable on 17 December 2024. Interest is calculated at a rate per annum equal to 5 % (31 March 2023: 4.75%), 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	Accumulated results	Result for the year	Total Equity
Balance at 1 April 2023	754,096,540	11,720,459	(322,173,022)	4,067,813	447,711,790
Appropriation of result			4,067,813	(4,067,813)	-
Result for the year	-	-	-	5,838,533	5,838,533
Balance at 31 March 2024	754,096,540	11,720,459	(318,105,209)	5,838,533	453,550,323

The share capital of the Company consists of consists of 401 shares of EUR 1,880,540 nominal value each, all of which are fully paid, at 31 March 2024 (EUR 754,096,540) and 31 March 2023 (EUR 754,096,540).

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

	31/03/2024	31/03/2023
Aleris International Inc	59,257	59,257
	59,257	59,257

The current account with Aleris International Inc. bears no interest and it is repayable on demand.

1.4 Notes to the balance sheet as at 31 March 2024 (continued)

6. Other liabilities and accrued expenses

	31/03/2024	31/03/2023
Creditors and accrued expenses	66,360	169,684
Other payables	325	-
	66,685	169,684

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.

1.5 Notes to the income statement as at 31 March 2024

7. Other operating income

	31/03/2024	31/03/2023
Duffel Insurance Settlement	-	2,220,079
	-	2,220,079

8. Management and administration expenses

	31/03/2024	31/03/2023
Professional fees	150,569	187,304
VAT expenses	-	76,965
	150,569	264,269

9. Result on participations

	31/03/2024	31/03/2023
Result on liquidation of Aleris Canada Holdings ULC	1	-
	1	-

Novelis Netherlands B.V.

1.6 Other notes

Directors remuneration

None of the directors received a remuneration for the period under review.

Directors

For the year under review the Company had two managing directors year ended (31 March 2023: two) and no Supervisory Directors.

Average number of employees

The average number of staff was nil for the year under review (year ended 31 March 2023: nil).

9. Subsequent events

No events have occurred since 31 March 2024 that would make the present financial position substantially different from that shown in the balance sheet as at balance sheet date.

Amsterdam, __________ May 2024

Managing Directors,

DocuSigned by:
Martin Bottenheft
A467A44037A840C...

M.P.J. Bottenheft

02.05.2024 | 09:59 EDT

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F.L. Lucido

02.05.2024 | 10:22 EDT

Novelis Netherlands B.V.

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.

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Umschlag-ID-Stempel: Aktiviert		Hannoversche Str. 1
Zeitzone: (UTC+01:00) Amsterdam, Berlin, Bern, Rom, Stockholm, Wien		Göttingen, Göttingen 37075
		markus.lehmann@novelis.adityabirla.com
		IP-Adresse: 212.222.199.130

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Tony Lucido tony.lucido@novelis.adityabirla.com Director Sicherheitsstufe: E-Mail, Kontoauthentifizierung (keine)	DocuSigned by: CBF5FA50BD1442B... Signaturübernahme: Auf Gerät gezeichnet Mit IP-Adresse: 178.197.222.239 Mit Mobilgerät signiert	Gesendet: 02.05.2024 15:18:47 Eingesehen: 02.05.2024 16:22:29 Signiert: 02.05.2024 16:22:40

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ALERIS SWITZERLAND GmbH, Zurich

BALANCE SHEET

		31/03/2024	31/03/2023
		CHF	CHF
ASSETS			
Current assets			
Cash and cash equivalents		0	442'885
Cash Pool receivables vs Novelis AG		9'904'951	10'858'584
Other receivables		39'744	0
Total current assets		**9'944'695**	**11'301'469**
Non-current assets			
Shareholdings	3.1	2'198'609	2'198'609
Total non-current assets		**2'198'609**	**2'198'609**
TOTAL ASSETS		**12'143'304**	**13'500'078**

		31/03/2024	31/03/2023
		CHF	CHF
EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	3.2	95'028	1'401'563
Provision for unrealized translation gains	3.3	499'593	871'847
Total current liabilities		**594'621**	**2'273'410**
Total liabilities		**594'621**	**2'273'410**
Equity			
Share capital		20'000	20'000
Legal capital reserves		10'000	10'000
Voluntary retained earnings			
Profit carryforward		11'196'668	11'116'260
Net result for the year		322'015	80'408
Retained earnings		**11'518'683**	**11'196'668**
Total equity		**11'548'683**	**11'226'668**
TOTAL EQUITY AND LIABILITIES		**12'143'304**	**13'500'078**

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ALERIS SWITZERLAND GmbH, Zurich

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Apr 1, 2023 to Mar 31, 2024 12 months	Jan 1, 2023 to Mar 31, 2023 3 months
		CHF	CHF
INCOME STATEMENT			
Administrative expenses		9'134	7'572
Liquidation results of shareholdings	3.4	-46'490	0
Financial cost (+) / gain (-)		-309'188	-70'509
Currency loss (+) / gain (-)		-67'880	-15'732
Extraordinary income (-) & expenses (+)		-24'064	-22'059
Capital taxes		10'312	3'130
Direct taxes		106'162	17'190
Net profit (-) & loss (+) for the year		**-322'015**	**-80'408**

ALERIS SWITZERLAND GmbH, Zurich

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2024

Change of fiscal year in 2023
In 2023 the Company changed its fiscal year: a short fiscal year in 2023 to last from 1 January 2023 until 31 March 2023, followed by a new fiscal year starting on 1 April 2023 and ending on 31 March 2024.

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 Küsnacht, 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 MARCH 2024

3. Information relating to items on the balance sheet and income statement

3.1 Overview of shareholdings

			31/03/2024	31/03/2023
Aleris Asia Pacific Int. (Barbados) Ltd., Bridgetown	*in process to be liquidated during FY25*			
		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	*liquidated during FY24*			
		Share in capital	0%	100%
		Share in voting rights	0%	100%

3.2 Accounts payable and accrued expenses

	31/03/2024	31/03/2023
Accounts payable and accrued expenses	95'028	1'401'563

Balance includes accruals for professional fees and taxes. Large previous year balance mainly related to income tax payable as a result of settlement with Alvance Group (and successory companies) in December 2022.

3.3 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 March 2024 of 0.9519 EUR/CHF (prior year 0.9926 EUR/CHF). Revenue and expenses have been translated with the average currency rate of 0.97356 EUR/CHF (prior year 0.9949 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.

3.4 Liquidation results of shareholdings

During FY2024, Aleris Switzerland continued to optimize its subsidiary portfolio by liquidating Aleris Aluminum UK Limited, a former legal entity that was inactive and foreseen to serve no future business purpose. This resulted in a liquidation gain of CHF 46'490.

ALERIS SWITZERLAND GmbH, Zurich

PROPOSED APPROPIATION OF AVAILABLE EARNINGS

	31/03/2024	31/03/2023
	CHF	CHF
Retained earnings opening balance	11'196'668	11'116'260
Net income	322'015	80'408
	11'518'683	11'196'668
Balance carried forward	11'518'683	11'196'668
Retained earnings to be carried forward	**11'518'683**	**11'196'668**

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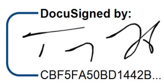
Tony Lucido tony.lucido@novelis.adityabirla.com Director Security Level: Email, Account Authentication (None)	 Signature Adoption: Drawn on Device Using IP Address: 212.222.199.130	Sent: 5/2/2024 8:13:39 AM Viewed: 5/2/2024 9:00:57 AM Signed: 5/2/2024 9:01:01 AM

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Novelis ALR Aluminum Holdings Corporation

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
Aleris	Aleris Corporation
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
GAAP	Generally Accepted Accounting Principles
U.S.	United States

COMMONLY USED OR DEFINED TERMS

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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, 2024 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, 2024

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

Novelis ALR Aluminum Holdings Corporation
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Selling, general and administrative expenses	$ 1,047	$ —
Interest expense and amortization of debt issuance costs	56,273	39,742
Loss on extinguishment of debt, net	5,355	—
	62,675	39,742
Loss before income tax benefit	(62,675)	(39,742)
Income tax benefit	(13,579)	(10,469)
Net loss	$ (49,096)	$ (29,273)

See accompanying notes to the financial statements.

Novelis ALR Aluminum Holdings Corporation
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net loss	$ (49,096)	$ (29,273)
Comprehensive loss	$ (49,096)	$ (29,273)

See accompanying notes to the financial statements.

Novelis ALR Aluminum Holdings Corporation
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4	$ 4
Accounts receivable, net		
— related parties	554	554
Other receivables, third parties	1,034	—
Inventories	—	—
Prepaid expenses and other current assets	1,874	1,048
Fair value of derivative instruments	—	—
Deferred income tax assets	—	—
Assets held for sale	—	—
Current assets of discontinued operations	—	—
Total current assets	3,466	1,606
Property, plant and equipment, net	—	—
Goodwill	—	—
Intangible assets, net	—	—
Investment in subsidiaries	2,058,931	2,058,931
Deferred income tax assets	66,508	54,801
Total assets	$ 2,128,905	$ 2,115,338
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 7,500	$ 7,750
Accounts payable		
— related parties	147,021	82,668
Accrued expenses and other current liabilities	691	258
Total current liabilities	155,212	90,676
Long–term debt, net of current portion	735,136	737,009
Total liabilities	890,348	827,685
Shareholder's equity:		
Additional paid–in capital	1,309,773	1,309,773
Accumulated deficit	(71,216)	(22,120)
Total equity	1,238,557	1,287,653
Total liabilities and equity	$ 2,128,905	$ 2,115,338

See accompanying notes to the financial statements.

Novelis ALR Aluminum Holdings Corporation
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net loss from continuing operations	$ (49,096)	$ (29,273)
Adjustments to determine net cash provided by operating activities:		
Loss on extinguishment of debt	5,355	—
Deferred income taxes	(11,707)	(9,421)
Amortization of debt issuance costs and carrying value adjustments	440	3,914
Other, net	(168)	—
Changes in assets and liabilities:		
Accounts receivable and other receivables, third parties	(1,034)	—
Due To/From Related Parties	64,353	43,492
Other assets	(826)	(1,048)
Other liabilities	433	86
Net cash provided by operating activities	$ 7,750	$ 7,750
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Proceeds from issuance of long-term and short-term borrowings	$ 482,267	$ —
Principal payments of long-term and short-term borrowings	(487,767)	(7,750)
Debt issuance costs	(2,250)	—
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	$ 53	$ 36

See accompanying notes to the financial statements.

Novelis ALR Aluminum Holdings Corporation
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, 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
Net loss attributable to our common shareholder	—	—	—	(49,096)	—	(49,096)
Balance as of March 31, 2024	1,000	$ —	$1,309,773	$ (71,216)	$ —	$1,238,557

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 2024.

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 — 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 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, 2024 and 2023.

	March 31,		Ownership %
in thousands, except for percentage	2024	2023	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	2024	2023
Novelis Holdings Inc.	$ 554	$ 554
Accounts receivable, net — related parties	$ 554	$ 554
Novelis ALR International, Inc.	$ 147,021	$ 82,668
Accounts payable — related parties	$ 147,021	$ 82,668

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2024	2023
Accrued interest payable	$ 578	$ 144
Other current liabilities	113	114
Accrued expenses and other current liabilities	$ 691	$ 258

4. DEBT

Debt consists of the following.

in thousands	Interest Rates(1)	March 31, 2024 Principal	March 31, 2024 Unamortized Carrying Value Adjustments(2)	March 31, 2024 Carrying Value	March 31, 2023 Principal	March 31, 2023 Unamortized Carrying Value Adjustments(2)	March 31, 2023 Carrying Value
Floating rate Term Loans, due January 2025		—	—	—	751,750	(6,991)	744,759
Floating rate Term Loans, due September 2026	6.96 %	746,250	(3,614)	742,636	—	—	—
Total debt		746,250	(3,614)	742,636	751,750	(6,991)	744,759
Current portion of long-term debt		(7,500)	—	(7,500)	(7,750)	—	(7,750)
Long-term debt, net of current portion		$ 738,750	$ (3,614)	$ 735,136	$ 744,000	$ (6,991)	$ 737,009

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2024, 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, 2024 for our debt denominated in foreign currencies are as follows in thousands.

As of March 31, 2024	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ 7,500
2 years	7,500
3 years	731,250
4 years	—
5 years	—
Thereafter	—
Total debt	$ 746,250

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, beginning with the interest period commencing June 30, 2023, accrued 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.

In April 2024, the Company amended the Term Loan facility. The amendment makes certain changes that provide the Company with additional flexibility to operate its business.

As of March 31, 2024, we were in compliance with the covenants for our Term Loan Facility.

2023 Term Loans

In September 2023, Novelis amended the Term Loan Facility and borrowed $750 million of term loans (the "2023 Term Loans"). The proceeds of the 2023 Term Loan were used to repay the previously-issued term loans due January 2025 (the "2020 Term Loans"). The 2023 Term Loans mature on September 25, 2026, are subject to 0.25% quarterly amortization payments and accrue interest at SOFR plus 1.65%.

In accordance with ASC 470, Debt, the amendment was accounted for as a partial extinguishment of the 2020 Term Loans, whereby $482 million of the $750 million outstanding at the time of the transaction was deemed an extinguishment and $268 million was deemed a modification of debt. As a result of this transaction, we recorded a loss on extinguishment of debt of $5 million in the second quarter of fiscal 2024.

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 were amortized as an increase to interest expense and amortization of debt issuance costs over the term of the loan. The 2020 Term Loans were set to mature on January 21, 2025 and were 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 interest at LIBOR plus 1.75%. Beginning with the interest period commencing June 30, 2023, the 2020 Term Loans accrued interest at Adjusted SOFR plus 1.75%.

During fiscal 2024, we made $482 million in principal payments beyond our scheduled quarterly amortization payments on our 2020 Term Loans, using the proceeds of our 2023 Term Loans, as defined above.

As of March 31, 2024, the 2020 Term Loans have been fully repaid.

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,			
	2024		2023	
in thousands	Carrying Value	Fair Value	Carrying Value	Fair Value
Total debt — third parties (excluding finance leases and short-term borrowings)	$ 742,636	$ 744,444	$ 744,759	$ 750,889

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 2024	Fiscal 2023
Domestic (U.S.)	$ (62,675)	$ (39,742)
Pre-tax income (loss)	$ (62,675)	$ (39,742)

The components of our income tax benefit are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
State	$ (1,875)	$ (1,048)
Total current	$ (1,875)	$ (1,048)
Deferred provision:		
Federal	$ (12,773)	$ (8,871)
State	1,066	(550)
Total deferred	$ (11,707)	$ (9,421)
Income tax benefit	$ (13,582)	$ (10,469)

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	2024	2023
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 66,547	$ 54,805
Total deferred income tax assets	66,547	54,805
Less: valuation allowance	(39)	(4)
Net deferred income tax assets	$ 66,508	$ 54,801

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 $39 thousand and $4 thousand were necessary as of March 31, 2024 and 2023, respectively.

Novelis ALR International, Inc.

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 International, Inc. and certify that the information included therein accurately reflects the financial position of Novelis ALR International, Inc. as of March 31, 2024 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, 2024

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

Novelis ALR International, Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Selling, general and administrative expenses	$ 2,826	$ 891
Depreciation and amortization	355	2,469
Interest expense and amortization of debt issuance costs	25,709	—
Other income, net	(70,261)	(18,212)
	(41,371)	(14,852)
Income before income tax provision	41,371	14,852
Income tax provision	14,414	5,022
Net income	$ 26,957	$ 9,830

See accompanying notes to the financial statements.

Novelis ALR International, Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net income	$ 26,957	$ 9,830
Comprehensive income	$ 26,957	$ 9,830

See accompanying notes to the financial statements.

Novelis ALR International, Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 192,113	$ 21,989
Accounts receivable, net		
— related parties	603,415	907,048
Notes receivable		
— related parties	1,234,000	—
Prepaid expenses and other current assets	971	728
Total current assets	2,030,499	929,765
Property, plant and equipment, net	27	198
Intangible assets, net	—	187
Investment in subsidiaries	2,316,969	2,316,969
Other long–term assets		
— third parties	443	1,155
Total assets	$ 4,347,938	$ 3,248,274
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short–term borrowings		
— related parties	$ 703,884	$ —
Accounts payable		
— third parties	5,425	2,003
— related parties	1,193,691	845,725
Accrued expenses and other current liabilities	7,725	2,666
Total current liabilities	1,910,725	850,394
Deferred income tax liabilities	16,736	3,707
Other long–term liabilities	12	665
Total liabilities	1,927,473	854,766
Shareholder's equity:		
Common stock, 0.01 par value; 10,000 number of shares authorized; 100 shares issued and outstanding as of March 31, 2024 and March 31, 2023	—	—
Additional paid–in capital	2,383,999	2,383,999
Retained earnings	36,466	9,509
Total equity	2,420,465	2,393,508
Total liabilities and equity	$ 4,347,938	$ 3,248,274

See accompanying notes to the financial statements.

Novelis ALR International, Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ 26,957	$ 9,830
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 355	$ 2,469
Deferred income taxes	13,030	4,490
Other, net	1,309	1,307
Changes in assets and liabilities:		
Due To/From Related Parties	(582,400)	(10,020)
Accounts payable	3,420	(2,788)
Other assets	468	567
Other liabilities	3,099	(1,175)
Net cash (used in) provided by operating activities	$ (533,762)	$ 4,680
INVESTING ACTIVITIES		
Capital expenditures	$ 2	$ —
Net cash provided by investing activities	$ 2	$ —
FINANCING ACTIVITIES		
Proceeds from issuance of short-term borrowings — related parties	$ 703,884	$ —
Net cash provided by financing activities	$ 703,884	$ —
Net increase in cash and cash equivalents and restricted cash	$ 170,124	$ 4,680
Cash, cash equivalents and restricted cash — beginning of period	21,989	17,309
Cash, cash equivalents and restricted cash — end of period	$ 192,113	$ 21,989

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**	**Total Equity**
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
Net income attributable to our common shareholder	—	—	—	26,957	26,957
Balance as of March 31, 2024	100	$ —	$ 2,383,999	$ 36,466	$2,420,465

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 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 2023" or period ended March 31, 2023 refers to the year ended March 31, 2023 and the reference to “fiscal 2024” or period ended March 31, 2024 refers to the year ended March 31, 2024. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2023.

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. 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. Additionally, we reevaluate the useful lives of long-lived assets (excluding goodwill), at plants impacted by restructuring activities, which may results in accelerated depreciation. Impairments or accelerated depreciation 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	2024	2023
Other prepaid expenses	$ 966	$ 564
Other current assets	5	164
Prepaid expenses and other current assets	$ 971	$ 728

3. PROPERTY, PLANT AND EQUIPMENT

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

	March 31,	
in thousands	**2024**	**2023**
Buildings	$ 1,188	$ 1,188
Machinery and equipment	2,488	2,496
Gross property, plant and equipment (excluding construction in progress)	3,676	3,684
Accumulated depreciation and amortization	(3,649)	(3,486)
Property, plant and equipment, net	$ 27	$ 198

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

in thousands	**Fiscal 2024**	**Fiscal 2023**
Depreciation expense related to property, plant and equipment, net	$ 168	$ 295

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, 2024			March 31, 2023		
in thousands	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and software	$ 12,096	$ (12,096)	$ —	$ 12,096	$ (11,909)	$ 187
	$ 12,096	$ (12,096)	$ —	$ 12,096	$ (11,909)	$ 187

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

in thousands	Fiscal 2024	Fiscal 2023
Amortization expense related to intangible assets included in depreciation and amortization	$ 187	$ 2,174

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, 2024 and 2023.

in thousands, except for percentage	March 31, 2024	March 31, 2023	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, 2024	March 31, 2023
Aleris (Shanghai) Trading Co., Ltd.	$ —	$ 1,776
Aleris Asia Pacific International (Barbados) Ltd.	92	79
Aleris Asia Pacific Limited	1,840	1,840
Novelis ALR Aluminum Holdings Corporation	147,021	82,668
Novelis ALR Aluminum-Alabama LLC	3,672	3,383
Novelis ALR Asset Management Corporation	—	139
Novelis ALR Recycling of Ohio, LLC	142,492	104,783
Novelis ALR Rolled Products Sales Corporation	16,623	16,582
Novelis ALR Rolled Products, Inc.	201,744	236,088
Novelis Corporation	89,861	459,398
Novelis Koblenz GmbH	—	225
Novelis Netherlands B.V.	60	60
Novelis ALR Rolled Products Mexico	10	10
Other Intercompany Partners	—	17
Accounts receivable, net — related parties	$ 603,415	$ 907,048
Notes receivable — related parties(1)	$ 1,234,000	$ —
Short–term borrowings — related parties(2)	$ 703,884	$ —
Novelis ALR Aluminum LLC	$ 188,902	$ 43,193
Novelis ALR Rolled Products, LLC	1,002,512	801,744
Novelis Aluminum (Zhenjiang) Co., Ltd.	111	117
Novelis Inc	1,310	670
Novelis ALR Asset Management Corporation	855	$ —
Novelis ALR Holding Canada ULC	1	$ 1
Accounts payable — related parties	$ 1,193,691	$ 845,725

(1) Notes receivable — related parties consists of a intercompany loan receivable from Novelis Corporation, with a maturity date of December 17, 2024.

(2) Short-term borrowings — related parties consists of a demand note with an interest rate of 8.6% per annum between Novelis ALR International, Inc. and Novelis Corporation.

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**	**2024**	**2023**
ASSETS			
Operating lease right-of-use assets	Other long–term assets	$ 104	$ 812
Finance lease assets	Property, plant and equipment, net	65	74
	Accumulated Depreciation	(65)	(71)
Finance lease assets, net		—	3
Total lease assets		$ 104	$ 815
LIABILITIES			
Current:			
Operating lease liabilities	Accrued expenses and other current liabilities	$ 494	$ 1,156
Long-term:			
Operating lease liabilities	Other long–term liabilities	—	592
Total lease liabilities		$ 494	$ 1,748

The table below presents the classification of lease related expenses or income as reported within the statements of operations. There was no amortization of and interest on liabilities related to finance leases in fiscal 2024 and 2023.

in thousands	Income Statement Classification	Fiscal 2024	Fiscal 2023
Operating lease cost[(1)]	Selling, general and administrative expenses	$ 342	$ 567
Short-term lease cost	Selling, general and administrative expenses	133	$ 304

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

Future minimum lease payments as of March 31, 2024, 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
2025	$ 496
Thereafter	—
Total minimum lease payments	496
Less: interest	2
Present value of lease liabilities	$ 494

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

	March 31,	
	2024	2023
Weighted-average remaining lease term		
Operating leases	0.4 years	1.4 years
Weighted-average discount rate		
Operating leases	2.64 %	2.64 %

The following table presents supplemental information on our leases for fiscal 2024 and fiscal 2023.

in thousands	Fiscal 2024	Fiscal 2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 1,191	$ 1,191

7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2024	2023
Accrued compensation and benefits	$ 722	$ 736
Accrued interest payable - related parties	5,066	11
Accrued income taxes	1,398	547
Other current liabilities	539	1,372
Accrued expenses and other current liabilities	$ 7,725	$ 2,666

8. OTHER (INCOME) EXPENSES, NET

Other income, net consists of the following.

in thousands	Fiscal 2024	Fiscal 2023
Currency (gains) losses, net	$ (6)	$ (11)
Interest income	(70,056)	(17,708)
Other, net	(199)	(493)
Other income, net	$ (70,261)	$ (18,212)

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 (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Domestic (U.S.)	$ 41,371	$ 14,852
Pre-tax income	$ 41,371	$ 14,852

The components of our income tax provision are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
Federal	$ —	$ —
State	1,384	532
Total current	$ 1,384	$ 532
Deferred provision:		
Federal	$ 13,026	$ 4,484
State	4	6
Total deferred	$ 13,030	$ 4,490
Income tax provision	$ 14,414	$ 5,022

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	2024	2023
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 549	$ 695
Tax losses/benefit carryforwards, net	(17,281)	(4,389)
Total deferred income tax assets	(16,732)	(3,694)
Less: valuation allowance	(4)	(13)
Net deferred income tax assets	$ (16,736)	$ (3,707)

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 $13 thousand were necessary as of March 31, 2024 and 2023, 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, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
Aleris	Aleris Corporation
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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, 2024 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, 2024

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

Novelis ALR Rolled Products, LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net sales	$ 560,883	$ 689,105
Cost of goods sold (exclusive of depreciation and amortization)	411,548	573,382
Selling, general and administrative expenses	995	—
Unrealized gain on change in fair value of derivative instruments, net	(12,006)	(113,161)
	400,537	460,221
Net income	$ 160,346	$ 228,884

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net income	$ 160,346	$ 228,884
Comprehensive income	$ 160,346	$ 228,884

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Accounts receivable, net		
— third parties (net of allowance for credit losses of $0 as of March 31, 2024 and March 31, 2023)	$ 38,916	$ 34,914
— related parties	1,001,333	800,583
Inventories	58,095	44,804
Prepaid expenses and other current assets	1,745	1,281
Fair value of derivative instruments	2,335	11,108
Total current assets	1,102,424	892,690
Other long–term assets		
— third parties	—	52
Total assets	$ 1,102,424	$ 892,742
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— third parties	35,326	44,177
— related parties	417,473	364,166
Fair value of derivative instruments	10,494	6,120
Accrued expenses and other current liabilities	243	297
Total current liabilities	463,536	414,760
Other long–term liabilities	715	155
Total liabilities	464,251	414,915
Member's equity:		
Additional paid–in capital	307,411	307,411
Retained earnings	330,762	170,416
Total equity	638,173	477,827
Total liabilities and equity	$ 1,102,424	$ 892,742

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ 160,346	$ 228,884
Adjustments to determine net cash provided by operating activities:		
Gain on unrealized derivatives and other realized derivatives in investing activities, net	(12,006)	(113,161)
Changes in assets and liabilities:		
Accounts receivable	(4,002)	30,953
Due To/From Related Parties	(147,443)	(100,433)
Inventories	(13,291)	(2,797)
Accounts payable	(8,851)	(36,216)
Other liabilities	(55)	28
Net cash (used in) provided by operating activities	$ (25,766)	$ 5,977
INVESTING ACTIVITIES		
Inflows (outflows) from settlement of derivative instruments, net	25,766	(5,977)
Net cash provided by investing activities	$ 25,766	$ (5,977)
FINANCING ACTIVITIES		
Net cash provided by financing activities	$ —	$ —
Net (decrease) 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, LLC
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in thousands	Member's Capital	Retained Earnings	Total Equity
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
Net income attributable to our common shareholder	—	160,346	160,346
Balance as of March 31, 2024	$ 307,411	$ 330,762	$ 638,173

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 2023.

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 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 4 – 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 2 – 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 3 – 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.

If no hedging relationship is designated, gains or losses are recognized in other 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 8 – Financial Instruments and Commodity Contracts and Note 9 – 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 9 – 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.

Recently Adopted Accounting Standards

On April 1, 2023, we adopted ASU 2022-04, which requires a buyer in a supplier finance program to disclose qualitative and quantitative information about its supplier finance programs, including the key terms of the program, the amount of obligations outstanding at the end of the reporting period, and a description of where those obligations are presented in the balance sheet. If presented in more than one balance sheet line item, the amount in each line item should be disclosed. Further, effective April 1, 2024, a roll-forward of such amounts during the annual period should be presented. The adoption of this guidance resulted in enhanced disclosures regarding these programs (see below) and did not have a material impact on our consolidated financial condition, results of operations, or cash flows.

We did not adopt any other new accounting pronouncements during fiscal 2024 and fiscal 2023 that had a material impact on our consolidated financial condition, results of operations, or cash flows.

Supplier Finance Programs

The Company participates in supply chain finance programs under which participating suppliers may elect to sell some or all of their Novelis receivables to a third-party financial institution. Supplier participation in the programs is solely up to the supplier, and participating suppliers negotiate their arrangements directly with the financial institutions. The payment terms that we have with our suppliers under these programs range up to 180 days and are considered commercially reasonable.

On March 31, 2024, and March 31, 2023, confirmed supplier invoices that are outstanding and subject to the third-party programs included in accounts payable on the consolidated balance sheets were $5,649 thousand and $13,998 thousand, respectively.

2. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following.

	March 31,	
in thousands	2024	2023
Accounts receivable, net — third parties	$ 38,916	$ 34,914
Accounts receivable, net — related parties	1,001,333	800,583
Account receivable, net	1,040,249	835,497

3. INVENTORIES

Inventories consists of the following.

	March 31,	
in thousands	2024	2023
Finished goods	$ 9,124	$ 6,614
Work in process	33,052	23,343
Raw materials	15,919	14,847
Inventories	$ 58,095	$ 44,804

4. 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	2024	2023
Novelis ALR International, Inc.	1,001,333	800,583
Accounts receivable, net — related parties	$ 1,001,333	$ 800,583
Novelis ALR Recycling of Ohio, LLC	167,144	121,989
Novelis ALR Rolled Products, Inc.	193,408	177,899
Novelis ALR Rolled Products LLC	16	—
Novelis Services Limited	73	—
Novelis ALR Aluminum LLC	34,271	47,328
Novelis Corporation	13,428	7,482
Novelis ALR Rolled Products Sales Corporation	4,250	4,250
Novelis Inc.	4,883	5,218
Accounts payable — related parties	$ 417,473	$ 364,166

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2024	2023
Accrued compensation and benefits	$ 243	$ 273
Other current liabilities	—	24
Accrued expenses and other current liabilities	$ 243	$ 297

6. 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, 2024 and March 31, 2023 comprises of below.

	March 31,	
in thousands	**2024**	**2023**
Net Sales to third parties	$ 333,275	$ 476,501
Net Sales to related parties	227,608	212,604
Total Revenue from Contracts with Customers	$ 560,883	$ 689,105

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.

7. FINANCIAL INSTRUMENTS AND COMMODITY CONTRACTS

The following tables summarize the gross fair values of our financial instruments and commodity contracts as of March 31, 2024 and 2023.

	March 31, 2024				
	Assets		Liabilities		Net Fair Value
in thousands	Current	Noncurrent(1)	Current	Noncurrent(1)	Assets/ (Liabilities)
Derivative instruments					
Metal contracts	$ 2,093	$ —	$ (9,079)	$ (709)	$ (7,695)
Energy contracts	242	—	(1,415)	—	(1,173)
Total derivative fair value	$ 2,335	$ —	$ (10,494)	$ (709)	$ (8,868)

	March 31, 2023				
	Assets		Liabilities		Net Fair Value
	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

(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, 2024 and 2023, we have 88 kt and 80 kt of outstanding aluminum sales/purchase contracts, respectively. The maximum and average duration of metal forward contracts is less than 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, 2024 and 2023. The average duration of these forward contracts is less than one 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 expenses, net.

in thousands	Fiscal 2024	Fiscal 2023
Derivative instruments		
Metal contracts	$ 14,549	$ 113,398
Energy contracts	(2,543)	(237)
Gain (loss) recognized in other expenses, net	$ 12,006	$ 113,161

8. 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, 2024 and March 31, 2023, 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, 2024 and March 31, 2023. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	March 31,			
	2024		2023	
in thousands	Assets	Liabilities	Assets	Liabilities
Level 2 instruments				
Metal contracts	$ 2,093	$ (9,788)	$ 10,905	$ (4,415)
Energy contracts	242	(1,415)	255	(1,854)
Total level 2 instruments	$ 2,335	$ (11,203)	$ 11,160	$ (6,269)
Netting adjustment[(1)]	(3,508)	3,508	(12,758)	12,758
Total net	$ (1,173)	$ (7,695)	$ (1,598)	$ 6,489

(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.

Novelis ALR Rolled Products, Inc.

Financial Statements and Related Notes
As of March 31, 2024
(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
fiscal 2024	Fiscal year ended March 31, 2024
GAAP	Generally Accepted Accounting Principles
U.S.	United States

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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, 2024 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, 2024

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

Novelis ALR Rolled Products, Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net sales	$ 540,215	$ 668,892
Cost of goods sold (exclusive of depreciation and amortization)	540,435	612,219
Selling, general and administrative expenses	26,211	25,855
Depreciation and amortization	42,762	47,881
Interest expense	17	42
Research and development expenses	—	1
Restructuring and impairment, net	32,409	26,949
Other (income) expenses, net	(1,095)	505
	640,739	713,452
Loss from continuing operations before income tax provision	(100,524)	(44,560)
Income tax provision	28,388	45,472
Net loss from continuing operations	(128,912)	(90,032)
Income (loss) from discontinued operations, net of tax	60	(364)
Net income (loss) from discontinued operations	60	(364)
Net loss	$ (128,852)	$ (90,396)

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net loss	$ (128,852)	$ (90,396)
Other comprehensive income (loss):		
Net change in pension and other benefits	(841)	1,564
Other comprehensive (loss) income before income tax effect	(841)	1,564
Income tax provision related to items of other comprehensive income	81	323
Other comprehensive (loss) income, net of tax	(760)	1,241
Comprehensive loss	$ (129,612)	$ (89,155)

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Accounts receivable, net		
— third parties (net of allowance for credit losses of $0 as of March 31, 2024)	34,802	52,640
— related parties	218,154	200,333
Inventories	32,205	46,989
Prepaid expenses and other current assets	4,630	7,019
Total current assets	289,791	306,981
Property, plant and equipment, net	202,558	200,293
Goodwill	374,269	374,269
Intangible assets, net	323,898	340,070
Investment in subsidiaries	534,923	534,923
Other long–term assets		
— third parties	148	167
Total assets	$ 1,725,587	$ 1,756,703
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 165	$ 448
Accounts payable		
— third parties	44,514	35,329
— related parties	481,244	421,098
Accrued expenses and other current liabilities	29,599	17,140
Current liabilities of discontinued operations	—	300
Total current liabilities	555,522	474,315
Long–term debt, net of current portion	2	151
Deferred income tax liabilities	24,095	6,569
Accrued postretirement benefits	11,562	11,381
Other long–term liabilities	15,219	15,488
Total liabilities	606,400	507,904
Shareholder's equity:		
Common stock, 0.01 par value; 10,000 number of shares authorized; 100 shares issued and outstanding as of March 31, 2024 and March 31, 2023	—	—
Additional paid–in capital	1,593,607	1,593,607
Accumulated deficit	(480,550)	(351,698)
Accumulated other comprehensive income	6,130	6,890
Total equity	1,119,187	1,248,799
Total liabilities and equity	$ 1,725,587	$ 1,756,703

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net loss	$ (128,852)	$ (90,396)
Net income (loss) from discontinued operations	60	(364)
Net loss from continuing operations	$ (128,912)	$ (90,032)
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 42,762	$ 47,881
(Gain) loss on sale of assets	(370)	329
Impairment charges	25,107	17,338
Deferred income taxes	17,609	40,723
Other, net	—	—
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	17,838	(8,513)
Due To/From Related Parties	42,325	18,313
Inventories	14,784	16,027
Accounts payable	9,021	(12,867)
Other assets	2,408	4,157
Other liabilities	9,069	5,476
Net cash provided by operating activities - continuing operations	51,641	38,832
Net cash used in operating activities - discontinued operations	(240)	(9,364)
Net cash provided by operating activities	$ 51,401	$ 29,468
INVESTING ACTIVITIES		
Capital expenditures	$ (50,969)	$ (28,845)
Net cash used in investing activities	$ (50,969)	$ (28,845)
FINANCING ACTIVITIES		
Proceeds from (repayments), net under long-term and short-term borrowings	(432)	(623)
Net cash used in financing activities	$ (432)	$ (623)
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	1,138	401

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, 2022	10	$ —	$ 1,593,607	$ (261,302)	$ 5,649	$1,337,954
Net loss	—	—	—	(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
Net loss	—	—	—	(128,852)	—	(128,852)
Change in pension and other benefits, net of tax provision	—	—	—	—	(760)	(760)
Balance as of March 31, 2024	10	$ —	$ 1,593,607	$ (480,550)	$ 6,130	$1,119,187

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 2023" or period ended March 31, 2023 refers to the year ended March 31, 2023 and the reference to "fiscal 2024" or period ended March 31, 2024 refers to the year ended March 31, 2024. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2023.

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 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. 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 (income) 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.

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 2024 or fiscal 2023. 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 sales volumes, conversion premiums, and discount rate, among other considerations. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairment in future periods. For purposes of our quantitative analysis, our estimate of fair value for each reporting unit as of the testing date is based on a weighted average of the value indication from income and market approach. 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 consolidated statements of operations. During our analysis for fiscal 2024 and fiscal 2023, 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. Additionally, we reevaluate the useful lives of long-lived assets (excluding goodwill), at plants impacted by restructuring activities, which may results in accelerated depreciation. Impairments or accelerated depreciation 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 2024 and fiscal 2023, 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, 2024 and 2023 are below.

	March 31,	
in thousands	**2024**	**2023**
Net sales - third parties	$ 495,773	$ 575,281
Net sales - related parties	44,442	93,611
Total	$ 540,215	$ 668,892

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. RESTRUCTURING AND IMPAIRMENT

Restructuring and impairment, net includes restructuring costs, impairments, and other related expenses. As of March 31, 2024 and March 31, 2023, $12 million and $9 million, respectively were included in accrued expenses and other current liabilities in our accompanying balance sheet.

in thousands		
Restructuring liability balance as of March 31, 2022	$	390
Restructuring and impairment expenses		26,949
Cash payments		(698)
Foreign currency and other		(17,943)
Restructuring liability balance as of March 31, 2023	$	8,698
Restructuring and impairment expenses, net[1]		32,409
Cash payments		(3,633)
Other[2]		(25,107)
Restructuring liability balance as of March 31, 2024	$	12,367

(1) Restructuring and impairment expenses, net for fiscal 2024 primarily relates to the closures of the Clayton plant ($25.2M) and Buckhannon plant ($3.5M).
(2) Other includes the removal of other non-cash expenses recorded and included within restructuring and impairment expenses, net in the table above that are not recorded through the restructuring liability.

4. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following.

	March 31,	
in thousands	2024	2023
Trade accounts receivable	$ 33,391	$ 52,690
Other accounts receivable	1,411	(50)
Accounts receivable, net — third parties	$ 34,802	$ 52,640
Accounts receivable, net — related parties	$ 218,154	$ 200,333
Accounts receivable, net	$ 252,956	$ 252,973

5. INVENTORIES

Inventories consists of the following.

	March 31,	
in thousands	2024	2023
Finished goods	$ 10,919	$ 6,926
Work in process	12,271	25,330
Raw materials	1,681	6,930
Supplies	7,334	7,803
Inventories	$ 32,205	$ 46,989

6. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consists of the following.

	March 31,	
in thousands	2024	2023
Prepaid - General	$ 4,630	$ 6,709
Other current assets	—	310
Prepaid expenses and other current assets	$ 4,630	$ 7,019

7. PROPERTY, PLANT AND EQUIPMENT

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

in thousands	March 31, 2024	March 31, 2023
Land and property rights	$ 18,539	$ 16,536
Buildings	82,254	66,039
Machinery and equipment	221,919	194,579
Gross property, plant and equipment (excluding construction in progress)	322,712	277,154
Accumulated depreciation and amortization	(149,079)	(92,119)
Property, plant and equipment, net (excluding construction in progress)	173,633	185,035
Construction in progress	28,925	15,258
Property, plant and equipment, net	$ 202,558	$ 200,293

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

in thousands	Fiscal 2024	Fiscal 2023
Depreciation expense related to property, plant and equipment, net	$ 26,590	$ 31,720

Asset impairments

Impairment charges are recorded in restructuring and impairment, net on our statements of operations.

8. GOODWILL AND INTANGIBLE ASSETS

A summary of the changes in the carrying value of goodwill for fiscal 2024 and fiscal 2023 follows.

in millions	March 31, 2024			March 31, 2023		
	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, 2024			March 31, 2023		
in thousands	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and software	13,132	(4,654)	8,478	13,132	(3,502)	9,630
Customer-related intangible assets	375,500	(60,080)	315,420	375,432	(44,992)	330,440
	$ 388,632	$ (64,734)	$ 323,898	$ 388,564	$ (48,494)	$ 340,070

During fiscal 2024 and fiscal 2023, 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 2024	Fiscal 2023
Amortization expense related to intangible assets included in depreciation and amortization	$ 16,172	$ 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
2025	$ 17,473
2026	17,473
2027	17,473
2028	16,479
2029	15,105

9. 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, 2024 and 2023.

	March 31,		Ownership %
in thousands, except for percentage	2024	2023	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	2024	2023
Novelis ALR Recycling Ohio, LLC	23,908	20,323
Novelis ALR Rolled Products, LLC	193,297	177,913
Novelis Inc	—	2,097
Novelis ALR Aluminum-Alabama LLC	949	$ —
Accounts receivable, net — related parties	$ 218,154	$ 200,333
Novelis ALR Aluminum LLC	261,538	170,750
Novelis ALR Aluminum-Alabama LLC	—	2
Novelis ALR International, Inc.	200,493	235,161
Novelis ALR Rolled Products Sales Corporation	9,177	9,177
Novelis Corporation	7,354	5,946
Novelis Koblenz GmbH	—	62
Novelis Inc	2,682	—
Accounts payable — related parties	$ 481,244	$ 421,098

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2024	2023
Accrued compensation and benefits	$ 4,057	$ 4,062
Accrued environmental reserves	2,015	2,568
Accrued income taxes	13,499	4,326
Other current liabilities	10,028	6,184
Accrued expenses and other current liabilities	$ 29,599	$ 17,140

11. POSTRETIREMENT BENEFIT PLANS

Our pension obligations relate to funded defined benefit pension plans in 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 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 contributed the following amounts to all plans.

in thousands	Fiscal 2024	Fiscal 2023
Unfunded pension plans	$ 517	$ 582
Total contributions	$ 517	$ 582

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 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Benefit obligation at beginning of period	$ 26,762	$ 31,768	$ 11,044	$ 12,686
Service cost	300	80	106	131
Interest cost	1,340	1,201	618	533
Benefits paid	(2,802)	(2,730)	(517)	(582)
Actuarial gains	(103)	(3,474)	(322)	(1,724)
Other	(303)	(83)	(164)	—
Benefit obligation at end of period	$ 25,194	$ 26,762	$ 10,765	$ 11,044
Benefit obligation of funded plans	$ 25,194	$ 26,762	$ —	$ —
Benefit obligation of unfunded plans	—	—	10,765	11,044
Benefit obligation at end of period	$ 25,194	$ 26,762	$ 10,765	$ 11,044

	Pension Benefit Plans	
in thousands	Fiscal 2024	Fiscal 2023
Change in fair value of plan assets		
Fair value of plan assets at beginning of period	$ 26,425	$ 31,578
Actual return on plan assets	1,077	(2,340)
Benefits paid	(2,802)	(2,730)
Company contributions	—	—
Other	(303)	(83)
Fair value of plan assets at end of period	$ 24,397	$ 26,425

	March 31,			
	2024		2023	
in thousands	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Funded status				
Assets less the benefit obligation of funded plans	$ (797)	$ —	$ (337)	$ —
Benefit obligation of unfunded plans	—	(10,765)	—	(11,044)
Total net plan liabilities	$ (797)	$ (10,765)	$ (337)	$ (11,044)
As included in our balance sheets within Total assets / (Total liabilities)				
Accrued postretirement benefits	(797)	(10,765)	(337)	(11,044)
Total net plan liabilities	$ (797)	$ (10,765)	$ (337)	$ (11,044)

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,			
	2024		2023	
in thousands	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Beginning balance in accumulated other comprehensive loss	$ (4,399)	$ (9)	$ (5,636)	$ (13)
Net actuarial losses (gains)	500	(322)	958	(108)
Amortization of:				
Actuarial losses	222	435	279	112
Total postretirement amounts recognized in accumulated other comprehensive loss	$ (3,677)	$ 104	$ (4,399)	$ (9)

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	2024	2023
The projected benefit obligation and accumulated benefit obligation for all defined benefit pension plans:		
Projected benefit obligation	$ 25,194	$ 26,762
Accumulated benefit obligation	25,194	26,762
Pension plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligation	$ 25,194	$ 26,762
Fair value of plan assets	24,397	26,425
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	$ 25,194	$ 26,762
Fair value of plan assets	24,397	26,425

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
2025	$ 3,615	$ 758
2026	2,449	789
2027	2,315	846
2028	2,416	888
2029	2,212	925
2030 through 2034	9,602	5,214
Total	$ 22,609	$ 9,420

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 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Service cost	$ 300	$ 80	$ 106	$ 131
Interest cost	1,340	1,201	618	533
Expected return on assets	(1,680)	(2,092)	—	—
Amortization — losses, net	(222)	(279)	(435)	(112)
Net periodic benefit cost[(1)]	$ (262)	$ (1,090)	$ 289	$ 552

(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) expenses, 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 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Weighted average assumptions used to determine benefit obligations				
Discount rate	5.5 %	5.4 %	5.5 %	5.3 %
Average compensation growth	—	—	—	—
Weighted average assumptions used to determine net periodic benefit cost				
Discount rate	5.4 %	4.1 %	5.3 %	4.0 %
Average compensation growth	—	—	—	—
Expected return on plan assets	6.8	7.1	—	—

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, 2024	2023
Equity	25%-25%	25 %	27 %
Fixed income	69%-69%	69 %	63 %
Real estate	4%-4%	3 %	5 %
Other	4%-4%	3 %	5 %

Fair Value of Plan Assets

The following pension plan assets are measured and recognized at fair value on a recurring basis.

Pension Plan Assets

in thousands	March 31, 2024 Level 1	Level 2	Level 3	Total
Equity	$ —	$ 24,397	$ —	$ 24,397
Total	$ —	$ 24,397	$ —	$ 24,397

12. OTHER (INCOME) EXPENSES, NET

Other (income) expenses, net consists of the following.

in thousands	Fiscal 2024	Fiscal 2023
(Gain) loss on sale of assets, net	(369)	329
Non-operating net periodic benefit cost[1]	(336)	(1,617)
Other, net	(390)	1,793
Other (income) expenses, net	$ (1,095)	$ 505

(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.

13. 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 (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Domestic (U.S.)	$ (100,524)	$ (44,560)
Pre-tax income	(100,524)	(44,560)

The components of our income tax provision are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
Federal	$ 4,697	$ (201)
State	6,083	4,950
Total current	$ 10,780	$ 4,749
Deferred provision:		
Federal	$ 15,465	$ 48,461
State	2,143	(7,738)
Total deferred	$ 17,608	$ 40,723
Income tax provision	$ 28,388	$ 45,472

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, 2024, we had valuation allowances recorded against deferred tax assets of $15,742 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.

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, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 Aluminum LLC and certify that the information included therein accurately reflects the financial position of Novelis ALR Aluminum LLC as of March 31, 2024 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, 2024

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

Novelis ALR Aluminum LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net sales	$ 460,548	$ 517,146
Cost of goods sold (exclusive of depreciation and amortization)	395,883	447,020
Selling, general and administrative expenses	1,240	153
Depreciation and amortization	19,568	19,587
Interest expense and amortization of debt issuance costs	40	46
Other expenses, net	230	161
	416,961	466,967
Net income	$ 43,587	$ 50,179

See accompanying notes to the financial statements.

Novelis ALR Aluminum LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net income	$ 43,587	$ 50,179
Comprehensive income	43,587	50,179

See accompanying notes to the financial statements.

Novelis ALR Aluminum LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Accounts receivable, net		
— third parties (net of allowance for credit losses of $0 as of March 31, 2024 and $0 as of March 31, 2023)	$ 31,478	$ 34,850
— related parties	483,327	261,272
Inventories	41,762	45,192
Prepaid expenses and other current assets	705	652
Total current assets	557,272	341,966
Property, plant and equipment, net	92,506	95,411
Other long–term assets		
— third parties	2,342	3,176
Total assets	$ 652,120	$ 440,553
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of finance lease obligations	$ 108	$ 103
Accounts payable		
— third parties	200,912	34,147
— related parties	550	787
Accrued expenses and other current liabilities	6,731	4,290
Total current liabilities	208,301	39,327
Finance lease obligations, net of current portion	9	118
Other long–term liabilities	1,613	2,498
Total liabilities	209,923	41,943
Member's equity:		
Member's capital	214,044	214,044
Retained earnings	228,153	184,566
Total equity	442,197	398,610
Total liabilities and equity	$ 652,120	$ 440,553

See accompanying notes to the financial statements.

Novelis ALR Aluminum LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ 43,587	$ 50,179
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 19,568	$ 19,587
Loss on sale of assets	408	161
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	3,371	14,340
Due To/From Related Parties	(222,292)	(73,135)
Inventories	3,429	18,072
Accounts payable	166,789	(16,906)
Other assets	780	64
Other liabilities	(192)	(130)
Net cash provided by operating activities	15,448	12,232
Net cash provided by operating activities	$ 15,448	$ 12,232
INVESTING ACTIVITIES		
Capital expenditures	$ (15,345)	$ (12,240)
Proceeds from sales of assets, third party, net of transaction fees and hedging	—	—
Net cash used in investing activities	$ (15,345)	$ (12,240)
FINANCING ACTIVITIES		
Principal payments on finance lease obligations	(103)	8
Net cash (used in) provided by financing activities	$ (103)	$ 8
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)

in thousands, except number of shares	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Total Equity
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
Net income attributable to our common shareholder	—	—	—	43,587	43,587
Balance as of March 31, 2024	1,000	$ —	$ 214,044	$ 228,153	$ 442,197

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 2023.

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 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 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, 2024 and 2023 are below.

	March 31,	
in thousands	2024	2023
Net sales - third parties	$ 363,515	$ 443,902
Net sales - related parties	97,033	73,244
Total	$ 460,548	$ 517,146

3. INVENTORIES

Inventories consists of the following.

in thousands	March 31, 2024	March 31, 2023
Finished goods	$ 3,692	$ 4,497
Work in process	16,277	26,453
Raw materials	16,600	9,432
Supplies	5,193	4,810
Inventories	$ 41,762	$ 45,192

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consists of the following.

	March 31,	
in thousands	**2024**	**2023**
Prepaid - Other	$ 705	$ 652
Prepaid expenses and other current assets	705	652

5. PROPERTY, PLANT AND EQUIPMENT

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

in thousands	March 31, 2024	March 31, 2023
Land and property rights	$ 5,029	$ 5,009
Buildings	35,701	33,883
Machinery and equipment(1)	123,059	112,307
Gross property, plant and equipment (excluding construction in progress)	163,789	151,199
Accumulated depreciation and amortization	(75,855)	(58,755)
Property, plant and equipment, net (excluding construction in progress)	87,934	92,444
Construction in progress	4,572	2,967
Property, plant and equipment, net(2)	$ 92,506	$ 95,411

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

in thousands	Fiscal 2024	Fiscal 2023
Depreciation expense related to property, plant and equipment, net	$ 19,568	$ 19,587

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	2024	2023
Novelis ALR International, Inc.	188,901	43,189
Novelis ALR Rolled Products, LLC	34,157	47,190
Novelis ALR Rolled Products, Inc.	260,269	170,893
Accounts receivable, net — related parties	$ 483,327	$ 261,272
Novelis Services Limited	164	—
Novelis Corporation	386	787
Accounts payable — related parties	$ 550	$ 787

7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	**2024**	**2023**
Accrued compensation and benefits	$ 2,179	$ 1,608
Other current liabilities	4,552	2,682
Accrued expenses and other current liabilities	$ 6,731	$ 4,290

8. OTHER (INCOME) EXPENSES, NET

Other expenses, net consists of the following.

in thousands	Fiscal 2024	Fiscal 2023
Loss on sale of assets, net	408	161
Other, net	(178)	—
Other expenses, net	$ 230	$ 161

Novelis ALR Rolled Products Sales Corporation

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 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, 2024 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, 2024

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

Novelis ALR Rolled Products Sales Corporation
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	**Fiscal 2024**	**Fiscal 2023**
Selling, general and administrative expenses	$ 32	$ 105
Depreciation and amortization	—	5
Restructuring and impairment, net	(5)	—
Loss before income tax benefit	(27)	(110)
Income tax benefit	(6)	(46)
Net loss	$ (21)	$ (64)

See accompanying notes to the financial statements.

Novelis ALR Rolled Products Sales Corporation
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net loss	$ (21)	$ (64)
Comprehensive loss	$ (21)	$ (64)

See accompanying notes to the financial statements.

Novelis ALR Rolled Products Sales Corporation
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Accounts receivable, net		
— related parties	$ 13,692	$ 13,680
Prepaid expenses and other current assets	59	59
Total current assets	13,751	13,739
Property, plant and equipment, net	—	16
Deferred income tax assets	663	656
Total assets	$ 14,414	$ 14,411
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ —	$ 9
Accounts payable		
— third parties	21	22
— related parties	16,575	16,535
Accrued expenses and other current liabilities	7	11
Total current liabilities	16,603	16,577
Long–term debt, net of current portion	—	2
Total liabilities	16,603	16,579
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, 2024 and March 31, 2023	—	—
Additional paid–in capital	3	3
Accumulated deficit	(2,192)	(2,171)
Total equity	(2,189)	(2,168)
Total liabilities and equity	$ 14,414	$ 14,411

See accompanying notes to the financial statements.

Novelis ALR Rolled Products Sales Corporation
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net loss	$ (21)	$ (64)
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ —	$ 5
Deferred income taxes	(7)	(42)
Other, net	3	(4)
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	—	27
Due To/From Related Parties	28	126
Accounts payable	1	21
Other assets	—	(55)
Other liabilities	(4)	(14)
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 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, 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)
Net loss attributable to our common shareholder	—	—	—	(21)	(21)
Balance as of March 31, 2024	1,000	$ —	$ 3	$ (2,192)	$ (2,189)

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 2023.

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. 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 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.

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	2024	2023
Buildings	16	16
Machinery and equipment	103	119
Gross property, plant and equipment (excluding construction in progress)	119	135
Accumulated depreciation and amortization	(119)	(119)
Property, plant and equipment, net	$ —	$ 16

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

in thousands	Fiscal 2024	Fiscal 2023
Depreciation expense related to property, plant and equipment, net	$ —	$ 5

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	2024	2023
Novelis ALR Rolled Products, Inc.	9,178	9,177
Novelis ALR Rolled Products, LLC	4,250	4,250
Novelis Aluminum (Zhenjiang) Co., Ltd.	77	103
Novelis Koblenz GmbH	93	56
Aleris (Shanghai) Trading Co,. Ltd.	48	48
Novelis Inc	46	46
Accounts receivable, net — related parties	$ 13,692	$ 13,680
Novelis ALR International, Inc.	16,575	16,535
Accounts payable — related parties	$ 16,575	$ 16,535

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	**2024**	**2023**
Accrued compensation and benefits[(1)]	$ 1	$ 5
Other current liabilities	6	6
Accrued expenses and other current liabilities	$ 7	$ 11

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 2024	Fiscal 2023
Domestic (U.S.)	$ (27)	$ (110)
Pre-tax loss before equity in net loss of non-consolidated affiliates	$ (27)	$ (110)

The components of our income tax benefit are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
Federal	$ —	$ —
State	1	(4)
Total current	$ 1	$ (4)
Deferred provision:		
Federal	$ (6)	$ (41)
State	(1)	(1)
Total deferred	$ (7)	$ (42)
Income tax benefit	$ (6)	$ (46)

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, 2024, we had valuation allowances recorded against deferred tax assets of $93 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, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 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, 2024 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, 2024

Novelis ALR Recycling of Ohio, LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net sales	$ 45,135	$ 37,174
Cost of goods sold (exclusive of depreciation and amortization)	34,690	34,974
Selling, general and administrative expenses	10	13
Depreciation and amortization	7,560	4,695
Interest expense and amortization of debt issuance costs	50	24
Research and development expenses	6	—
Other expenses, net	91	20
	42,407	39,726
Net income (loss)	$ 2,728	$ (2,552)

See accompanying notes to the financial statements.

Novelis ALR Recycling of Ohio, LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	**Fiscal 2024**	**Fiscal 2023**
Net income (loss)	$ 2,728	$ (2,552)
Comprehensive income (loss)	$ 2,728	$ (2,552)

See accompanying notes to the financial statements.

Novelis ALR Recycling of Ohio, LLC
BALANCE SHEETS (UNAUDITED)

	March 31,	
in thousands, except number of shares	2024	2023
ASSETS		
Current assets:		
Accounts receivable, net		
— related parties	$ 167,144	$ 121,989
Inventories	58	—
Prepaid expenses and other current assets	11	9
Total current assets	167,213	121,998
Property, plant and equipment, net	31,695	30,876
Total assets	$ 198,908	$ 152,874
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 273	$ 235
Accounts payable		
— third parties	4,829	3,254
— related parties	166,505	125,157
Accrued expenses and other current liabilities	1,174	725
Total current liabilities	172,781	129,371
Long–term debt, net of current portion	116	220
Other long–term liabilities	325	325
Total liabilities	$ 173,222	$ 129,916
Commitments and contingencies		
Member's equity:		
Additional paid–in capital	24,224	24,224
Retained earnings (accumulated deficit)	1,462	(1,266)
Total equity	25,686	22,958
Total liabilities and equity	$ 198,908	$ 152,874

See accompanying notes to the financial statements.

Novelis ALR Recycling of Ohio, LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income (loss)	$ 2,728	$ (2,552)
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	7,560	4,695
Loss on sale of assets	91	20
Other, net	(294)	—
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	(45,155)	—
Due To/From Related Parties	—	7,155
Inventories	(58)	—
Accounts payable	42,436	(411)
Other assets	(2)	1
Other liabilities	449	1
Net cash provided by operating activities	$ 7,755	$ 8,909
INVESTING ACTIVITIES		
Capital expenditures	(7,689)	(8,895)
Net cash used in investing activities	$ (7,689)	$ (8,895)
FINANCING ACTIVITIES		
Principal payments of long-term and short-term borrowings	(66)	(14)
Net cash used in financing activities	$ (66)	$ (14)
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	Retained Earnings (accumulated deficit)	Total Equity
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
Net income attributable to our common shareholder	—	2,728	2,728
Balance as of March 31, 2024	$ 24,224	$ 1,462	$ 25,686

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 2023.

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 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	2024	2023
Land and property rights	$ 4,196	$ 2,523
Buildings	16,479	16,429
Machinery and equipment	28,679	25,252
Gross property, plant and equipment (excluding construction in progress)	49,354	44,204
Accumulated depreciation and amortization	(19,507)	(14,522)
Property, plant and equipment, net (excluding construction in progress)	29,847	29,682
Construction in progress	1,848	1,194
Property, plant and equipment, net	$ 31,695	$ 30,876

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

in thousands	Fiscal 2024	Fiscal 2023
Depreciation expense related to property, plant and equipment, net	$ 7,560	$ 4,695

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	**2024**	**2023**
Novelis ALR Rolled Products, LLC	$ 167,144	$ 121,989
Accounts receivable, net — related parties	$ 167,144	$ 121,989
Novelis ALR International, Inc.	142,475	104,776
Novelis ALR Rolled Products, Inc.	24,030	20,381
Accounts payable — related parties	$ 166,505	$ 125,157

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2024	2023
Accrued compensation and benefits	$ 941	$ 662
Accrued income taxes	13	—
Other current liabilities	220	63
Accrued expenses and other current liabilities	$ 1,174	$ 725

5. OTHER (INCOME) EXPENSES, NET

Other expenses, net consists of the following.

in thousands	Fiscal 2024	Fiscal 2023
Loss on sale of assets, net	$ 91	$ 20
Other expenses, net	$ 91	$ 20

Novelis ALR Aluminum-Alabama LLC

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 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, 2024 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, 2024

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

Novelis ALR Aluminum-Alabama LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Restructuring and impairment, net	276	381
Other income, net	—	(47)
Net loss	(276)	(334)

See accompanying notes to the financial statements.

Novelis ALR Aluminum-Alabama LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net loss	$ (276)	$ (334)
Comprehensive loss	$ (276)	$ (334)

See accompanying notes to the financial statements.

Novelis ALR Aluminum-Alabama LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Accounts receivable, net		
— third parties (net of allowance for credit losses of $0 as of March 31, 2024 and March 31, 2023)	$ 3,524	$ 2,819
— related parties	—	1
Prepaid expenses and other current assets	621	621
Total current assets	4,145	3,441
Property, plant and equipment, net	970	970
Other long–term assets		
— third parties	952	702
Total assets	$ 6,067	$ 5,113
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— third parties	$ 223	$ 187
— related parties	4,621	3,383
Accrued expenses and other current liabilities	398	491
Total current liabilities	5,242	4,061
Other long–term liabilities	1,740	1,691
Total liabilities	6,982	5,752
Commitments and contingencies		
Member's equity:		
Additional paid–in capital	321	321
Accumulated deficit	(1,236)	(960)
Total equity	(915)	(639)
Total liabilities and equity	$ 6,067	$ 5,113

See accompanying notes to the financial statements.

Novelis ALR Aluminum-Alabama LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net loss	$ (276)	$ (334)
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	(704)	(406)
Due To/From Related Parties	1,238	711
Accounts payable	36	(59)
Other assets	(250)	406
Other liabilities	(44)	(318)
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, 2022	$ 321	$ (626)	$ (305)
Net loss attributable to our common shareholder	—	(334)	(334)
Balance as of March 31, 2023	321	(960)	(639)
Net loss attributable to our common shareholder	—	(276)	(276)
Balance as of March 31, 2024	$ 321	$ (1,236)	$ (915)

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 2023.

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. 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, 2024 and March 31, 2023, $657 thousand and $381 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, 2022	$	—
Restructuring and impairment expenses		381
Cash payments		—
Restructuring liability balance as of March 31, 2023		381
Restructuring and impairment expenses, net		276
Cash payments		—
Restructuring liability balance as of March 31, 2024	$	657

3. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consists of the following.

	March 31,	
in thousands	2024	2023
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	**2024**	**2023**
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 2024 or fiscal 2023, 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	**2024**	**2023**
Novelis ALR Rolled Products, Inc.	—	1
Accounts receivable, net — related parties	$ —	$ 1
Novelis ALR Rolled Products, Inc.	949	—
Novelis ALR International, Inc.	3,672	3,383
Accounts payable — related parties	$ 4,621	$ 3,383

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2024	2023
Environmental reserves	$ 379	$ 462
Accrued income taxes	1	—
Other current liabilities	18	29
Accrued expenses and other current liabilities	$ 398	$ 491

7. OTHER LONG-TERM LIABILITIES

Other long–term liabilities include.

	March 31,	
in thousands	2024	2023
Long-term asset retirement obligations	$ 485	$ 485
Long-term environmental reserve	1,255	1,206
Other long-term liabilities	$ 1,740	$ 1,691

Novelis ALR Asset Management Corporation

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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, 2024 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, 2024

Novelis ALR Asset Management Corporation
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Selling, general and administrative expenses	30	(132)
Other (income) expenses, net	(542)	261
	(512)	129
Income (loss) before income tax benefit	512	(129)
Income tax benefit	(75)	(89)
Net income (loss)	$ 587	$ (40)

See accompanying notes to the financial statements.

Novelis ALR Asset Management Corporation
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Net income (loss)	$ 587	$ (40)
Comprehensive income (loss)	$ 587	$ (40)

See accompanying notes to the financial statements.

Novelis ALR Asset Management Corporation
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Accounts receivable, net		
— related parties	856	—
Prepaid expenses and other current assets	1	9
Total current assets	857	9
Property, plant and equipment, net	$ 369	$ 809
Investment in subsidiaries	959	959
Deferred income tax assets	1,131	1,037
Total assets	$ 3,316	$ 2,814
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— related parties	15	138
Accrued expenses and other current liabilities	91	53
Total liabilities	106	191
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, 2024 and March 31, 2023	—	—
Additional paid–in capital	1,103	1,103
Retained earnings	2,107	1,520
Total equity	3,210	2,623
Total liabilities and equity	$ 3,316	$ 2,814

See accompanying notes to the financial statements.

Novelis ALR Asset Management Corporation
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income (loss)	$ 587	$ (40)
Net income from discontinued operations	—	—
Net income (loss) from continuing operations	$ 587	$ (40)
Adjustments to determine net cash provided by operating activities:		
(Gain) loss on sale of assets	(573)	152
Deferred income taxes	(94)	(80)
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	(980)	(50)
Inventories	—	—
Accounts payable	—	(7)
Other assets	8	(9)
Other liabilities	39	(134)
Net cash used in operating activities - continuing operations	(1,013)	(168)
Net cash provided by operating activities - discontinued operations	—	—
Net cash used in operating activities	$ (1,013)	$ (168)
INVESTING ACTIVITIES		
Proceeds from sales of assets, third party, net of transaction fees and hedging	1,013	168
Net cash provided by investing activities	$ 1,013	$ 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, 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
Net income attributable to our common shareholder	—	—	—	587	587
Balance as of March 31, 2024	10	$ —	$ 1,103	$ 2,107	$ 3,210

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 2023.

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 (income) 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.

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	2024	2023
Land and property rights	$ 369	$ 887
Machinery and equipment	—	10
Gross property, plant and equipment (excluding construction in progress)	369	897
Accumulated depreciation and amortization	—	(88)
Property, plant and equipment, net (excluding construction in progress)	369	809
Property, plant and equipment, net	$ 369	$ 809

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, 2024 and 2023.

	March 31,		Ownership %
in thousands, except for percentage	2024	2023	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.

	March 31,	
in thousands	2024	2023
Novelis ALR International, Inc.	856	—
Accounts receivable — related parties	$ 856	$ —
Novelis ALR Rolled Products, Inc.	15	—
Novelis ALR International, Inc.	—	138
Accounts payable — related parties	$ 15	$ 138

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2024	2023
Accrued taxes	19	—
Accrued property tax	$ 72	$ 53
Accrued expenses and other current liabilities	$ 91	$ 53

5. OTHER (INCOME) EXPENSES, NET

Other (income) expenses, net consists of the following.

in thousands	Fiscal 2024	Fiscal 2023
Gain on sale of assets, net	$ (573)	$ —
Other, net	31	261
Other (income) expenses, net	$ (542)	$ 261

6. 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 income (loss) before income tax benefit are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Domestic (U.S.)	$ 512	$ (129)
Pre-tax income	$ 512	$ (129)

The components of our income tax benefit are as follows.

in thousands	Fiscal 2024	Fiscal 2023
Current provision:		
State	19	(9)
Total current	$ 19	$ (9)
Deferred provision:		
Federal	$ (90)	$ (59)
State	(4)	(21)
Total deferred	$ (94)	$ (80)
Income tax benefit	$ (75)	$ (89)

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, 2024, we had valuation allowances recorded against deferred tax assets of $61 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.

Novelis Ventures LLC

Financial Statements and Related Notes
As of March 31, 2024
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ended March 31, 2024
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 Ventures LLC and certify that the information included therein accurately reflects the financial position of Novelis Ventures LLC as of March 31, 2024 and the results of its operations for the year then ended.

Novelis Ventures LLC	
By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2024

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

Novelis Ventures LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
Other income, net	$ (820)	$ —
	(820)	—
Net income	$ 820	$ —

See accompanying notes to the financial statements.

Novelis Ventures LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	**Fiscal 2024**	**Fiscal 2023**
Net income	$ 820	$ —
Comprehensive income	$ 820	$ —

See accompanying notes to the financial statements.

Novelis Ventures LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2024	March 31, 2023
ASSETS		
Non-marketable investments	$ 8,170	$ 3,100
Total assets	$ 8,170	$ 3,100
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— related parties	$ 3,600	$ 3,100
Total liabilities	3,600	3,100
Shareholder's equity:		
Additional paid–in capital	3,750	—
Retained earnings	820	—
Total equity	4,570	—
Total liabilities and equity	$ 8,170	$ 3,100

See accompanying notes to the financial statements.

Novelis Ventures LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2024	Fiscal 2023
OPERATING ACTIVITIES		
Net income	$ 820	$ —
Adjustments to determine net cash provided by operating activities:		
Other, net	(820)	—
Changes in assets and liabilities:		
Accounts payable - related parties	500	3,100
Net cash provided by operating activities	$ 500	$ 3,100
INVESTING ACTIVITIES		
Acquisition of non-marketable investments	(500)	(3,100)
Net cash used in investing activities	$ (500)	$ (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	Retained Earnings	Total Equity
Balance as of May 20, 2022	—	$ —	$ —	$ —	$ —
Balance as of March 31, 2023	—	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	820	820
Contribution of shares in a non-marketable investment	—	—	3,750	—	3,750
Balance as of March 31, 2024	—	$ —	$ 3,750	$ 820	$ 4,570

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, 2024 and 2023, the Company held non-marketable investments in private companies for which market values are not readily determinable of $8,170 thousand and $3,100 thousand, respectively. In fiscal 2024, the Company received a contribution from an intermediate parent, Novelis Inc., in the form of non-marketable investment in Sortera Alloys, Inc., with a fair value of $3,750 thousand as of the date of the contribution.

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, 2024.

NOVELIS (CHINA) ALUMINUM PRODUCTS CO., LTD.

FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

Novelis (China) Aluminum Products Co., Ltd.

Financial statements and Auditor's Report
For the Year Ended 31 December 2023
[English translation for reference only]

Content	**Page**

[English Translation for Reference Only]

Auditor's Report

PwC ZT Shen Zi (2024) No. 32522
(Page 1 of 3)

To the Board of Directors of Novelis (China) Aluminum Products Co., Ltd.:

Opinion

What we have audited

We have audited the accompanying financial statements of Novelis (China) Aluminum Products Co., Ltd. (Novelis China), which comprise:

- the balance sheet as at 31 December 2023;
- the income statement for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in owners' equity for the year then ended; and
- notes to the financial statements.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Novelis China as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises ("CASs").

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). 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.

We are independent of Novelis China in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Novelis China is responsible for the preparation and fair presentation of these financial statements in accordance with the CASs, 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.

To the Board of Directors of Novelis (China) Aluminum Products Co., Ltd.:

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

In preparing these financial statements, management is responsible for assessing Novelis China'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 intend to liquidate Novelis China or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Novelis China's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these 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 CSAs 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 CSAs, 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

To the Board of Directors of Novelis (China) Aluminum Products Co., Ltd.:

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 Novelis China'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 these 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 Novelis China 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.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China
30 April 2024

NOVELIS (CHINA) ALUMINUM PRODUCTS CO., LTD.

BALANCE SHEET
AS AT 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

ASSETS	Note	31 December 2023	31 December 2022
Current assets			
Cash at bank and on hand	6(1)	303,558,454.89	275,509,737.98
Accounts receivable	6(2), 7(4)(a)	478,039,222.91	466,563,915.11
Advances to suppliers	6(4), 7(4)(c)	2,822,269.66	5,161,929.86
Other receivables	6(3), 7(4)(b)	538,320,436.82	795,926,057.15
Inventories	6(5)	818,777,990.61	1,029,835,729.19
Other current assets	6(6)	-	16,331,923.78
Total current assets		2,141,518,374.89	2,589,329,293.07
Non-current assets			
Fixed assets	6(7)	1,644,423,512.89	1,700,738,832.48
Construction in progress	6(8)	7,729,132.55	6,249,615.92
Right-of-use assets	6(10)	11,692,191.85	18,963,487.08
Intangible assets	6(9)	66,015,866.11	70,373,537.82
Long-term prepaid expenses	6(11)	10,597,295.13	17,290,323.56
Deferred tax assets	6(19)	5,893,254.09	6,488,936.71
Other non-current assets		6,024,653.93	7,548,703.81
Total non-current assets		1,752,375,906.55	1,827,653,437.38
TOTAL ASSETS		3,893,894,281.44	4,416,982,730.45

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

LIABILITIES AND OWNERS' EQUITY	Note	31 December 2023	31 December 2022
Current liabilities			
Short-term borrowings	6(13)	186,074,193.16	589,500,000.00
Accounts payable	7(4)(d)	738,035,432.76	573,583,306.43
Contract liabilities	6(14)	9,219,539.38	6,317,540.70
Employee benefits payable	6(15)	5,169,831.59	6,763,193.73
Taxes payable	6(16)	25,720,358.72	5,655,944.05
Other payables	6(17), 7(4)(e)	172,131,545.07	237,729,366.87
Non-current liabilities to be settled within one year	6(20), 7(4)(g)	238,311,451.50	408,262,551.28
Other current liabilities		1,198,540.12	821,280.29
Total current liabilities		1,375,860,892.30	1,828,633,183.35
Non-current liabilities			
Long-term borrowings	6(18)	340,000,000.00	570,000,000.00
Lease liabilities	6(21)	4,474,877.71	12,097,441.13
Total non-current liabilities		344,474,877.71	582,097,441.13
Total liabilities		1,720,335,770.01	2,410,730,624.48
Owners' equity			
Paid-in capital		847,309,012.82	847,309,012.82
Other comprehensive income		1,528,836.96	1,198,726.87
Surplus reserve	6(22)	132,472,066.17	115,774,436.63
Undistributed profits		1,192,248,595.48	1,041,969,929.65
Total owners' equity		2,173,558,511.43	2,006,252,105.97
TOTAL LIABILITIES AND OWNERS' EQUITY		3,893,894,281.44	4,416,982,730.45

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

Legal representative: Liu, Qing | Principal in charge of accounting: Song Qu | Head of accounting department: Wenfeng Shi

NOVELIS (CHINA) ALUMINUM PRODUCTS CO., LTD.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	2023	2022
Revenue	6(23)	3,594,131,563.53	3,709,246,760.60
Less: Cost of sales	6(23), 6(25)	(3,135,363,888.09)	(3,147,513,055.69)
Taxes and surcharges		(16,980,921.26)	(12,752,769.90)
Selling and distribution expenses	6(25)	(30,844,651.09)	(22,848,166.00)
General and administrative expenses	6(25)	(120,075,487.80)	(157,268,622.62)
Financial expenses - net	6(24)	(51,930,133.91)	(123,327,159.67)
Including: Interest expenses		(54,174,097.21)	(74,487,927.42)
Interest income		29,073,772.27	32,377,838.05
Add: Gains arising from changes in fair value		1,861,519.00	(10,435.68)
Reversal of losses on asset impairment		1,614,454.43	201,360.03
Investment (losses)/gains		(1,783,419.04)	254,582.08
(Losses)/Gains on disposals of assets		(351,661.48)	38,043.00
Other income	6(26)	23,030,994.34	18,956,777.75
Operating profit		263,308,368.63	264,977,313.90
Add: Non-operating income		33,954.19	27,483.80
Less: Non-operating expenses		-	(3,807.49)
Total profit		263,342,322.82	265,000,990.21
Less: Income tax expenses	6(27)	(96,366,027.45)	(66,899,256.90)
Net profit		166,976,295.37	198,101,733.31
Other comprehensive income, net of tax		(78,099.96)	(254,582.08)
Total comprehensive income		166,898,195.41	197,847,151.23

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

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Liu, Qing	Song Qu	Wenfeng Shi

NOVELIS (CHINA) ALUMINUM PRODUCTS CO., LTD.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	2023	2022
Cash flows from operating activities			
Cash received from sales of goods or rendering of services		4,125,178,856.13	4,240,963,258.91
Refund of taxes and surcharges		246,347.56	16,129,030.41
Cash received relating to other operating activities		28,428,427.42	4,842,142.76
Sub-total of cash inflows		4,153,853,631.11	4,261,934,432.08
Cash paid for goods and services		(2,907,169,008.85)	(3,186,351,828.48)
Cash paid to and on behalf of employees		(101,527,233.42)	(106,315,302.72)
Payments of taxes and surcharges		(137,006,325.97)	(586,376,199.66)
Cash paid relating to other operating activities		(299,765,155.06)	(368,978,249.81)
Sub-total of cash outflows		(3,445,467,723.30)	(4,248,021,580.67)
Net cash flows from operating activities	6(28)(a)	708,385,907.81	13,912,851.41
Cash flows from investing activities			
Cash received from disposals of investments		251,499,086.46	46,221,493.04
Net cash received from disposals of fixed assets		-	46,855.20
Cash received relating to other investing activities		24,841,498.30	51,417,365.06
Sub-total of cash inflows		276,340,584.76	97,685,713.30
Cash paid to acquire fixed assets and intangible aseets		(38,557,824.20)	(72,103,477.28)
Sub-total of cash outflows		(38,557,824.20)	(72,103,477.28)
Net cash flows from investing activities		237,782,760.56	25,582,236.02
Cash flows used in financing activities			
Cash received from borrowings		246,574,193.16	611,978,275.60
Sub-total of cash inflows		246,574,193.16	611,978,275.60
Cash repayments of borrowings		(1,075,636,681.48)	(533,760,601.75)
Cash payments for interest expenses		(81,239,691.85)	(70,548,526.48)
Cash paid relating to other financing activities	6(28)(c)	(8,144,599.60)	(8,000,775.49)
Sub-total of cash outflows		(1,165,020,972.93)	(612,309,903.72)
Net cash flows used in financing activities		(918,446,779.77)	(331,628.12)
Effect of foreign exchange rate changes on cash		326,828.31	1,503,695.02
Net increase in cash	6(28)(b)	28,048,716.91	40,667,154.33
Add: Cash at the beginning of the year	6(28)(b)	275,509,737.98	234,842,583.65
Cash at the end of the year	6(28)(b)	303,558,454.89	275,509,737.98

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

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Liu, Qing	Song Qu	Wenfeng Shi

NOVELIS (CHINA) ALUMINUM PRODUCTS CO., LTD.

STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item		Paid-in capital	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
Balance at 1 January 2022		847,309,012.82	1,861,519.00	95,964,263.30	863,678,369.67	1,808,813,164.79
Movements for the year ended 31 December 2022						
Net profit		-	-	-	198,101,733.31	198,101,733.31
Effective portion of gains or losses on hedging instruments in a cash flow hedge		-	(254,582.08)	-	-	(254,582.08)
Profit distribution - appropriation to surplus reserve	6(22)	-	-	19,810,173.33	(19,810,173.33)	-
Balance at 31 December 2022		847,309,012.82	1,606,936.92	115,774,436.63	1,041,969,929.65	2,006,660,316.02
Balance at 1 January 2023		847,309,012.82	1,606,936.92	115,774,436.63	1,041,969,929.65	2,006,660,316.02
Movements for the year ended 31 December 2023						
Net profit		-	-	-	166,976,295.37	166,976,295.37
Effective portion of gains or losses on hedging instruments in a cash flow hedge		-	(78,099.96)	-	-	(78,099.96)
Profit distribution - appropriation to surplus reserve	6(22)	-	-	16,697,629.54	(16,697,629.54)	-
Balance at 31 December 2023		847,309,012.82	1,528,836.96	132,472,066.17	1,192,248,595.48	2,173,558,511.43

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

Legal representative: Liu, Qing   Principal in charge of accounting:Song Qu   Head of accounting department: Wenfeng Shi

1 General information

Novelis (China) Aluminum Products Co., Ltd. (the "Company") is a wholly foreign-owned enterprise incorporated in Changzhou, Jiangsu Province of the People's Republic of China on 18 June 2012 by Novelis Inc. The Company has an approved operating period of 50 years. The registered capital of the Company was USD 40,000,000.00. In accordance with the resolution of shareholders on 15 June 2013 and the revised Articles of Association, with the approval of Department of Commerce of Jiangsu Province, the Company applied for an increase of registered capital of USD 16,700,000.00. The Company's cumulative paid-in amount of registered capital was increased to USD 56,700,000.00. In accordance with the resolution of Board of Shareholders on 28 June 2018 and the revised Articles of Association, with the approval of Department of Commerce of Jiangsu Province, the Company applied for an increase of registered capital of USD 72,000,000.00. The registered capital was increased to USD 128,700,000.00 and the cumulative paid-in amount of registered capital is USD 128,700,000.00. As at 31 December 2023, the paid-in capital of the Company was USD 128,700,000.00, equivalent to RMB 847,309,012.82.

The approved scope of business of the Company includes research, development, manufacture and processing of special aluminum sheet for automobile use; sales of self-manufactured products; import and export, domestic wholesale and commissioned agency (excluding auction) of metal materials and products and provision of ancillary services (manufacturing projects can be only run by branches). For the year ended 31 December 2023, the Company's actual main business was consistent with the approved business scope.

These financial statements were authorised for issue by the Company's responsible person on 30 April 2024.

2 Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standard for Business Enterprises - Basic Standard*, the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as "the Accounting Standards for Business Enterprises" or "CASs").

The financial statements are prepared on a going concern basis.

3 Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2023 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the Company's financial position as at 31 December 2023 and its financial performance, cash flows and other information for the year then ended.

4 Summary of significant accounting policies and accounting estimates

(1) Accounting year

The Company's accounting year starts on 1 January and ends on 31 December.

(2) Recording currency

The Company's recording currency is Renminbi (RMB). The financial statements are presented in RMB.

4 Summary of significant accounting policies and accounting estimates (Continued)

(3) Foreign currency translation

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from foreign currency translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings made specifically for acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(4) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and deposits that can be readily drawn on demand.

(5) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the Company becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification and measurement

Based on the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: (1) financial assets at amortised cost; and (2) financial assets at fair value through profit or loss.

At initial recognition, the financial assets are measured at fair value. Transaction costs that are incremental and directly attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are expensed in profit or loss for the current period. Accounts receivable arising from sales of products or rendering of services (which have not contained or considered any significant financing components) are initially recognised at the consideration that is entitled to be received by the Company as expected.

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(a) Financial assets (Continued)

(i) Classification and measurement (Continued)

Debt instruments

The debt instruments held by the Company refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following two categories:

Measured at amortised cost:

The objective of the Company's business model is to hold the financial assets to collect the contractual cash flows, and the contractual cash flow characteristics are consistent with a basic lending arrangement, which gives rise on specified dates to the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The interest income of such financial assets is recognised using the effective interest rate method. Such financial assets mainly comprise cash at bank and on hand, accounts receivable, other receivables and long-term receivables. Debt investments and long-term receivables that are due within one year (inclusive) as from the balance sheet date are presented as non-current assets to be recovered within one year. Debt investments with maturities of no more than one year (inclusive) at the time of acquisition are presented as other current assets.

Measured at fair value through profit or loss:

Debt instruments held by the Company that do not meet the criteria for amortised cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. At initial recognition, the Company designates a portion of financial assets as financial assets at fair value through profit or loss in order to eliminate or significantly reduce any accounting mismatch. Financial assets that are due over one year as from the balance sheet date and are expected to be held over one year are presented as other non-current financial assets. Others are presented as financial assets held for trading.

(ii) Impairment

The Company recognises loss provision on the basis of the expected credit losses ("ECL") for financial assets at amortised cost.

Giving consideration to reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available without undue cost or effort at the balance sheet date, weighted by the probability of default, the Company recognises the ECL as the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the cash flows expected to be collected.

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Impairment (Continued)

For accounts receivable arising from the sales of goods and rendering of services in the ordinary course of operating activities, the Company recognises the lifetime ECL regardless of whether a significant financing component exists.

At each balance sheet date, the ECL of financial instruments other than aforesaid accounts receivable is measured based on different stages. A 12-month ECL is recognised for financial instruments in Stage 1 which have not had a significant increase in credit risk since initial recognition; a lifetime ECL is recognised for financial instruments in Stage 2 which have had a significant increase in credit risk since initial recognition but are not deemed to be credit-impaired; and a lifetime ECL is recognised for financial instruments in Stage 3 that are credit-impaired.

For those financial instruments with a low credit risk as at the balance sheet date, the Company assumes that there is no significant increase in credit risk since initial recognition. The Company treats them as financial instruments in Stage 1 and recognises a 12-month ECL.

For those financial instruments in Stages 1 and 2, the Company calculates the interest income by applying the effective interest rate to the gross carrying amount (before net off of any ECL provision). For the financial instruments in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (net off of any ECL provision).

In cases where the ECL of an individually assessed financial asset cannot be evaluated with reasonable cost, the Company categorises the receivables into different groups based on their shared risk characteristics, and calculates the ECL for each group respectively. The basis for the determination of grouping and the method of provision are as follows:

Third party group	Third-party customers
Related party group	Receivables from related parties
Other receivables group 1	Deposits
Other receivables group 2	Others

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Impairment (Continued)

For accounts receivable arising from the sales of goods and rendering of services in the ordinary course of operating activities which are categorised into different groups for collective assessment, the Company calculates the ECL with reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the lifetime ECL rates. For other receivables that are categorised into different groups, the Company calculates the ECL with reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the 12-month or lifetime ECL rates.

The Company recognises the provision or reversal for losses in profit or loss for the current period.

(iii) Derecognition

A financial asset is derecognised when one of the following criteria is met: (i) the contractual rights to receive cash flows from the financial asset have expired, (ii) the financial asset has been transferred and the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, or (iii) the financial asset has been transferred to the transferee and the Company has not retained control of the financial asset, although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

(b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

Financial liabilities of the Company mainly comprise financial liabilities at amortised cost, including accounts payable, other payables and borrowings. Such financial liabilities are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities with maturity of less than one year (inclusive) are presented as current liabilities, and those with maturity of longer than one year but due within one year (inclusive) as from the balance sheet date are presented as non-current liabilities to be settled within one year. Others are presented as non-current liabilities.

When the underlying present obligation of a financial liability is fully or partly discharged, the portion of the financial liability which corresponds to the discharged present obligation is derecognised. The difference between the carrying amount of the derecognised portion of the financial liability and the consideration paid is recognised in profit or loss for the current period.

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. In the valuation, the Company adopts the valuation technique which is applicable to the current situation and supportable by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered by market participants in relevant transactions of assets or liabilities, and gives priority to the use of relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

(6) Inventories

Inventories include raw materials, work in progress, finished goods and materials that can be used for multiple times but not recognised as fixed assets, and are measured at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprise raw materials, direct labour and systematically allocated production overhead based on the normal production capacity. Materials that can be used for multiple times but not recognised as fixed assets include low value consumables and packaging materials. Low value consumables are amortised as expenses based upon usage. Packaging materials are expensed when issued.

Provision for a decline in the value of inventories is determined as the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale and related taxes.

The Company adopts the perpetual inventory system as its stock-taking policy.

(7) Fixed assets

Fixed assets comprise buildings, machinery and equipment, tools, motor vehicles and computers and electronic equipment. Fixed assets shall be recognised as an asset if, and only if 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. Fixed assets purchased or constructed by the Company are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets, net of their estimated net residual values, over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

4 Summary of significant accounting policies and accounting estimates (Continued)

(7) Fixed assets (Continued)

The estimated useful lives, the estimated net residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation rates
Buildings	20-40 years	5%	2%-5%
Machinery and equipment	10-25 years	5%	4%-10%
Tools	5 years	5%	19%
Motor vehicles	4-5 years	5%	19%-24%
Computers and electronic equipment	3-5 years	5%-10%	18%-32%

The estimated useful life and the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at each year-end.

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

(8) Construction in progress

Construction in progress is measured at actual cost as incurred. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the fixed assets ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation is charged starting from the month following the transfer.

(9) Intangible assets

Intangible assets include land use rights and software, and are recognised at cost.

(a) Land use rights

Land use rights are amortised on the straight-line basis over their approved use period of 50 years. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

(b) Software

Software is amortised on the straight-line basis over its estimated useful lives, 5 to 10 years.

(c) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end and its useful life and amortisation method are adjusted as appropriate.

4 Summary of significant accounting policies and accounting estimates (Continued)

(10) Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to right-of-use assets, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual costs less accumulated amortisation.

(11) Impairment of long-term assets

Fixed assets, construction in progress, right-of-use assets and intangible assets with finite useful lives are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. Intangible assets that are not yet available for their intended use are tested for impairment at least annually, irrespective of whether there is any indication of impairment. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for asset impairment and an impairment loss are 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 the cost of disposal and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in any subsequent periods.

(12) Borrowing costs

The borrowing costs that are directly attributable to acquisition and construction of an asset that needs a substantially long period of time for its intended use commence are to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

(13) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for termination of employment relationship and which include short-term employee benefits and post-employment benefits.

(a) Short-term employee benefits

Short-term employee benefits include wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running and employee education costs and short-term paid absences. The short-term employee benefits actually incurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

4 Summary of significant accounting policies and accounting estimates (Continued)

(13) Employee benefits (Continued)

(b) Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and will have no obligation to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Company's post-employment benefits mainly include the premiums or contributions on basic pensions and unemployment insurance, both of which are under the defined contribution plans.

Basic pensions

The Company's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to profit or loss for the current period or the cost of relevant assets.

(14) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax asset or deferred tax liability is recognised for a temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax assets and deferred tax liabilities are offset when:

- the deferred tax assets and deferred tax liabilities are related to the Company and the same taxation authority; and,
- that the Company has a legally enforceable right to offset current tax assets against current tax liabilities.

4 Summary of significant accounting policies and accounting estimates (Continued)

(15) Revenue recognition

The Company recognises revenue at the amount of the consideration which the Company expects to be entitled to receive when the customer obtains control over relevant goods or services.

(a) Sales of aluminum products

The Company manufactures and sells aluminum products. Revenue is recognised when the Company has delivered aluminum products to the location specified in the sales contract and the buyer has confirmed the acceptance of the products, and the delivery note is signed by both parties.

The Company provides the buyer with sales discounts. The related revenue is recognised based on the price specified in the contract net of the discount amount as estimated based on historical experience.

(b) Rendering of aluminum coil processing services

The Company provides material processing services to related parties. Upon completion of services, the outcome will be delivered to the buyer pursuant to the contract, and revenue is recognised upon acceptance of the buyer.

The Company receives cash from the buyer before or after delivery of products or services via a bank. Cash received from the buyer before delivery of the products or services are recognised as contract liabilities.

(16) Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Company from the government, including tax return and financial subsidy.

Government grants are recognised when the grants can be received and the Company can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

Government grants related to assets refer to government grants which are obtained by the Company for the purposes of obtaining long-term assets through purchase, construction or other means. Government grants related to income refer to those which are not related to assets.

Government grants related to assets are either deducted against the carrying amount of the assets, or recorded as deferred income and recognised in profit or loss on a systemic basis over the useful lives of the assets. Government grants related to income that compensate the future costs, expenses or losses are recorded as deferred income and recognised in profit or loss, or deducted against related costs, expenses or losses in the subsequent periods in which those costs, expenses or losses are recognised. Government grants related to income that compensate the incurred costs, expenses or losses are recognised in profit or loss, or deducted against related costs, expenses or losses directly in current period. The Company applies the presentation method consistently to the same types of government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit and are otherwise recorded in non-operating income or expenses.

4 Summary of significant accounting policies and accounting estimates (Continued)

(17) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as the lessee

At the lease commencement date, the Company recognises the right-of-use asset and measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments include fixed payments, the exercise price of a purchase option or termination penalty if the lessee is reasonably certain to exercise that option. Variable lease payments which are determined in proportion to sales are excluded from lease payments and recognised in profit or loss as incurred. Lease liabilities that are due within one year (inclusive) as from the balance sheet date are presented as non-current liabilities to be settled within one year.

Right-of-use assets of the Company comprise leased buildings. Right-of-use assets are measured initially at cost which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initial direct costs, less any lease incentives received. If there is reasonable certainty that the Company will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life and otherwise, depreciated over the shorter of the lease term and its remaining useful life. The carrying amount of the right-of-use asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount.

For short-term leases with a term of 12 months or less and leases of a low value individual asset (when new), the Company chooses to include the lease payments in the cost of the underlying assets or in the profit or loss for the current period on a straight-line basis over the lease term, instead of recognising right-of-use assets and lease liabilities.

The Company accounts for a lease modification as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction (other than a business combination) which affects neither accounting profit nor taxable profit (or deductible loss) and does not give rise to equal taxable and deductible temporary differences. At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled.

4 Summary of significant accounting policies and accounting estimates (Continued)

(18) Critical accounting estimates and judgements

The Company continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the relevant circumstances.

(a) Critical judgements in applying the accounting policies

(i) Criteria for significant increase in credit risk and credit-impaired

Judgement of the Company for significant increase in credit risk is mainly based on whether the financial assets are overdue, or whether one or more of the following indicators change significantly: business environment of the debtor, internal and external credit rating, actual or expected operating results of the debtor, the significant decline in the value of collaterals or credit rating of guarantor which affects the probability of default, etc.

The Company determines the occurrence of credit impaired mainly based on the criteria such as whether one or more of the following conditions exist: the debtor is suffering from significant financial difficulties, the debtor is undergoing a debt restructuring, or it is probable that the debtor will be bankrupted, etc.

(ii) Timing of revenue recognition

When the Company sells aluminum products to a customer, it delivers them to the agreed location specified in the contract. The customer confirms the acceptance of aluminum products and then signs the acceptance documents. The Company believes that the customer has obtained the control over aluminum products after accepting the products. Therefore, the Company confirms the revenue of sales of aluminum products when the customer signs the acceptance documents.

(b) Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

(i) Measurement of ECL

The Company calculates ECL based on the exposure at default and the ECL rates. The determination of the ECL rates is based on the probability of default and the loss given default. In determining the ECL rates, the Company uses data such as internal historical credit loss experience, and adjusts the historical data based on current conditions and forward-looking information.

When considering the forward-looking information, indicators used by the Company include the risk of economic downturn, external market environment, technological environment, changes in customer conditions, Gross Domestic Product (“GDP”) and Consumer Price Index (“CPI”). The Company regularly monitors and reviews assumptions related to the calculation of ECL. In 2023, there was no significant change in the above valuation techniques and key assumptions.

4 Summary of significant accounting policies and accounting estimates (Continued)

(18) Critical accounting estimates and judgements (Continued)

(b) Critical accounting estimates and key assumptions (Continued)

(ii) Net realisable value of inventories

Net realisable value of inventories is determined based on the estimated selling price in the ordinary course of business, less the estimated costs of completion, the estimated selling and distribution expenses and related taxes. These estimates are made mainly based on current market conditions and historical experiences of selling products of similar nature, which may change due to the changes of customer’s needs and the changes in the different stage of business cycle. Management reassesses such estimation on each balance sheet date.

(iii) Useful lives and residual values of fixed assets

Management of the Company is responsible for the assessment and identification of the estimated useful lives and estimated residual values of fixed assets. Such assessment is based on the previously actual useful lives and actual net residual values of fixed assets with similar nature and functions. In the process of using fixed assets, the economic environment, technical environment and other environment may have a significant impact on the useful lives and the estimated net residual values of fixed assets. If the estimated useful lives and estimated net residual values of fixed assets differ from the original estimations, they will be adjusted by management of the Company.

(iv) Income taxes and deferred income taxes

There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Company in determining the provision for income tax. Where the final tax outcomes of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which the tax determination is made.

5 Taxation

The main categories and rates of taxes applicable to the Company are set out below:

Category	Tax rate	Tax base
Enterprise income tax	25%	Taxable income
Value-added tax (“VAT”) (a)	13% and 6%	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible VAT input of the current period)
City maintenance and construction tax	7%	The payment amount of VAT

(a) The Company’s sales of products are subject to VAT. The applicable tax rate for domestic sales is 13%, and the Company has been approved to use the “exempt, credit, refund” method on goods exported providing a tax refund at the rate of 13%.

6 Notes to the financial statements

(1) Cash at bank and on hand

	31 December 2023	31 December 2022
Cash at bank	303,558,454.89	275,509,737.98

(2) Accounts receivable

	31 December 2023	31 December 2022
Accounts receivable	478,039,222.91	466,563,915.11
Less: Provision for bad debts	-	-
	478,039,222.91	466,563,915.11

(a) The ageing of accounts receivable is analysed as follows:

	31 December 2023	31 December 2022
Within 1 year	478,039,222.91	466,563,915.11

As at 31 December 2023, accounts receivable of RMB 351,112.96 (31 December 2022: 28,361,203.94) were overdue, but based on the analysis of the customers' financial status and previous credit record, no individual provisions for bad debts were provided. The overdue ageing of these accounts receivable is analysed as follows:

	31 December 2023	31 December 2022
Within 1 year	351,112.96	28,361,203.94

Accounts receivable are analysed by customers category as follows:

	31 December 2023			31 December 2022		
	Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Receivables from third parties	422,486,520.77	88.38%	-	420,815,010.62	90.19%	-
Receivables from related parties (Note 7(4)(a))	55,552,702.14	11.62%	-	45,748,904.49	9.81%	-
	478,039,222.91	100.00%	-	466,563,915.11	100.00%	-

(b) Provision for bad debts

For accounts receivable, the Company recognises the loss provision based on the lifetime ECL regardless of whether there is any significant financing component.

6 Notes to the financial statements

(3) Accounts receivable (Continued)

(b) Provision for bad debts (Continued)

(i) As at 31 December 2023, the Company has no provision made on an individual basis for accounts receivables (31 December 2022: Nil).

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows:

	31 December 2023		
	Gross carrying amount	Provision for bad debts	
	Amount	Lifetime ECL rates	Amount
Not overdue	477,688,109.95	-	-
Overdue within 1 to 30 days	-	-	-
Overdue within 31 to 60 days	351,112.96	-	-
Overdue within 61 to 90 days	-	-	-
Overdue over 90 days	-	-	-
	478,039,222.91		-

	31 December 2022		
	Gross carrying amount	Provision for bad debts	
	Amount	Lifetime ECL rates	Amount
Not overdue	438,202,711.17	-	-
Overdue within 1 to 30 days	22,160,604.75	-	-
Overdue within 31 to 60 days	-	-	-
Overdue within 61 to 90 days	59,765.54	-	-
Overdue over 90 days	6,140,833.65	-	-
	466,563,915.11		-

(iii) In 2023, there was no provision or reversal for bad debts.

(c) In 2023, no accounts receivable was actually written off.

6 Notes to the financial statements (Continued)

(3) Other receivables

	31 December 2023	31 December 2022
Receivable from related parties - cash pool loans and interest (a) (Note 7(4)(b))	533,234,583.68	784,795,710.68
Deposits receivable	2,760,269.40	2,698,269.42
Advances receivable	933,605.83	933,605.83
Liquidated damages receivable	724,977.91	6,761,239.80
Receivables from related parties - rental fees (Note 7(4)(b))	-	219,309.24
Others	667,000.00	517,922.18
	538,320,436.82	795,926,057.15
Less: Provision for bad debts	-	-
	538,320,436.82	795,926,057.15

(a) The Company and its affiliates have entered into a liquidity management agreement (the "pool" agreement) with BNP Paribas. Under the Agreement, BNP Paribas, as a fiduciary agent, is authorized to transfer funds between RMB accounts designated by the Company ("Master Account") and RMB accounts designated by other related parties ("Sub-Accounts") on the relevant transfer date.

As at December 31, 2023, the balance of monies lent by the Company to related parties as a result of participating in the above program and interest receivable were accounted for as "other receivables" in the Company's financial statements.

In 2023, the annual interest rate of the pool is 3.45% (2022: 3.65%).

(b) The ageing of other receivables is analysed as follows:

	31 December 2023	31 December 2022
Within 1 year	537,369,830.99	793,390,949.07
1 to 2 years	-	1,584,502.25
2 to 3 years	-	631,074.54
Over 3 years	950,605.83	319,531.29
	538,320,436.82	795,926,057.15

6 Notes to the financial statements (Continued)

(3) Other receivables (Continued)

(c) Movements in provision for losses and their gross carrying amounts

	Stage 1	
	12-month ECL (group)	
	Gross carrying amount	Provision for bad debts
31 December 2022	795,926,057.15	-
Amounts decreased in the current year	(257,605,620.33)	-
31 December 2023	538,320,436.82	-

As at 31 December 2023 and 31 December 2022, other receivables for which the related provision for bad debts was provided on a collective basis were all within Stage 1, and the Company did not have other receivables in Stage 2 or Stage 3.

As at 31 December 2023 and 31 December 2022, the Company did not have other receivables in Stage 2 or Stage 3. Other receivables in Stage 1 are analysed as follows:

(i) As at 31 December 2023 and 31 December 2022, the Company has no provision made on an individual basis for other receivables.

(ii) As at 31 December 2023 and 31 December 2022, provision for bad debts of other receivables recognised on a collective basis which were all within Stage 1 is analysed as follows:

	31 December 2023			31 December 2022		
	Gross carrying amount	Provision for losses		Gross carrying amount	Provision for losses	
	Amount	Amount	Provision ratio	Amount	Amount	Provision ratio
Deposits and guarantees						
Within 1 year	2,760,269.40	-	-	2,698,269.42	-	-
Related party group：						
Within 1 year	533,234,583.68	-	-	785,015,019.92	-	-
Other groups：						
Within 1 year	1,374,977.91	-	-	5,677,659.73	-	-
1 to 2 years	-	-	-	1,584,502.25	-	-
2 to 3 years	-	-	-	631,074.54	-	-
Over 3 years	950,605.83	-	-	319,531.29	-	-
	538,320,436.82	-	-	795,926,057.15	-	-

(d) In 2023, there was no provision for bad debts.

(e) In 2023, no other receivables was actually written off.

6 Notes to the financial statements (Continued)

(4) Advances to suppliers

The ageing of advances to suppliers is analysed as follows:

	31 December 2023		31 December 2022	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	2,822,269.66	100.00%	5,161,929.86	100.00%

(6) Inventories

	31 December 2022	Reversal in current year	Write-off in current year	31 December 2023
Cost -				
Raw materials	668,726,321.29			506,950,135.78
Work in progress	35,388,747.33			34,049,938.50
Finished goods	265,299,834.94			208,824,833.13
Materials that can be used for multiple times but not recognised as fixed assets	62,739,415.33			69,657,218.47
	1,032,154,318.89			819,482,125.88
Less: Provision for decline in the value of inventories -				
Finished goods	(2,318,589.70)	1,614,454.43	-	(704,135.27)
	1,029,835,729.19			818,777,990.61

(6) Other current assets

	31 December 2023	31 December 2022
Prepaid enterprise income tax	-	16,331,923.78

6 Notes to the financial statements (Continued)

(7) Fixed assets

	Buildings	Machinery and equipment	Tools	Motor vehicles	Computers and electronic equipment	Total
Cost						
31 December 2022	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
Transfers from construction in progress (Note 6(8))	348,623.85	2,340,935.69	35,153,155.12	-	1,001,054.93	38,843,769.59
Disposals in the current year	-	(199,756.94)	-	-	(1,577,205.45)	(1,776,962.39)
31 December 2023	489,966,462.75	1,378,882,478.99	125,277,085.09	12,320,613.91	46,430,755.43	2,052,877,396.17
Accumulated depreciation						
31 December 2022	(26,492,520.59)	(220,617,966.32)	(34,286,127.50)	(7,608,134.87)	(26,067,007.21)	(315,071,756.49)
Increase in the current year	(10,622,777.91)	(55,052,261.28)	(17,557,020.87)	(1,119,047.82)	(10,545,422.34)	(94,896,530.22)
Disposals in the current year	-	16,058.30	-	-	1,498,345.13	1,514,403.43
31 December 2023	(37,115,298.50)	(275,654,169.30)	(51,843,148.37)	(8,727,182.69)	(35,114,084.42)	(408,453,883.28)
Net book value						
31 December 2023	452,851,164.25	1,103,228,309.69	73,433,936.72	3,593,431.22	11,316,671.01	1,644,423,512.89
31 December 2022	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

In 2023, the amounts of depreciation expense charged to cost of sales, selling and distribution expenses and general and administrative expenses were RMB 70,355,433.51, RMB 27,517.25 and RMB 24,513,579.46 (2022: RMB 67,435,562.18, RMB 27,517.25 and RMB 24,970,581.59) respectively.

6 Notes to the financial statements (Continued)

(8) Construction in progress

Project name	31 December 2022	Increase in the current year	Transfer to fixed assets (Note 6(7))	Transfer to intangible assets (Note 6(9))	31 December 2023
Machinery and equipment	6,128,044.46	1,874,160.67	(2,340,935.69)	-	5,661,269.44
Software	-	3,381,945.52	-	(1,528,863.76)	1,853,081.76
Shanghai R&D Centre	121,571.46	93,209.89	-	-	214,781.35
Computers and electronic equipment	-	1,001,054.93	(1,001,054.93)	-	-
Building & structure	-	348,623.85	(348,623.85)	-	-
Tools	-	35,153,155.12	(35,153,155.12)	-	-
	6,249,615.92	41,852,149.98	(38,843,769.59)	(1,528,863.76)	7,729,132.55
Less: Provision for impairment of construction in progress	-	-	-	-	-
	6,249,615.92	41,852,149.98	(38,843,769.59)	(1,528,863.76)	7,729,132.55

(9) Intangible assets

	Cost	31 December 2022	Transfers from construction in progress (Note 6(8))	Disposed in the current year	Amortisation charged in the current year	31 December 2023	Accumulated amortisation
Land use rights	59,788,575.97	53,745,969.58	-	-	(1,195,770.93)	52,550,198.65	(7,238,377.32)
Software	38,836,805.07	16,627,568.24	1,528,863.76	(89,102.52)	(4,601,662.02)	13,465,667.46	(25,371,137.61)
	98,625,381.04	70,373,537.82	1,528,863.76	(89,102.52)	(5,797,432.95)	66,015,866.11	(32,609,514.93)

6 Notes to the financial statements (Continued)

(10) Right-of-use assets

	Buildings
Cost	
31 December 2022	33,506,077.58
Increase in the current year	
New lease contracts	-
31 December 2023	33,506,077.58
Accumulated depreciation	
31 December 2022	(14,542,590.50)
Increase in the current year	
Provision	(7,271,295.23)
31 December 2023	(21,813,885.73)
Carrying amount	
31 December 2023	11,692,191.85
31 December 2022	18,963,487.08

(11) Long-term prepaid expenses

	31 December 2023	31 December 2022
Improvement to right-of-use assets	10,597,295.13	17,290,323.56

(12) Provision for asset impairment

	31 December 2022	Increase in the current year	Reversal in the current year	31 December 2023
Provision for decline in the value of inventories	2,318,589.70	-	(1,614,454.43)	704,135.27

	31 December 2021	Increase in the current year	Reversal in the current year	31 December 2022
Provision for decline in the value of inventories	2,519,949.73	-	(201,360.03)	2,318,589.70

(13) Short-term borrowings

	31 December 2023	31 December 2022
Unsecured	186,074,193.16	589,500,000.00

As at 31 December 2023, the weighted average interest rate of short-term borrowings was 3.17% per annum (31 December 2022: 4.36% per annum).

6 Notes to the financial statements (Continued)

(14) Contract liabilities

	31 December 2023	31 December 2022
Advances from sales of goods	9,219,539.38	6,317,540.70

The carrying amount of contract liabilities of RMB 6,309,724.48 as at 31 December 2022 were realised as revenue in 2023 (2022: RMB 36,701,978.60).

(15) Employee benefits payable

	31 December 2023	31 December 2022
Short-term employee benefits payable (a)	5,169,831.59	6,763,193.73
Defined contribution plans payable (b)	-	-
	5,169,831.59	6,763,193.73

(a) Short-term employee benefits

	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Wages or salaries, bonus, allowances and subsidies	6,763,193.73	74,718,368.96	(76,311,731.10)	5,169,831.59
Social security contributions	-	5,869,318.43	(5,869,318.43)	-
Including: Medical insurance	-	4,918,702.93	(4,918,702.93)	-
Work injury insurance	-	455,566.59	(455,566.59)	-
Maternity insurance	-	495,048.91	(495,048.91)	-
Housing funds	-	7,876,600.00	(7,876,600.00)	-
Staff welfare	-	1,546,412.14	(1,546,412.14)	-
Labour union funds and employee education funds	-	261,695.05	(261,695.05)	-
	6,763,193.73	90,272,394.58	(91,865,756.72)	5,169,831.59

(b) Defined contribution plans

	31 December 2023		31 December 2022	
	Amount payable	Ending balance	Amount payable	Ending balance
Basic pensions	9,369,321.87	-	12,328,886.41	-
Unemployment insurance	292,154.83	-	384,440.17	-
	9,661,476.70	-	12,713,326.58	-

6 Notes to the financial statements (Continued)

(16) Taxes payable

	31 December 2023	31 December 2022
Enterprise income tax payable	19,723,996.68	-
Unpaid VAT	5,996,362.04	3,189,630.07
Withholding income tax payable	-	2,466,313.98
	25,720,358.72	5,655,944.05

(17) Other payables

	31 December 2023	31 December 2022
Accrued rebates	44,649,124.70	47,551,227.15
Equipment expenses payable	41,300,617.88	39,530,341.98
Payables to related parties-others (Note 7(4)(e))	33,970,178.09	44,158,116.19
Payables to related parties-cash pool loan and interests (Note 7(4)(e))	23,287,798.91	43,129,482.00
Accrued metal compensation	10,527,206.33	42,036,266.35
Accrued freight	6,340,388.01	6,289,908.37
Accrued utilities	3,666,957.59	2,426,028.01
Accrued packaging fee	2,119,703.94	1,349,565.05
Interest payable on borrowings	1,138,196.60	4,319,236.11
Accrued audit fee	863,300.17	712,964.86
Accrued security fee	-	1,416,325.97
Others	4,268,072.85	4,401,694.78
	172,131,545.07	237,729,366.87

6 Notes to the financial statements (Continued)

(18) Long-term borrowings

	31 December 2023	31 December 2022
Unsecured	570,000,000.00	970,117,951.68
Less: Long-term borrowings to be settled within one year	(230,000,000.00)	(400,117,951.68)
	340,000,000.00	570,000,000.00

As at 31 December 2023, the Company's long-term unsecured borrowings included:

The Company's long-term unsecured borrowings of RMB 420,000,000.00 provided by Bank of China are specific borrowings of fixed assets. Interest is payable every 3 months and the principal is due for repayment by installments from 2022 to 2027 according to the repayment schedule (31 December 2022: RMB 460,000,000.00). Among them, RMB 80,000,000.00 will be due for repayment within one year.

The Company's long-term unsecured borrowings of RMB 150,000,000.00 provided by China Construction Bank are current capital borrowings with a term of 3 years. Interest is payable every 3 months and the principal is to be repaid upon maturity in 2024 (31 December 2022: RMB 150,000,000.00).

As at 31 December 2022, the Company's long-term unsecured borrowings included:

The Company's long-term unsecured borrowings of RMB 360,117,951.68 were provided by the parent company Novelis Inc., of which RMB principal and interest amounted to RMB 249,376,000.00, USD principal and interest amounted to USD 6,800,000.00 (equivalent to RMB 47,172,978.48), and EUR principal amounted to EUR 8,600,000.00 (equivalent to RMB 63,568,973.20). The term of long-term borrowings is 10 years, and the principal and remaining interest were repaid in advance in 2023.

As at 31 December 2023, the weighted average interest rate of long-term borrowings was 3.98% per annum (31 December 2022: 5.21% per annum).

6 Notes to the financial statements (Continued)

(19) Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities before any offsetting are set out as follows:

(a) Deferred tax assets

	31 December 2023		31 December 2022	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Accrued expenses	4,173,104.34	16,692,417.35	3,526,588.20	14,106,352.80
Lease liabilities	3,196,582.30	12,786,329.21	5,060,510.18	20,242,040.73
Employee benefits payable	1,270,581.59	5,082,326.34	1,661,328.44	6,645,313.77
Provision for decline in the value of inventories	176,033.82	704,135.27	579,647.43	2,318,589.70
Financial liabilities at fair value through profit or loss	-	-	401,734.23	1,606,936.92
	8,816,302.05	35,265,208.17	11,229,808.48	44,919,233.92
Including:				
Expected to be recovered within one year (inclusive)	7,697,582.62		8,205,448.20	
Expected to be recovered after one year	1,118,719.43		3,024,360.28	
	8,816,302.05		11,229,808.48	

(b) Deferred tax liabilities

	31 December 2023		31 December 2022	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Right-of-use assets	2,923,047.96	11,692,191.85	4,740,871.78	18,963,487.10
Including:				
Expected to be recovered within one year (inclusive)	1,817,823.81		1,817,823.81	
Expected to be recovered after one year	1,105,224.15		2,923,047.97	
	2,923,047.96		4,740,871.78	

6 Notes to the financial statements (Continued)

(19) Deferred tax assets and liabilities (Continued)

(c) The net balances of deferred tax assets and deferred tax liabilities after offsetting are as follows:

	31 December 2023	31 December 2022
Deferred tax assets, net	5,893,254.09	6,488,936.71

(20) Non-current liabilities to be settled within one year

	31 December 2023	31 December 2022
Long-term borrowings to be settled within one year (Note 6(18), 7(4)(g))	230,000,000.00	400,117,951.68
Lease liabilities to be settled within one year (Note 6(21))	8,311,451.50	8,144,599.60
	238,311,451.50	408,262,551.28

(21) Lease liabilities

	31 December 2023	31 December 2022
Lease liabilities	12,786,329.21	20,242,040.73
Less: Non-current liabilities to be settled within one year (Note 6(20))	(8,311,451.50)	(8,144,599.60)
	4,474,877.71	12,097,441.13

(a) As at 31 December 2023 and 31 December 2022, future cash outflows to which the Company was potentially exposed that were not included in the lease liabilities comprised the following:

(i) As at 31 December 2023, the future minimum lease payments of low value asset leases adopting the practical expedient according to the new lease standard were RMB 257,175.00 (31 December 2022：RMB 21,830.00).

6 Notes to the financial statements (Continued)

(22) Surplus reserve

	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Reserve fund	115,774,436.63	16,697,629.54	-	132,472,066.17

In accordance with the *Foreign Investment Law of the People's Republic of China* and the Company's Articles of Association, appropriations from net profit are to be made to the reserve fund after offsetting accumulated losses from prior years, and before profit distributions to the investors. The percentage of appropriation to the reserve fund shall be no less than 10% of net profit, and the Company can cease appropriation when the reserve fund accumulated to more than 50% of the registered capital.

The Company appropriated 10% of net profit in 2023 of RMB 16,697,629.54 to the reserve fund (2022: RMB 19,810,173.33).

(23) Revenue and cost of sales

	2023		2022	
	Revenue	Cost of sales	Revenue	Cost of sales
Revenue from main operations	3,540,966,751.92	(3,085,848,774.83)	3,661,934,539.21	(3,103,562,357.09)
Revenue from other operations	53,164,811.61	(49,515,113.26)	47,312,221.39	(43,950,698.60)
	3,594,131,563.53	(3,135,363,888.09)	3,709,246,760.60	(3,147,513,055.69)

(a) The Company's revenue in 2023 is disaggregated as follows:

	2023			
	Sales of aluminum products	Processing services	Other services	Total
Revenue from main operations	3,423,201,113.94	117,765,637.98	-	3,540,966,751.92
Including: Recognised at a point in time	3,423,201,113.94	117,765,637.98	-	3,540,966,751.92
Revenue from other operations (i)	-	-	53,164,811.61	53,164,811.61
	3,423,201,113.94	117,765,637.98	53,164,811.61	3,594,131,563.53

(i) The Company's revenue from processing services is recognised at a point in time, and other service income is recognised over the period of providing services.

6 Notes to the financial statements (Continued)

(24) Financial expenses - net

	2023	2022
Interest expenses	53,485,209.13	73,382,717.31
Add: Interest costs on lease liabilities	688,888.08	1,105,210.11
Interest expenses	54,174,097.21	74,487,927.42
Less: Interest income	(29,073,772.27)	(32,377,838.05)
Exchange losses	26,622,460.46	80,807,814.54
Bank charges	207,348.51	409,255.76
	51,930,133.91	123,327,159.67

(25) Expenses by nature

The cost of sales, selling and distribution expenses and general and administrative expenses in the income statement are listed as follows by nature:

	2023	2022
Changes in inventories of finished goods and work in progress	57,813,810.64	(34,690,325.22)
Consumed raw materials, low value consumables, etc.	2,714,900,729.86	2,777,373,847.69
Depreciation and amortisation expenses	107,386,991.60	104,536,035.59
Employee benefits	99,933,871.28	107,863,947.77
Freight	78,143,185.86	88,206,982.85
Commissions	63,074,501.20	79,528,247.43
Utilities	51,460,913.52	50,215,952.41
Processing fees	32,146,034.15	81,663,933.59
Maintenance costs	25,162,395.76	23,651,861.57
Service fees	14,271,263.76	13,892,425.48
Insurance fees	7,353,962.14	5,791,125.57
Depreciation of right-of-use assets	7,271,295.23	7,271,295.23
Travelling expenses	5,249,811.37	3,657,797.06
Payment of taxes and surcharges on behalf of related parties	4,382,364.22	7,340,505.91
Rental fees	860,039.64	820,984.44
Others	16,872,856.75	10,505,226.94
	3,286,284,026.98	3,327,629,844.31

6 Notes to the financial statements (Continued)

(26) Other income

	2023	2022
-Related to income		
Subsidy income	22,784,646.78	2,837,701.28
Refund of service fee for individual income tax	246,347.56	119,076.47
Enterprise income tax return	-	16,000,000.00
	23,030,994.34	18,956,777.75

(27) Income tax expenses

	2023	2022
Current income tax	95,770,344.83	65,601,699.60
Deferred income tax	595,682.62	1,297,557.30
	96,366,027.45	66,899,256.90

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the income statement to the income tax expense is listed below:

	2023	2022
Total profit	263,342,322.82	265,000,990.21
Income tax expense calculated at applicable tax rates	65,835,580.71	66,250,247.55
Costs, expenses and losses not deductible for tax purposes	569,021.33	1,636,063.08
Difference of prior years	29,961,425.41	(987,053.73)
	96,366,027.45	66,899,256.90

6 Notes to the financial statements (Continued)

(28) Notes to the cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities

	2023	2022
Net profit	166,976,295.37	198,101,733.31
Add: Reversal of provision for asset impairment losses	(1,614,454.43)	(201,360.03)
Depreciation of fixed assets	94,896,530.22	92,433,661.02
Depreciation of right-of-use assets	7,271,295.23	7,271,295.25
Amortisation of long-term prepaid expenses	6,693,028.43	6,693,028.44
Amortisation of intangible assets	5,797,432.95	5,409,346.13
Losses/(Gains) on scrapping of fixed assets and intangible assets	351,661.48	(38,043.00)
(Gains)/Losses arising from changes in fair value	(1,861,519.00)	10,435.68
Financial expenses	34,650,297.98	49,183,249.97
Investment losses/(gains)	1,783,419.04	(254,582.08)
Decrease in deferred tax assets	595,682.62	1,297,557.30
Decrease/(Increase) in inventories	212,672,193.01	(169,377,917.87)
(Increase)/Increase in operating receivables	(3,091,154.27)	57,360,196.36
Increase/(Decrease) in operating payables	183,265,199.18	(234,230,331.15)
Net cash flows from operating activities	708,385,907.81	13,658,269.33

(b) Net increase in cash

	2023	2022
Cash at the end of the year (Note 6(1))	303,558,454.89	275,509,737.98
Less: Cash at the beginning of the year (Note 6(1))	(275,509,737.98)	(234,842,583.65)
Net increase in cash	28,048,716.91	40,667,154.33

(c) Cash paid relating to other financing activities

	2023	2022
Repayments of lease liabilities	8,144,599.60	8,000,775.49

In 2023, total cash outflows for leases paid by the Company amounted to RMB 9,004,639.24 which was classified as cash paid relating to financing activities for repayments of lease liabilities and operating activities for the remainder.

7 Related parties and related party transactions

(1) The parent company

(a) General information of the parent company

	Place of incorporation	Nature of business
Novelis Inc.	Canada	Manufacturing

The ultimate holding company of the Company is Hindalco Industries Ltd.

(b) Registered capital and changes in registered capital of the parent company

Name of entity	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Novelis Inc.	USD 1,000	-	-	USD 1,000

(c) The percentages of shareholding and voting rights in the Company held by the parent company

	31 December 2023		31 December 2022	
	Shareholding (%)	Voting rights (%)	Shareholding (%)	Voting rights (%)
Novelis Inc.	100%	100%	100%	100%

(2) Nature of related parties that do not control/are not controlled by the Company

	Relationship with the Company
Novelis Korea Limited	Controlled by the same ultimate holding company
Novelis Corporation	Controlled by the same ultimate holding company
Novelis Deutschland GmbH	Controlled by the same ultimate holding company
Novelis Services Limited	Controlled by the same ultimate holding company
Novelis Switzerland SA	Controlled by the same ultimate holding company
Novelis (Shanghai) Aluminum Trading Co., Ltd.	Controlled by the same ultimate holding company
Aleris (Shanghai) Trading Co., Ltd. (a)	Controlled by the same ultimate holding company
Novelis Aluminum (Zhenjiang) Co., Ltd.	Controlled by the same ultimate holding company

(a) Aleris (Shanghai) Trading Co., Ltd. was deregistered on 29 November 2023.

(3) Related party transactions

(a) Pricing policies

The Company's pricing policies on procurement of raw materials from related parties, sales of goods to related parties and other related party transactions are negotiated between the transaction parties based on each specific situation.

7 Related parties and related party transactions (Continued)

(3) Related party transactions (Continued)

(b) Sales of goods

	2023	2022
Novelis Deutschland GmbH	-	1,123,525.63

(c) Acceptance of services

	2023	2022
Novelis Inc.	44,629,329.58	59,672,676.09
Novelis (Shanghai) Aluminum Trading Co., Ltd.	16,786,393.85	5,736,347.74
Novelis Aluminum (Zhenjiang) Co., Ltd.	1,117,853.02	405,860.39
Novelis Korea Limited	878,980.02	485,948.84
	63,412,556.47	66,300,833.06

(d) Purchase of goods

	2023	2022
Novelis Korea Limited	2,436,173,147.29	2,704,182,078.41
Novelis Deutschland GmbH	21,910,640.20	33,449,062.57
Novelis Switzerland SA	2,388,477.79	26,283,539.19
Novelis Aluminum (Zhenjiang) Co., Ltd.	1,140,253.64	-
	2,461,612,518.92	2,763,914,680.17

(e) Rendering of services

	2023	2022
Novelis Korea Limited	118,053,936.46	106,499,469.58
Novelis Inc.	43,803,076.94	40,590,406.82
Novelis Aluminum (Zhenjiang) Co., Ltd.	7,970,743.77	4,974,145.87
Novelis (Shanghai) Aluminum Trading Co., Ltd.	553,447.80	-
Aleris (Shanghai) Trading Co., Ltd.	549,244.62	955,734.42
	170,930,449.59	153,019,756.69

(f) Branding fee

	2023	2022
Novelis Services Limited	9,643,800.69	11,531,298.42

7 Related parties and related party transactions (Continued)

(3) Related party transactions (Continued)

(g) Interest expenses

	2023	2022
Novelis Inc.	16,857,746.40	24,489,012.87
Novelis (Shanghai) Aluminum Trading Co., Ltd.	865,395.03	690,107.82
	17,723,141.43	25,179,120.69

(h) Interest income

	2023	2022
Novelis Aluminum (Zhenjiang) Co., Ltd.	24,779,457.76	31,717,160.31

(i) Repayment/(Lending) of entrusted loans from cash pool - net

	2023	2022
Novelis (Shanghai) Aluminum Trading Co., Ltd.	19,849,761.48	(18,258,716.61)

(j) Recovery of entrusted loans from cash pool

	2023	2022
Novelis Aluminum (Zhenjiang) Co., Ltd.	251,499,086.46	46,221,493.04

(4) Balances with related parties

(a) Accounts receivable

	31 December 2023		31 December 2022	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Novelis Korea Limited	31,841,051.71	-	19,023,387.70	-
Novelis Inc.	22,125,526.22	-	24,831,614.96	-
Novelis Aluminum (Zhenjiang) Co., Ltd.	999,469.54	-	1,893,901.83	-
Novelis (Shanghai) Aluminum Trading Co., Ltd.	586,654.67	-	-	-
	55,552,702.14	-	45,748,904.49	-

7 Related parties and related party transactions (Continued)

(4) Balances with related parties (Continued)

(b) Other receivables

	31 December 2023		31 December 2022	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Novelis Aluminum (Zhenjiang) Co., Ltd.	533,234,583.68	-	784,795,710.68	-
Aleris (Shanghai) Trading Co., Ltd.	-	-	219,309.24	-
	533,234,583.68	-	785,015,019.92	-

(c) Advances to suppliers

	31 December 2023	31 December 2022
Novelis (Shanghai) Aluminum Trading Co., Ltd.	18,269.44	1,387,254.60

(d) Accounts payable

	31 December 2023	31 December 2022
Novelis Korea Limited	699,481,658.50	535,626,908.94
Novelis Corporation	9,061,960.60	9,391,339.24
Novelis Aluminum (Zhenjiang) Co., Ltd.	1,140,253.64	-
Novelis Deutschland GmbH	644,003.28	2,528,383.49
Novelis Switzerland SA	354,885.70	3,538,622.19
	710,682,761.72	551,085,253.86

(e) Other payables

	31 December 2023	31 December 2022
Novelis (Shanghai) Aluminum Trading Co., Ltd.		
-Cash Pool	23,287,798.91	43,129,482.00
-Others	14,124,929.30	-
Novelis Inc.	16,206,962.21	41,149,682.80
Novelis Services Limited	2,682,644.99	2,459,712.57
Novelis Aluminum (Zhenjiang) Co., Ltd.	955,641.59	41,114.29
Novelis Korea Limited	-	507,606.53
	57,257,977.00	87,287,598.19

7 Related parties and related party transactions (Continued)

(4) Balances with related parties (Continued)

(f) Contract liabilities

	31 December 2023	31 December 2022
Novelis Aluminum (Zhenjiang) Co., Ltd.	1,162,569.81	-

(g) Non-current liabilities to be settled within one year

	31 December 2023	31 December 2022
Novelis Inc.	-	360,117,951.68

8 Commitments

(1) Capital commitments

As at the balance sheet date, capital expenditures contracted for but not yet necessary to be recognised by the Company in the balance sheet are as follows:

	31 December 2023	31 December 2022
Buildings, machinery and equipment	5,170,828.15	3,199,519.15

9 Financial instrument and risks

The Company’s activities expose it to a variety of financial risks: market risk (primarily including foreign exchange risk, interest rate risk and price 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.

(1) Market risk

(a) Foreign exchange risk

The Company’s major operational activities are carried out in the Chinese mainland. A part of the transactions are denominated in USD and EUR, and relevant construction expenditures are partially denominated in USD and EUR. The Company is exposed to foreign exchange risk arising from the recognised assets and liabilities, and future transactions denominated in foreign currencies, primarily with respect to USD and EUR. The Company’s financial department is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies to minimise the foreign exchange risk. Therefore, the Company may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk. As at 31 December 2023, the Company had no signed unrealised forward exchange contracts (31 December 2022: Nil).

9 Financial instrument and risks (Continued)

(1) Market risk (Continued)

(a) Foreign exchange risk (Continued)

As at 31 December 2023, the Company's financial assets, financial liabilities and forward exchange contracts denominated in foreign currencies are expressed in RMB as follows:

	31 December 2023		
	USD	EUR	Total
Financial assets denominated in foreign currencies -			
Cash at bank	21,842,399.96	76,070.72	21,918,470.68
Accounts receivable	43,407,867.88	-	43,407,867.88
	65,250,267.84	76,070.72	65,326,338.56
Financial liabilities denominated in foreign currencies -			
Accounts payable	556,834,908.63	5,419,981.50	562,254,890.13
Other payables	24,602,290.19	243,435.60	24,845,725.79
	581,437,198.82	5,663,417.10	587,100,615.92

As at 31 December 2022, the Company's financial assets and financial liabilities denominated in foreign currencies are expressed in RMB as follows:

	31 December 2022		
	USD	EUR	Total
Financial assets denominated in foreign currencies -			
Cash at bank	13,933,189.74	848,456.04	14,781,645.78
Accounts receivable	44,222,531.86	30,286.86	44,252,818.72
	58,155,721.60	878,742.90	59,034,464.50
Financial liabilities denominated in foreign currencies -			
Accounts payable	486,211,583.82	2,185,852.91	488,397,436.73
Other payables	28,099,262.47	1,336.12	28,100,598.59
Long-term borrowings	43,181,045.42	62,109,456.67	105,290,502.09
	557,491,891.71	64,296,645.70	621,788,537.41

As at 31 December 2023, for various financial assets, financial liabilities and forward exchange contracts denominated in foreign currencies held by the Company, if RMB had strengthened/weakened by 4 % against the US dollar while all other variables had been held constant, the Company's net profit for the year would have been approximately RMB 15,485,607.93 (2022: approximately RMB 14,980,085.10) higher/lower respectively. if RMB had strengthened/weakened by 4 % against the Euro while all other variables had been held constant, the Company's net profit for the year would have been approximately RMB 167,620.39 (2022: approximately RMB 1,902,537.08) higher/lower respectively.

9 Financial instrument and risks (Continued)

(1) Market risk (Continued)

(b) Interest rate risk

The Company's interest rate risk arises from long-term interest bearing borrowings including long-term bank borrowings. Financial liabilities issued at floating rates expose the Company to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Company to fair value interest rate risk. The Company determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 31 December 2023, the Company's long-term interest bearing borrowings were RMB, with fixed rates, amounting to RMB 340,000,000.00 (31 December 2022: RMB 570,000,000.00) (Note 6(18)).

The Company's finance department continuously monitors the interest rate position of the Company. Increases in interest rates will increase the cost of new borrowings, and therefore could have a material adverse effect on the Company's financial performance. Management of the Company makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. During 2023 and 2022, the Company did not enter into any interest rate swap agreements.

(2) Credit risk

Credit risk is managed on a collective basis. Credit risk mainly arises from cash at bank, accounts receivable and other receivables.

The Company expects that there is no significant credit risk associated with cash at bank and on hand since they are deposited at state-owned banks and other large or medium size listed banks with good reputation and high credit rating. Management expects that there will be almost no significant losses from non-performance by these banks.

In addition, the Company has policies to limit the credit exposure on accounts receivable and other receivables. The Company assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Company. In respect of customers with a poor credit history, the Company will chase settlement by using written payment reminders, or shorten/cancel credit periods, to ensure the overall credit risk of the Company is limited to a controllable extent.

As at 31 December 2023, the Company had no significant collateral or other credit enhancements held as securities from debtors (31 December 2022: Nil).

9 Financial instrument and risk (Continued)

(3) Liquidity risk

The Company's finance department is responsible for cash flow forecasting, and monitors rolling forecasts of the Company's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs; continuously monitors whether the covenant terms in borrowing agreements are complied with; and maintains sufficient headroom on the Company's committed undrawn banking facilities from major financial institutions so as to meet the short-term and long-term liquidity requirements.

As at the balance sheet date, the undiscounted contractual cash flows of the Company's financial liabilities, analysed by their maturity dates, are as follows:

	31 December 2023				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	192,208,862.05	-	-	-	192,208,862.05
Accounts payable	738,035,432.76	-	-	-	738,035,432.76
Other payables	169,814,162.55	-	-	-	169,814,162.55
Long-term borrowings	250,275,862.67	91,663,166.67	269,512,750.00	-	611,451,779.34
Lease liabilities	8,299,103.88	4,823,672.36	-	-	13,122,776.24
	1,359,812,609.83	96,486,839.03	269,512,750.00	-	1,725,812,198.86

	31 December 2022				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	595,788,333.33	-	-	-	595,788,333.33
Accounts payable	573,583,306.43	-	-	-	573,583,306.43
Other payables	237,729,366.87	-		-	237,729,366.87
Long-term borrowings	433,990,968.65	175,323,750.00	474,880,000.00	-	1,084,194,718.65
Lease liabilities	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

10 Fair value estimates

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 the asset or liability.

(1) Assets and liabilities measured at fair value on a recurring basis

As at 31 December 2023 and 31 December 2022, the Company had no assets or liabilities measured at fair value.

10 Fair value estimates (Continued)

(2) Assets measured at fair value on a non-recurring basis

As at 31 December 2023 and 31 December 2022, no assets measured at fair value on a non-recurring basis were held by the Company.

(3) Assets and liabilities not measured at fair value but for which their fair values are disclosed

Financial assets and financial liabilities measured at amortised cost mainly include accounts receivable, other receivables, short-term borrowings, payables, lease liabilities and long-term borrowings.

As at 31 December 2023 and 31 December 2022, the carrying amount of the financial assets and financial liabilities not measured at fair value was a reasonable approximation of their fair value.

11 Capital management

The Company's capital management policies aim 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 increase capital or sell assets to reduce debts.

The Company's total capital is calculated as 'owners' equity' as shown in the balance sheet. The Company is not subject to any external mandatory capital requirements, and monitors its capital on the basis of gearing ratio.

As at 31 December 2023 and 31 December 2022, the Company's gearing ratio is as follows:

	31 December 2023	31 December 2022
Gearing ratio	44.18%	54.57%

NOVELIS (SHANGHAI) ALUMINUM TRADING CO., LTD.

FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

Novelis (Shanghai) Aluminum Trading Co., Ltd.

Financial Statements and Auditor's Report
For the Year Ended 31 December 2023
[English translation for reference only]

Content	**Page**

[English Translation for Reference Only]

Auditor's Report

PwC ZT Shen Zi (2024) No. 32494
(Page 1 of 3)

To the Board of Directors of Novelis (Shanghai) Aluminum Trading Co., Ltd.:

Opinion

What we have audited

We have audited the accompanying financial statements of Novelis (Shanghai) Aluminum Trading Co., Ltd. (Novelis Shanghai), which comprise:

- the balance sheet as at 31 December 2023;
- the income statement for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in owners' equity for the year then ended; and
- notes to the financial statements.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Novelis Shanghai as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises ("CASs").

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). 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.

We are independent of Novelis Shanghai in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Novelis Shanghai is responsible for the preparation and fair presentation of these financial statements in accordance with the CASs, 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.

To the Board of Directors of Novelis (Shanghai) Aluminum Trading Co., Ltd.:

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

In preparing these financial statements, management is responsible for assessing Novelis Shanghai'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 intend to liquidate Novelis Shanghai or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Novelis Shanghai's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these 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 CSAs 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 CSAs, 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

[English Translation for Reference Only]

Auditor's Report (continued)

PwC ZT Shen Zi (2024) No. 32494
(Page 3 of 3)

To the Board of Directors of Novelis (Shanghai) Aluminum Trading Co., Ltd.:

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 Novelis Shanghai'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 these 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 Novelis Shanghai 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.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China
30 April 2024

NOVELIS (SHANGHAI) ALUMINUM TRADING CO., LTD.

BALANCE SHEET
AS AT 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

ASSETS	Note	31 December 2023	31 December 2022
Current assets			
Cash at bank and on hand	6(1)	2,752,554.08	3,959,559.45
Accounts receivable	6(2), 7(4)(a)	26,778,677.84	475,491.24
Advances to suppliers	6(4), 7(4)(c)	706,676.56	693,541.83
Other receivables	6(3), 7(4)(b)	23,515,015.03	43,334,997.14
Other current assets	6(5)	920,946.70	1,900,350.72
Total current assets		54,673,870.21	50,363,940.38
Non-current assets			
Deferred tax assets	6(9)	901,215.85	297,380.54
Other non-current assets		1,176,346.36	1,198,296.34
Total non-current assets		2,077,562.21	1,495,676.88
TOTAL ASSETS		56,751,432.42	51,859,617.26
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Accounts payable	7(4)(d)	15,850,657.53	14,980,296.52
Advances from customers	7(4)(f)	18,269.44	1,387,254.60
Employee benefits payable	6(6)	3,604,863.39	526,770.95
Taxes payable	6(7)	1,112,505.16	-
Other payables	6(8), 7(4)(e)	604,397.32	662,751.21
Total current liabilities		21,190,692.84	17,557,073.28
Total liabilities		21,190,692.84	17,557,073.28
Owners' equity			
Paid-in capital (USD 3,500,000)	1	22,143,725.48	22,143,725.48
Surplus reserve	6(10)	9,647,597.00	9,521,777.44
Undistributed profits		3,769,417.10	2,637,041.06
Total owners' equity		35,560,739.58	34,302,543.98
TOTAL LIABILITIES AND OWNERS' EQUITY		56,751,432.42	51,859,617.26

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

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Liu Qing	Song Qu	Wenfeng Shi

NOVELIS (SHANGHAI) ALUMINUM TRADING CO., LTD.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	2023	2022
Revenue	6(11)	34,036,682.98	6,479,618.45
Less: Cost of sales	6(11), 6(14)	(32,074,994.88)	(6,055,718.17)
Taxes and surcharges	6(12)	(71,498.49)	(120,485.51)
Selling and distribution expenses	6(14)	-	(75,117.12)
General and administrative expenses	6(14)	(456,916.37)	(323,235.92)
Add: Financial income/(expenses) - net	6(13)	594,276.40	(615,685.73)
Including: Interest income		871,654.34	707,101.87
Other income	6(15)	45,136.61	1,764,519.09
Operating profit		2,072,686.25	1,053,895.09
Less: Non-operating expenses		(0.33)	-
Total profit		2,072,685.92	1,053,895.09
Less: Income tax	6(16)	(814,490.32)	39,650.64
Net profit		1,258,195.60	1,093,545.73
Other comprehensive income, net of tax		-	-
Total comprehensive income		1,258,195.60	1,093,545.73

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

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Liu Qing	Song Qu	Wenfeng Shi

NOVELIS (SHANGHAI) ALUMINUM TRADING CO., LTD.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	2023	2022
Cash flows (used in)/from operating activities			
Cash received from sales of goods or rendering of services		7,982,964.90	24,087,956.06
Cash received relating to other operating activities		51,395.92	1,781,513.14
Sub-total of cash inflows		8,034,360.82	25,869,469.20
Cash paid for goods and services		(260,969.49)	(92,972.20)
Cash paid to and on behalf of employees		(24,445,431.36)	(6,303,860.40)
Payments of taxes and surcharges		(768,533.86)	(1,455,513.66)
Cash paid relating to other operating activities		(4,473,628.68)	(933,071.47)
Sub-total of cash outflows		(29,948,563.39)	(8,785,417.73)
Net cash flows (used in)/from operating activities	6(17)(a)	(21,914,202.57)	17,084,051.47
Cash flows from/(used in) investing activities			
Cash received relating to other investing activities		20,707,078.12	690,107.82
Sub-total of cash inflows		20,707,078.12	690,107.82
Cash paid relating to other investing activities		-	(18,258,716.61)
Sub-total of cash outflows		-	(18,258,716.61)
Net cash flows from/(used in) investing activities		20,707,078.12	(17,568,608.79)
Net cash flows used in financing activities		-	-
Effect of foreign exchange rate changes on cash		119.08	531.44
Net decrease in cash	6(17)(b)	(1,207,005.37)	(484,025.88)
Add: Cash at the beginning of the year		3,959,559.45	4,443,585.33
Cash at the end of the year		2,752,554.08	3,959,559.45

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

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Liu Qing	Song Qu	Wenfeng Shi

NOVELIS (SHANGHAI) ALUMINUM TRADING CO., LTD.

STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	Paid-in capital	Surplus reserve	Undistributed profits	Total owners' equity
Balance at 1 January 2022		22,143,725.48	9,457,209.22	1,608,063.55	33,208,998.25
Movements for the year ended 31 December 2022					
Net profit		-	-	1,093,545.73	1,093,545.73
Profit distribution - Appropriation to surplus reserve	6(10)	-	64,568.22	(64,568.22)	-
Balance at 31 December 2022		22,143,725.48	9,521,777.44	2,637,041.06	34,302,543.98
Balance at 1 January 2023		22,143,725.48	9,521,777.44	2,637,041.06	34,302,543.98
Movements for the year ended 31 December 2023					
Net profit		-	-	1,258,195.60	1,258,195.60
Profit distribution - Appropriation to surplus reserve	6(10)	-	125,819.56	(125,819.56)	-
Balance at 31 December 2023		22,143,725.48	9,647,597.00	3,769,417.10	35,560,739.58

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

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Liu Qing	Song Qu	Wenfeng Shi

1 General information

Novelis (Shanghai) Aluminum Trading Co., Ltd. ("the Company") is a wholly foreign-owned enterprise incorporated in Shanghai of the People's Republic of China on 31 May 2012 by Novelis Inc. The Company has an approved operating period of 30 years. The registered capital was USD 3,500,000. As at 31 December 2023, the paid-in capital of the Company was USD 3,500,000.00, equivalent to RMB 22,143,725.48.

The approved scope of business of the Company includes wholesale, commissioned agency (excluding auction), import, export of aluminium flat rolled products, metal materials (excluding rare metals, precious metals and steel), metal products, machinery and equipment, provision of ancillary services and related technical service and technical consulting (not involving any goods subject to state-run trade; if the business involves any goods subject to quota or license administration, application shall be filed in accordance with relevant national regulations); provision of trade-related information consulting (excluding financial information), and enterprise management consulting (subject to licensing where a license is required). For the year ended 31 December 2023, the actual principal activities of the Company were consistent with the approved scope.

These financial statements were authorised for issue by the Company's responsible person on 30 April 2024.

2 Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standard for Business Enterprises - Basic Standard*, the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as "the Accounting Standards for Business Enterprises" or "CASs").

The financial statements are prepared on a going concern basis.

3 Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2023 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the Company's financial position as at 31 December 2023 and its financial performance, cash flows and other information for the year then ended.

4 Summary of significant accounting policies and accounting estimates

(1) Accounting year

The Company's accounting year starts on 1 January and ends on 31 December.

(2) Recording currency

The Company's recording currency is Renminbi (RMB). The financial statements are presented in RMB.

4 Summary of significant accounting policies and accounting estimates (Continued)

(3) Foreign currency translation

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from foreign currency translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings made specifically for acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(4) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits that can be readily drawn on demand.

(5) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the Company becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification and measurement

Based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as financial assets measured at amortised cost.

At initial recognition, the financial assets are measured at fair value. Transaction costs that are incremental and directly attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are expensed in profit or loss for the current period. Accounts receivable arising from sales of products or rendering of services (which have not contained or considered any significant financing components) are initially recognised at the consideration that is entitled to be received by the Company as expected.

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(a) Financial assets (Continued)

(i) Classification and measurement (Continued)

Debt instruments

The debt instruments held by the Company refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following categories:

Measured at amortised cost:

The objective of the Company’s business model is to hold the financial assets to collect the contractual cash flows, and the contractual cash flow characteristics are consistent with a basic lending arrangement, which gives rise on specified dates to the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The interest income of such financial assets is recognised using the effective interest rate method. Such financial assets mainly comprise cash at bank and on hand, accounts receivable and other receivables.

(ii) Impairment

The Company recognises loss provision on the basis of the expected credit losses ("ECL") for financial assets at amortised cost.

Giving consideration to reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available without undue cost or effort at the balance sheet date, weighted by the probability of default, the Company recognises the ECL as the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the cash flows expected to be collected.

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Impairment (Continued)

For accounts receivable arising from rendering of services in the ordinary course of operating activities, the Company recognises the lifetime ECL regardless of whether a significant financing component exists.

At each balance sheet date, the ECL of financial instruments other than aforesaid accounts receivable is measured based on different stages. A 12-month ECL is recognised for financial instruments in Stage 1 which have not had a significant increase in credit risk since initial recognition; a lifetime ECL is recognised for financial instruments in Stage 2 which have had a significant increase in credit risk since initial recognition but are not deemed to be credit-impaired; and a lifetime ECL is recognised for financial instruments in Stage 3 that are credit-impaired.

For those financial instruments with a low credit risk as at the balance sheet date, the Company assumes that there is no significant increase in credit risk since initial recognition. The Company treats them as financial instruments in Stage 1 and recognises a 12-month ECL.

For those financial instruments in Stages 1 and 2, the interest income is calculated by applying the effective interest rate to the gross carrying amount (before net of any ECL provision). For the financial instrument in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (net of ECL provision).

In cases where the ECL of an individually assessed financial asset cannot be evaluated with reasonable cost, the Company categorises the receivables into different groups based on their shared risk characteristics, and calculates the ECL for each group respectively. The basis for the determination of grouping and the method of provision are as follows:

Related party group	Accounts receivable from related parties
Other receivables group 1	Other receivables from related parties
Other receivables group 2	Others

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Impairment (Continued)

For accounts receivable that are categorised into different groups, the Company calculates the ECL with reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the lifetime ECL rates. For other receivables, the Company calculates the ECL with reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the 12-month or lifetime ECL rates.

The Company recognises the provision or reversal for losses in profit or loss for the current period.

(iii) Derecognition

A financial asset is derecognised when one of the following criteria is met: (i) the contractual rights to receive cash flows from the financial asset have expired, (ii) the financial asset has been transferred and the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, or (iii) the financial asset has been transferred to the transferee and the Company has not retained control of the financial asset, although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

(b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

Financial liabilities of the Company mainly comprise financial liabilities at amortised cost, including accounts payable and other payables. Such financial liabilities are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities with maturity of less than one year (inclusive) are presented as current liabilities, and those with maturity of longer than one year but due within one year (inclusive) as from the balance sheet date are presented as non-current liabilities to be settled within one year. Others are presented as non-current liabilities.

When the underlying present obligation of a financial liability is fully or partly discharged, the portion of the financial liability which corresponds to the discharged present obligation is derecognised. The difference between the carrying amount of the derecognised portion of the financial liability and the consideration paid is recognised in profit or loss for the current period.

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. In the valuation, the Company adopts the valuation technique which is applicable to the current situation and supportable by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered by market participants in relevant transactions of assets or liabilities, and gives priority to the use of relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

(6) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for termination of employment relationship and which include short-term employee benefits and post-employment benefits.

(a) Short-term employee benefits

Short-term employee benefits include wages and salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, and union running and employee education costs. The short-term employee benefits actually incurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

(b) Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and will have no obligation to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Company's post-employment benefits mainly include the premiums or contributions on basic pensions and unemployment insurance, both of which are under the defined contribution plans.

Basic pensions

The Company’s employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to profit or loss for the current period or the cost of relevant assets.

4 Summary of significant accounting policies and accounting estimates (Continued)

(7) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax asset or deferred tax liability is recognised for a temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax assets and deferred tax liabilities are offset when:

- the deferred tax assets and deferred tax liabilities are related to the same taxation authority; and,
- that the Company has a legally enforceable right to offset current tax assets against current tax liabilities.

(8) Revenue recognition

The Company recognises revenue at the amount of the consideration which the Company expects to be entitled to receive when the customer obtains control over the relevant goods or services.

(a) Rendering of services

The Company provides services to the related parties. Revenue is recognised when the services have been completed and delivered to the buyer in accordance with the contract and the buyer has confirmed the acceptance of the products.

4 Summary of significant accounting policies and accounting estimates (Continued)

(9) Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Company from the government, including tax return and financial subsidy.

Government grants are recognised when the grants can be received and the Company can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

Government grants related to assets refer to government grants which are obtained by the Company for the purposes of obtaining long-term assets through purchase, construction or other means. Government grants related to income refer to those which are not related to assets.

Government grants related to assets are either deducted against the carrying amount of the assets, or recorded as deferred income and recognised in profit or loss on a reasonable and systemic basis over the useful lives of the assets. Government grants related to income that compensate the future costs, expenses or losses are recorded as deferred income and recognised in profit or loss, or deducted against related costs, expenses or losses in the subsequent periods those costs, expenses or losses are recognised. Government grants related to income that compensate the incurred costs, expenses or losses are recognised in profit or loss, or deducted against related costs, expenses or losses directly in current period. The Company applies the presentation method consistently to the same types of government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit and are otherwise recorded in non-operating income or expenses.

(10) Critical accounting estimates and judgements

The Company continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the relevant circumstances.

(a) Critical judgements in applying the accounting policies

Timing of revenue recognition

When providing services to related parties, the Company shall provide services and establish the right to collect payment in accordance with the provisions of the contract. Therefore, revenue from rendering of services is recognised when services have been rendered and the right to collect payment has been established.

4 Summary of significant accounting policies and accounting estimates (Continued)

(10) Critical accounting estimates and judgements (Continued)

(b) Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

Income tax and deferred taxes

There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Company in determining the provision for income tax. Where the final tax outcomes of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which the tax determination is made.

5 Taxation

The main categories and rates of taxes applicable to the Company for the current year are set out below:

Category	Tax rate	Tax base
Enterprise income tax (“ETI”)	25%	Taxable income
Value-added tax (“VAT”) (a)	6%	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input VAT of the current period)
City maintenance and construction tax	7% and 5%	The payment amount of VAT
Educational surcharge	5%	The payment amount of VAT

(a) Pursuant to the *Announcement on Relevant Policies for Deepening Value-Added Tax Reform* (Cai Shui Haiguan [2019] No. 39) jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs and relevant regulations, the Company’s revenue from sales of products is subject to VAT at a rate of 6% from 1 April 2019. The company qualifies for additional 10% deduction of input VAT from 1 April 2019 to 31 December 2022 and additional 5% deduction of input VAT from 1 January 2023 to 31 December 2023.

6 Notes to the financial statements

(1) Cash at bank and on hand

	31 December 2023	31 December 2022
Cash at bank	2,752,554.08	3,959,559.45

(2) Accounts receivable

	31 December 2023	31 December 2022
Accounts receivable (Note 7(4)(a))	26,778,677.84	475,491.24
Less: Provision for bad debts	-	-
	26,778,677.84	475,491.24

(a) The ageing of accounts receivable is analysed as follows:

	31 December 2023	31 December 2022
Within 1 year	26,778,677.84	475,491.24

(b) Provision for bad debts

For accounts receivable, the Company recognises the loss provision based on the lifetime ECL regardless of whether there is any significant financing component.

(i) As at 31 December 2023, the Company has no provision made on an individual basis for accounts receivables (31 December 2022: Nil).

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows:

	31 December 2023		
	Gross carrying amount	Provision for bad debts	
	Amount	Lifetime ECL rates	Amount
Not overdue	26,778,677.84	0.00%	-

	31 December 2022		
	Gross carrying amount	Provision for bad debts	
	Amount	Lifetime ECL rates	Amount
Not overdue	475,491.24	0.00%	-

(iii) In 2023, there was no provision or reversal for bad debts.

(c) In 2023, no accounts receivable was actually written off.

6 Notes to the financial statements (Continued)

(3) Other receivables

	31 December 2023	31 December 2022
Receivables from related parties (Note 7(4)(b))	23,287,798.91	43,129,482.00
Others	227,216.12	205,515.14
	23,515,015.03	43,334,997.14
Less: Provision for bad debts	-	-
	23,515,015.03	43,334,997.14

(a) The ageing of other receivables is analysed as follows:

	31 December 2023	31 December 2022
Within 1 year	23,317,550.91	43,129,731.00
1 to 2 years	249.00	195,370.46
2 to 3 years	195,370.46	9,895.68
3 to 4 years	1,844.66	-
	23,515,015.03	43,334,997.14

(b) Movements in provision for losses and their gross carrying amounts

	Stage 1	
	12-month ECL (group)	
	Gross carrying amount	Provision for bad debts
31 December 2022	43,334,997.14	-
Amounts decreased in the current year	(19,819,982.11)	-
31 December 2023	23,515,015.03	-

As at 31 December 2023 and 31 December 2022, other receivables for which the related provision for bad debts was provided on a collective basis were all within Stage 1, and the Company did not have other receivables in Stage 2 or Stage 3.

6 Notes to the financial statements (Continued)

(4) Advances to suppliers

The ageing of advances to suppliers is analysed as follows:

	31 December 2023		31 December 2022	
Ageing	Amount	% of total balance	Amount	% of total balance
Above 2 years (Note 7(4)(c))	706,676.56	100%	693,541.83	100%

(5) Other current assets

	31 December 2023	31 December 2022
VAT to be deducted	920,946.70	1,631,237.18
Prepaid enterprise income tax	-	269,113.54
	920,946.70	1,900,350.72

(6) Employee benefits payable

	31 December 2023	31 December 2022
Short-term employee benefits payable (a)	3,604,863.39	526,770.95
Defined contribution plans payable (b)	-	-
	3,604,863.39	526,770.95

(a) Short-term employee benefits

	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Wages and salaries, bonus, allowances and subsidies	526,770.95	22,904,503.66	(19,826,411.22)	3,604,863.39
Social security contributions	-	1,224,640.43	(1,224,640.43)	-
Including: Medical insurance	-	1,026,293.34	(1,026,293.34)	-
Work injury insurance	-	95,054.52	(95,054.52)	-
Maternity insurance	-	103,292.57	(103,292.57)	-
Housing funds	-	1,378,500.86	(1,378,500.86)	-
	526,770.95	25,507,644.95	(22,429,552.51)	3,604,863.39

6 Notes to the financial statements (Continued)

(6) Employee benefits payable

(b) Defined contribution plans

	2023		2022	
	Amount payable	Ending balance	Amount payable	Ending balance
Basic pensions	1,954,920.39	-	507,322.48	-
Unemployment insurance	60,958.46	-	15,819.36	-
	2,015,878.85	-	523,141.84	-

(7) Taxes payable

	31 December 2023	31 December 2022
Enterprise income tax payable	1,112,505.16	-

(8) Other payables

	31 December 2023	31 December 2022
Accrued labour expenses (Note 7(4)(e))	411,117.69	286,515.39
Accrued professional service fees	193,279.63	376,235.82
	604,397.32	662,751.21

(9) Deferred tax assets

(a) Deferred tax assets

	31 December 2023		31 December 2022	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Employee benefits payable	901,215.85	3,604,863.39	131,692.74	526,770.95
Accrued expenses	-	-	165,687.80	662,751.21
	901,215.85	3,604,863.39	297,380.54	1,189,522.16
Including:				
Expected to be recovered within one year (inclusive)	901,215.85		297,380.54	

6 Notes to the financial statements (Continued)

(10) Surplus reserve

	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Reserve fund	9,521,777.44	125,819.56	-	9,647,597.00

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022
Reserve fund	9,457,209.22	64,568.22	-	9,521,777.44

In accordance with the *Foreign Investment Law of the People's Republic of China* and the Company's Articles of Association, appropriations from net profit should be made to the reserve fund, after offsetting accumulated losses from prior years, and before profit distributions to the investors. The Company should appropriate no less than 10% of the net profit to the reserve fund, and the Company can cease appropriation when the reserve fund accumulates to more than 50% of the registered capital.

The Company appropriated 10% of net profit for the year ended 31 December 2023 to the reserve fund, amounting to RMB 125,819.56 (2022: RMB 64,568.22).

(11) Revenue and cost of sales

	2023		2022	
	Revenue	Cost of sales	Revenue	Cost of sales
Other operations				
- Rendering of labour services to related parties (Note 7(3)(b))	34,036,682.98	(32,074,994.88)	6,479,618.45	(6,055,718.17)

(a) The Company's revenue is disaggregated as follows:

	2023	2022
	Rendering of services	Rendering of services
Recognised over a period of time	34,036,682.98	6,479,618.45

As at 31 December 2023, the Company had no performance obligations that had been contracted but not yet performed or not fulfilled.

6 Notes to the financial statements (Continued)

(12) Taxes and surcharges

	2023	2022
City maintenance and construction tax	40,868.72	67,459.66
Educational surcharge	27,234.24	48,193.30
Stamp tax	3,395.53	4,832.55
	71,498.49	120,485.51

(13) Financial income/(expenses) - net

	2023	2022
Interest income	871,654.28	707,101.87
Exchange losses	(269,762.19)	(1,320,361.05)
Bank charges	(7,615.69)	(2,426.55)
	594,276.40	(615,685.73)

(14) Expenses by nature

The cost of sales, selling and distribution expenses and general and administrative expenses in the income statement are listed as follows by nature:

	2023	2022
Employee benefits	27,523,523.80	5,707,155.03
Travelling expenses	2,350,601.39	146,527.19
Recruitment fees	1,213,636.35	-
Professional service fees	264,828.86	310,008.92
Others	1,179,320.85	290,380.07
	32,531,911.25	6,454,071.21

(15) Other income

	2023	2022
Refund of charges for individual tax	18,949.54	-
Employment subsidies	2,655.68	-
Government grants	-	1,760,000.00
Others	30,086.93	4,519.09
	45,136.61	1,764,519.09

6 Notes to the financial statements (Continued)

(16) Income tax

	2023	2022
Current income tax	1,418,325.63	(23,139.18)
Deferred income tax	(603,835.31)	(16,511.46)
	814,490.32	(39,650.64)

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the income statement to income tax is set out as below:

	2023	2022
Total profit	2,072,685.92	1,053,895.09
Income tax calculated at applicable tax rates	518,171.48	263,473.77
Effect of preferential tax rates	-	(260,942.76)
Costs, expenses and losses not deductible for tax purposes	73,907.61	14,943.22
Difference for the prior period	222,411.23	(57,124.87)
Income tax expenses	814,490.32	(39,650.64)

(17) Notes to the cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities

	2023	2022
Net profit	1,258,195.60	1,093,545.73
Add: Financial expenses	(865,514.11)	(690,639.26)
Increase in deferred tax assets	(603,835.31)	(16,511.46)
(Increase)/Decrease in operating receivables	(26,316,072.33)	14,793,140.12
Increase in operating payables	4,613,023.58	1,904,516.34
Net cash flows (used in)/ from operating activities	(21,914,202.57)	17,084,051.47

(b) Net decrease in cash

	2023	2022
Cash at the end of the year	2,752,554.08	3,959,559.45
Less: Cash at the beginning of the year	(3,959,559.45)	(4,443,585.33)
Net decrease in cash	(1,207,005.37)	(484,025.88)

7 Related parties and related party transactions

(1) The parent company

(a) General information of the parent company

	Place of incorporation	Nature of business
Novelis Inc.	Canada	Manufacturing

Hindalco Industries Ltd. is the ultimate holding company of the Company.

(b) Registered capital and changes in registered capital of the parent company

	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Novelis Inc.	USD 1,000	-	-	USD 1,000

(c) The percentages of shareholding and voting rights in the Company held by the parent company

	31 December 2023		31 December 2022	
	Shareholding (%)	Voting rights (%)	Shareholding (%)	Voting rights (%)
Novelis Inc.	100%	100%	100%	100%

(2) Nature of related parties that do not control/are not controlled by the Company

	Relationship with the Company
Aleris Aluminum Japan, Ltd.	Controlled by the same ultimate holding company
Novelis Global Employment Organization, Inc.	Controlled by the same ultimate holding company
Novelis Korea Limited	Controlled by the same ultimate holding company
Novelis Services Limited	Controlled by the same ultimate holding company
Novelis Aluminum (Zhenjiang) Co., Ltd.	Controlled by the same ultimate holding company
Novelis (China) Aluminum Products Co., Ltd.	Controlled by the same ultimate holding company

7 Related parties and related party transactions (Continued)

(3) Related party transactions

(a) Pricing policies

The Company's pricing on labour services rendered to related parties is determined by entering into a contract using the cost-plus method through negotiation between both parties. The Company's pricing on goods purchased from and sold to related parties and other related party transactions is negotiated by both parties with reference to specific situation.

(b) Rendering of services

	2023	2022
Novelis Aluminum (Zhenjiang) Co., Ltd.	17,011,219.46	743,270.71
Novelis (China) Aluminum Products Co., Ltd.	16,786,393.85	5,736,347.74
Novelis Korea Limited	239,069.67	-
	34,036,682.98	6,479,618.45

(c) Interest income from cash pooling

	2023	2022
Novelis (China) Aluminum Products Co., Ltd.	865,395.03	690,107.82

(d) Acceptance of services from related parties

	2023	2022
Aleris Aluminum Japan, Ltd.	782,778.86	75,960.00
Novelis (China) Aluminum Products Co., Ltd.	553,447.80	-
	1,336,226.66	75,960.00

(e) Recovered/(Lent) entrusted loans from cash pooling - net

	2023	2022
Novelis (China) Aluminum Products Co., Ltd.	19,849,761.48	(18,258,716.61)

7 Related parties and related party transactions (Continued)

(4) Balances with related parties

(a) Accounts receivable

	31 December 2023		31 December 2022	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Novelis (China) Aluminum Products Co., Ltd.	14,124,929.30	-	-	-
Novelis Aluminum (Zhenjiang) Co., Ltd.	12,416,530.06	-	475,491.24	-
Novelis Korea Limited	237,218.48	-	-	-
	26,778,677.84	-	475,491.24	-

(b) Other receivables

	31 December 2023		31 December 2022	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Novelis (China) Aluminum Products Co., Ltd.	23,287,798.91	-	43,129,482.00	-

(c) Advances to suppliers

	31 December 2023	31 December 2022
Novelis Services Limited	706,676.56	693,541.83

(d) Accounts payable

	31 December 2023	31 December 2022
Novelis Global Employment Organization Inc.	13,931,297.12	13,672,361.29
Novelis Inc.	1,332,705.74	1,307,935.23
Novelis (China) Aluminum Products Co., Ltd.	586,654.67	-
	15,850,657.53	14,980,296.52

(e) Other payables

	31 December 2023	31 December 2022
Novelis Korea Limited	214,543.02	210,555.39
Aleris Aluminum Japan, Ltd.	196,574.67	75,960.00
	411,117.69	286,515.39

7 Related parties and related party transactions (Continued)

(4) Balances with related parties (Continued)

(f) Advances from customers

	31 December 2023	31 December 2022
Novelis (China) Aluminum Products Co., Ltd.	18,269.44	1,387,254.60

8 Financial instrument and risks

The Company's activities expose it to a variety of financial risks: market risk (primarily including foreign exchange risk, interest rate risk and price 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.

(1) Market risk

(a) Foreign exchange risk

The Company's major operational activities are carried out in the Chinese mainland. Sales of goods and rendering of services are mainly denominated in RMB, and purchases of goods are partially denominated in USD. The Company is exposed to foreign exchange risk arising from the recognised assets and liabilities and future transactions denominated in foreign currencies, primarily with respect to USD. The Company's finance department is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies for the Company to minimise the foreign currency risk. Therefore, the Company may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk. In 2023 and 2022, the Company did not enter into any forward exchange contracts or currency swap contracts.

The financial assets and financial liabilities denominated in foreign currencies, which are held by the Company, are expressed in RMB as at 31 December 2023 and 31 December 2022 as follows:

	31 December 2023		
	USD	JPY	Total
Financial assets denominated in foreign currencies -			
Cash at bank and on hand	6,408.21	-	6,408.21
Accounts receiable	237,218.48	-	237,218.48
	243,626.69	-	243,626.69
Financial liabilities denominated in foreign currencies -			
Accounts payable	15,264,002.86	-	15,264,002.86
Other payables	214,543.02	196,574.67	411,117.69
	15,478,545.88	196,574.67	15,675,120.55

8 Financial instrument and risks (Continued)

(1) Market risk (Continued)

(a) Foreign exchange risk (Continued)

	31 December 2022		
	USD	JPY	Total
Financial assets denominated in foreign currencies -			
Cash at bank and on hand	6,285.90	-	6,285.90
	6,285.90	-	6,285.90
Financial liabilities denominated in foreign currencies -			
Accounts payable	14,980,296.52	-	14,980,296.52
Other payables	466,389.35	-	466,389.35
	15,446,685.87	-	15,446,685.87

As at 31 December 2023, for various financial assets and financial liabilities denominated in USD of the Company, if the RMB had strengthened/weakened by 4% against the USD while all other variables had been held constant, the Company's net profit for the year would have been approximately RMB 457,047.58 higher/lower (31 December 2022: net profit would have been approximately RMB 463,212.00 higher/lower) respectively.

(b) Interest rate risk

The Company's interest rate risk mainly arises from long-term interest bearing borrowings including long-term bank borrowings. Financial liabilities issued at floating rates expose the Company to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Company to fair value interest rate risk. The Company determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 31 December 2023, the Company had no long-term interest bearing liabilities (31 December 2022: Nil).

The Company's finance department continuously monitors the interest rate position of the Company. Increases in interest rates will increase the cost of new borrowing and the interest costs with respect to the Company's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Company's financial performance. The Company makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. During 2023 and 2022, the Company did not enter into any interest rate swap agreements.

8 Financial instrument and risks (Continued)

(2) Credit risk

Credit risk is managed on a collective basis. Credit risk mainly arises from cash at bank, accounts receivable and other receivables.

The Company expects that there is no significant credit risk associated with cash at bank and on hand since they are deposited at large size listed banks with good reputation and high credit rating, and there will be no significant losses from non-performance by these counterparties.

In addition, the Company has policies to limit the credit exposure on accounts receivable and other receivables. The Company assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Company. In respect of customers with a poor credit history, the Company will chase settlement by using written payment reminders, or shorten/cancel credit periods, to ensure the overall credit risk of the Company is limited to a controllable extent.

As at 31 December 2023, the Company had no significant collateral or other credit enhancements held as securities from debtors (31 December 2022: Nil).

(3) Liquidity risk

The Company’s finance department monitors rolling forecasts of the Company's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs; continuously monitors whether the covenant terms in borrowing agreements are complied with; and maintains sufficient headroom on the Company’s committed undrawn banking facilities from major financial institutions so as to meet the short-term and long-term liquidity requirements.

As at the balance sheet date, the undiscounted contractual cash flows of the Company’s financial liabilities, analysed by their maturity dates, are as below:

	31 December 2023	31 December 2022
	Within 1 year	Within 1 year
Accounts payable	15,850,657.53	14,980,296.52
Other payables	604,397.32	662,751.21
	16,455,054.85	15,643,047.73

9 Fair value estimates

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 the asset or liability.

(1) Assets and liabilities measured at fair value on a recurring basis

As at 31 December 2023 and 31 December 2022, the Company had no assets and liabilities measured at fair value on a recurring basis.

(2) Assets measured at fair value on a non-recurring basis

As at 31 December 2023 and 31 December 2022, the Company had no assets measured at fair value on a non-recurring basis.

(3) Assets and liabilities not measured at fair value but for which their fair values are disclosed

Financial assets and financial liabilities measured at amortised cost mainly include receivables and payables.

As at 31 December 2023 and 31 December 2022, the carrying amount of the Company's financial assets and financial liabilities not measured at fair value was a reasonably approximation of their fair value.

10 Capital management

The Company’s capital management policies aim 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 increase capital or sell assets to reduce debts.

The Company's total capital is calculated as ‘owners' equity’ as shown in the balance sheet. The Company is not subject to any external mandatory capital requirements, and monitors its capital on the basis of gearing ratio.

As at 31 December 2023 and 31 December 2022, the Company’s gearing ratio is as follows:

	31 December 2023	31 December 2022
Gearing ratio	37.34%	33.85%

NOVELIS ALUMINUM (ZHENJIANG) CO., LTD.

FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

Novelis Aluminum (Zhenjiang) Co., Ltd.

Financial Statements and Auditor's Report
For the Year Ended 31 December 2023
[English translation for reference only]

Content	**Page**

[English Translation for Reference Only]

Auditor's Report

PwC ZT Shen Zi (2024) No. 32373

To the Board of Directors of Novelis Aluminum (Zhenjiang) Co., Ltd.:

Opinion

What we have audited

We have audited the accompanying financial statements of Novelis Aluminum (Zhenjiang) Co., Ltd. (hereinafter "Novelis Aluminum Zhenjiang"), which comprise:

- the balance sheet as at 31 December 2023;
- the income statement for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in owners' equity for the year then ended; and
- notes to the financial statements.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Novelis Aluminum Zhenjiang as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the requirements of the Accounting Standards for Business Enterprises ("CASs").

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). 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.

We are independent of Novelis Aluminum Zhenjiang in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Novelis Aluminum Zhenjiang is responsible for the preparation and fair presentation of these financial statements in accordance with the CASs, 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.

To the Board of Directors of Novelis Aluminum (Zhenjiang) Co., Ltd.,

Responsibilities of Management and Those Charged with Governance for the Financial Statements (Continued)

In preparing these financial statements, management is responsible for assessing Novelis Aluminum Zhenjiang’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 Novelis Aluminum Zhenjiang or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Novelis Aluminum Zhenjiang’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these 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 CSAs 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 CSAs, 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

[English Translation for Reference Only]

Auditor's Report (continued)

PwC ZT Shen Zi (2024) No. 32373
(Page 3 of 3)

To the Board of Directors of Novelis Aluminum (Zhenjiang) Co., Ltd.,

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 Novelis Aluminum Zhenjiang'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 these 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 Novelis Aluminum Zhenjiang to cease to continue as a going concern.

- Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, 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.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China
30 April 2024

NOVELIS ALUMINUM (ZHENJIANG) CO., LTD.

BALANCE SHEET
AS AT 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

ASSETS	Note	31 December 2023	31 December 2022
Current assets			
Cash at bank and on hand	6(1)	293,712,032.09	328,080,551.03
Derivative financial assets	6(2)	3,349,588.13	2,043,241.47
Accounts receivable	6(3), 7(4)(a)	221,847,847.12	181,462,347.12
Advances to suppliers	6(5)	1,888,811.27	6,751,362.70
Other receivables	6(4)	6,500.07	17,700.07
Inventories	6(6)	377,973,575.05	369,198,414.57
Other current assets	6(7)	34,715,661.13	10,407,593.34
Total current assets		933,494,014.86	897,961,210.30
Non-current assets			
Other non-current financial assets	6(8)	936,316.28	192,527.10
Fixed assets	6(9)	1,959,079,964.64	1,876,324,652.55
Construction in progress	6(10)	107,431,060.70	189,071,887.30
Right-of-use assets	6(12)	173,033.76	588,314.77
Intangible assets	6(11)	181,905,275.71	75,837,701.93
Long-term prepaid expenses	6(13)	7,162,828.95	10,744,243.45
Deferred tax assets	6(14)	39,913,977.96	85,647,232.49
Other non-current assets	6(15)	44,000.00	110,048,070.00
Total non-current assets		2,296,646,458.00	2,348,454,629.59
TOTAL ASSETS		3,230,140,472.86	3,246,415,839.89

NOVELIS ALUMINUM (ZHENJIANG) CO., LTD.

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

LIABILITIES AND OWNERS' EQUITY	Note	31 December 2023	31 December 2022
Current liabilities			
Derivative financial liabilities	6(2)	12,071,968.63	11,784,140.87
Accounts payable	7(4)(c)	85,778,960.98	93,576,528.67
Contract liabilities	6(17)	11,927,708.32	5,977,786.18
Employee benefits payable	6(18)	6,972,501.55	7,783,418.63
Taxes payable	6(19)	9,463,504.48	7,907,109.09
Other payables	6(20), 7(4)(d)	814,129,282.98	1,034,119,303.83
Non-current liabilities to be settled within one year	6(22)	183,577.40	426,370.26
Total current liabilities		940,527,504.34	1,161,574,657.53
Non-current liabilities			
Long-term borrowings	6(21), 7(4)(e)	282,774,094.57	277,385,379.94
Lease liabilities	6(22)	-	183,577.40
Provisions		1,139,322.31	1,139,322.31
Deferred income	6(23)	48,000,000.00	-
Other non-current liabilities		-	116,023.06
Total non-current liabilities		331,913,416.88	278,824,302.71
Total liabilities		1,272,440,921.22	1,440,398,960.24
Owners' equity			
Paid-in capital		3,219,378,228.54	3,219,378,228.54
Accumulated losses		(1,261,678,676.90)	(1,413,361,348.89)
Total owners' equity		1,957,699,551.64	1,806,016,879.65
TOTAL LIABILITIES AND OWNERS' EQUITY		3,230,140,472.86	3,246,415,839.89

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

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Liu Qing	Song Qu	Wenfeng Shi

NOVELIS ALUMINUM (ZHENJIANG) CO., LTD.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	2023	2022
Revenue	6(24)	1,699,275,415.57	1,622,224,539.36
Less: Cost of sales	6(24), 6(27)	(1,189,834,195.24)	(1,230,476,004.63)
Taxes and surcharges	6(25)	(12,782,165.92)	(7,873,057.92)
Selling and distribution expenses	6(27)	(21,491,275.63)	(31,158,884.39)
General and administrative expenses	6(27)	(240,230,209.10)	(209,171,365.42)
Finance expenses - net	6(26)	(25,604,570.74)	(60,168,168.29)
Including: Interest expenses		(37,802,676.08)	(41,422,911.59)
Interest income		11,921,315.41	1,597,513.99
Credit impairment losses	6(29)	(1,296.31)	(5,642.25)
Add: Reversal of asset impairment	6(28)	517,740.13	1,001,301.87
Other income		726,330.31	1,426,284.06
Investment (losses)/income	6(30)	(14,022,131.95)	16,804,000.17
Gains/(Losses) arising from changes in fair value	6(31)	1,878,331.14	(11,873,641.01)
Operating profit		198,431,972.26	90,729,361.55
Add: Non-operating income		232,848.40	252,912.00
Less: Non-operating expenses		(1,248,894.14)	(1,717,301.89)
Total profit		197,415,926.52	89,264,971.66
Less: Income tax expenses	6(32)	(45,733,254.53)	85,647,232.49
Net profit		151,682,671.99	174,912,204.15
Total comprehensive income		151,682,671.99	174,912,204.15

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

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Liu Qing	Song Qu	Wenfeng Shi

NOVELIS ALUMINUM (ZHENJIANG) CO., LTD.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	2023	2022
Cash flows from operating activities			
Cash received from sales of goods or rendering of services		1,712,343,634.96	1,654,174,704.27
Refund of taxes and surcharges		62,849,045.02	67,372,803.31
Cash received relating to other operating activities		15,291,694.12	3,444,010.05
Sub-total of cash inflows		1,790,484,374.10	1,724,991,517.63
Cash paid for goods and services		(1,053,353,347.58)	(1,121,143,480.02)
Cash paid to and on behalf of employees		(117,938,683.53)	(108,968,628.04)
Payments of taxes and surcharges		(19,778,757.63)	(6,847,612.33)
Cash paid relating to other operating activities		(266,761,258.89)	(239,650,333.70)
Sub-total of cash outflows		(1,457,832,047.63)	(1,476,610,054.09)
Net cash flows from operating activities	6(33)(a)	332,652,326.47	248,381,463.54
Cash flows used in investing activities			
Cash received from returns on investments		-	16,804,000.17
Cash received from other investing activites		48,000,000.00	-
Sub-total of cash inflows		48,000,000.00	16,804,000.17
Cash paid to investing activities		(14,022,131.95)	-
Cash paid to acquire fixed assets and intangible assets		(128,767,133.61)	(232,585,257.57)
Sub-total of cash outflows		(142,789,265.56)	(232,585,257.57)
Net cash flows used in investing activities		(94,789,265.56)	(215,781,257.40)
Cash flows used in financing activities			
Cash repayments of borrowings		(251,499,086.46)	(46,221,493.04)
Cash payments for interest expenses		(24,841,498.33)	(27,015,293.39)
Cash paid relating to other financing activities	6(33)(d)	(442,703.70)	(569,000.00)
Sub-total of cash outflows		(276,783,288.49)	(73,805,786.43)
Net cash flows used in financing activities		(276,783,288.49)	(73,805,786.43)
Effect of foreign exchange rate changes on cash		4,551,708.64	27,235,427.25
Net decrease in cash	6(33)(b)	(34,368,518.94)	(13,970,153.04)
Add: Cash at the beginning of the year	6(33)(b)(c)	328,078,551.03	342,048,704.07
Cash at the end of the year	6(33)(b)(c)	293,710,032.09	328,078,551.03

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

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Liu Qing	Song Qu	Wenfeng Shi

NOVELIS ALUMINUM (ZHENJIANG) CO., LTD.

STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Paid-in capital	Accumulated losses	Total owners' equity
Balance at 1 January 2022	3,219,378,228.54	(1,588,273,553.04)	1,631,104,675.50
Movements for the year ended 31 December 2022			
Total comprehensive income			
Net profit	-	174,912,204.15	174,912,204.15
Total comprehensive income for the period	-	174,912,204.15	174,912,204.15
Balance at 31 December 2022	3,219,378,228.54	(1,413,361,348.89)	1,806,016,879.65
Balance at 1 January 2023	3,219,378,228.54	(1,413,361,348.89)	1,806,016,879.65
Movements for the year ended 31 December 2023			
Total comprehensive income			
Net profit	-	151,682,671.99	151,682,671.99
Total comprehensive income for the period	-	151,682,671.99	151,682,671.99
Balance at 31 December 2023	3,219,378,228.54	(1,261,678,676.90)	1,957,699,551.64

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

Legal representative: Liu Qing

Principal in charge of accounting: Song Qu

Head of accounting department: Wenfeng Shi

1 General information

Novelis Aluminum (Zhenjiang) Co., Ltd. (“the Company”) is a wholly foreign owned enterprise incorporated in Zhenjiang city, Jiangsu province of the People’s Republic of China on 3 March 2011 by Aleris Asia Pacific Ltd. (“Aleris Asia Pacific”) and Zhenjiang Dingsheng Aluminum Co., Ltd. (“Dingsheng Aluminum”). The Company has an approved operating period of 50 years. On 25 December 2012, with the approval of the Department of Commerce of Jiangsu Province, Dingsheng Aluminum transferred 3.69% equity interests in the Company to Aleris Asia Pacific, and the registered capital was updated to USD 207,000,000.00. In 2014, Aleris Asia Pacific made an additional capital contribution to the Company, and the registered capital increased to USD 306,000,000.00. On 25 March 2014, the Company completed the registration of changes at the Jiangsu Administration for Industry and Commerce, and obtained an updated business license. In 2015, the Company received an increased capital of USD 14,000,000.00 from Aleris Asia Pacific. As at 31 December 2015, the paid-in capital of the Company was USD 306,000,000.00 (equivalent to RMB 1,919,897,754.94). In 2016, Aleris Asia Pacific increased the paid-in capital by transferring the borrowings and interests of USD 67,126,559.22 of the Company. On 23 December 2016, the Company completed the registration of changes at the Jiangsu Administration for Industry and Commerce. The registered capital was updated to USD 405,000,000.00, and an updated business license was obtained. In 2017 and 2018, Aleris Asia Pacific increased the paid-in capital by transferring the borrowings and interests of USD 10,540,564.06 and USD 21,396,063.10 of the Company. In 2019, Aleris Asia Pacific increased the paid-in capital by transferring the borrowings and interests of USD 30,940,000.00 and USD 3,060,000.00, and the cash remittance of USD 11,000,000.00 of the Company. In 2020, the Company received cash remittance of USD 5,000,000.00 from Aleris Asia Pacific. On 16 June 2020, the Company completed the registration of changes at the Jiangsu Administration for Industry and Commerce. The registered capital was updated to USD 455,000,000.00, and an updated business license was obtained. On 5 November 2021, the Company completed the registration of changes at the Market Supervision and Administration Bureau of Zhenjiang city. The Company was renamed from Aleris Aluminum (Zhenjiang) Co., Ltd. to Novelis Aluminum (Zhenjiang) Co., Ltd. The registered capital was updated to USD 580,000,000.00, and an updated business license was obtained. In 2021, the Company received cash remittance of USD 45,000,000.00 from Aleris Asia Pacific. As at 31 December 2023, the paid-in capital of the Company was USD 500,000,000.00 (equivalent to RMB 3,219,378,228.54).

The Company's approved scope of business includes research and development, production and sales of aviation and auto bodies, high-strength and large-sized aluminum alloy plates, aluminum alloy belts and solders used in the engineering and industrial product industry, special large-scale aviation aluminum alloy profiles, and the after-sales services related to products were provided (including spare parts). For the year ended 31 December 2023, the Company's actual principal activities were consistent with the approved scope of business.

These financial statements were authorised for issue by the Company’s responsible person on 30 April 2024.

2 Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standard for Business Enterprises - Basic Standard*, the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as "the Accounting Standards for Business Enterprises" or "CASs").

As at 31 December 2023, current liabilities of the Company exceeded current assets by RMB 7,033,489.48. Therefore, the going concern largely depends on the capability of the Company to obtain financial support from related parties. Since the Company has participated in the cash pool arrangement (Note 6(22)), the capital needed for daily operation is supported by the arrangement, and Novelis (China) Aluminum Products Co., Ltd. has confirmed to provide financial support in order to improve the operation capacity continuously. Management confirms the Company will continue as a going concern, and the financial statements are prepared on a going concern basis.

3 Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the current period are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the Company's financial position as at 31 December 2023 and its financial performance, cash flows and other information for the year then ended.

4 Summary of significant accounting policies and accounting estimates

(1) Accounting year

The Company's accounting year starts on 1 January and ends on 31 December.

(2) Recording currency

The Company's recording currency is Renminbi (RMB). The financial statements are presented in RMB.

(3) Foreign currency translation

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from foreign currency translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings made specifically for acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

4 Summary of significant accounting policies and accounting estimates (Continued)

(4) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and deposits that can be readily drawn on demand.

(5) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the Company becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification and measurement

Based on the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: (1) financial assets at amortised cost; (2) financial assets at fair value through profit or loss.

At initial recognition, the financial assets are measured at fair value. Transaction costs that are incremental and directly attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are expensed in profit or loss for the current period. Accounts receivable arising from sales of products or rendering of services (which have not contained or considered any significant financing components) are initially recognised at the consideration that is entitled to be received by the Company as expected.

Debt instruments

The debt instruments held by the Company refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following three categories:

Measured at amortised cost:

The objective of the Company’s business model is to hold the financial assets to collect the contractual cash flows, and the contractual cash flow characteristics are consistent with a basic lending arrangement, which gives rise on specified dates to the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The interest income of such financial assets is recognised using the effective interest rate method. Such financial assets mainly comprise cash at bank and on hand, accounts receivable, other receivables and long-term receivables. Debt investments and long-term receivables that are due within one year (inclusive) as from the balance sheet date are presented as non-current assets to be recovered within one year. Debt investments with maturities of no more than one year (inclusive) at the time of acquisition are presented as other current assets.

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(a) Financial assets (Continued)

(i) Classification and measurement (Continued)

Debt instruments (Continued)

Measured at fair value through profit or loss:

Debt instruments held by the Company that do not meet the criteria for amortised cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. At initial recognition, the Company designates a portion of financial assets as financial assets at fair value through profit or loss in order to eliminate or significantly reduce any accounting mismatch. Financial assets that are due over one year as from the balance sheet date and are expected to be held over one year are presented as other non-current financial assets. Others are presented as financial assets held for trading.

(ii) Impairment

The Company recognises loss provision on the basis of the expected credit losses (“ECL”) for financial assets at amortised cost.

Giving consideration to reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available without undue cost or effort at the balance sheet date, weighted by the probability of default, the Company recognises the ECL as the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the cash flows expected to be collected.

For accounts receivable arising from sales of goods and rendering of services in the ordinary course of operating activities, the Company recognises the lifetime ECL regardless of whether a significant financing component exists.

At each balance sheet date, the ECL of financial instruments other than aforesaid accounts receivable is measured based on different stages. A 12-month ECL is recognised for financial instruments in Stage 1 which have not had a significant increase in credit risk since initial recognition; a lifetime ECL is recognised for financial instruments in Stage 2 which have had a significant increase in credit risk since initial recognition but are not deemed to be credit-impaired; and a lifetime ECL is recognised for financial instruments in Stage 3 that are credit-impaired.

For those financial instruments with a low credit risk as at the balance sheet date, the Company assumes that there is no significant increase in credit risk since initial recognition. The Company treats them as financial instruments in Stage 1 and recognises a 12-month ECL.

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Impairment (Continued)

For those financial instruments in Stages 1 and 2, the interest income is calculated by applying the effective interest rate to the gross carrying amount (before net of any ECL provision). For the financial instrument in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (net of ECL provision).

In cases where the ECL of an individually assessed financial asset cannot be evaluated with reasonable cost, the Company categorises the receivables into different groups based on their shared risk characteristics, and calculates the ECL for each group respectively. The basis for the determination of groups and the method of provision are as follows:

Third party group	Third-party Customers
Related party group	Receivables from related parties
Other receivables group	Deposits

For accounts receivable arising from the sales of goods and rendering of services in the ordinary course of operating activities which are categorised into different groups for collective assessment, the Company calculates the ECL with reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the lifetime ECL rates. For other receivables that are categorised into different groups, the Company calculates the ECL with reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the 12-month or lifetime ECL rates.

The Company recognises the provision or reversal for losses in profit or loss for the current period.

(iii) Derecognition

A financial asset is derecognised when one of the following criteria is met: (i) the contractual rights to receive cash flows from the financial asset have expired, (ii) the financial asset has been transferred and the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, or (iii) the financial asset has been transferred to the transferee and the Company has not retained control of the financial asset, although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

4 Summary of significant accounting policies and accounting estimates (Continued)

(5) Financial instruments (Continued)

(b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

Financial liabilities of the Company mainly comprise financial liabilities at amortised cost, including accounts payable, other payables and borrowings. Such financial liabilities are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Financial liabilities with maturity of less than one year (inclusive) are presented as current liabilities, and those with maturity of longer than one year but due within one year (inclusive) as from the balance sheet date are presented as non-current liabilities to be settled within one year. Others are presented as non-current liabilities.

When the underlying present obligation of a financial liability is fully or partly discharged, the portion of the financial liability which corresponds to the discharged present obligation is derecognised. The difference between the carrying amount of the derecognised portion of the financial liability and the consideration paid is recognised in profit or loss for the current period.

(c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. In the valuation, the Company adopts the valuation technique which is applicable to the current situation and supportable by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered by market participants in relevant transactions of assets or liabilities, and gives priority to the use of relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

(6) Inventories

Inventories include raw materials, work in progress, finished goods and materials that can be used for multiple times but not recognised as fixed assets, and are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprise raw materials, direct labour and systematically allocated production overhead based on the normal production capacity. Materials that can be used for multiple times but not recognised as fixed assets include low value consumables and packaging materials. Low value consumables are amortised as expenses based upon usage. Packaging materials are expensed when issued.

Provision for a decline in the value of inventories is determined as the excess amount of the carrying amount of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes.

The Company adopts the perpetual inventory system as its stock-taking policy.

4 Summary of significant accounting policies and accounting estimates (Continued)

(7) Fixed assets

Fixed assets comprise buildings, machinery and equipment, electronic equipment, motor vehicles and office equipment. Fixed assets shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably Fixed assets purchased or constructed by the Company are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the enterprises in a different pattern, thus different depreciation rates and depreciation methods are applicable. The Company adopts the straight-line method for some fixed assets, and the other fixed assets are depreciated using the units-of-production method.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets, net of their estimated net residual values, over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated net residual values and the annual depreciation rates of fixed assets that are deprecated using the straight-line method are as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation rates
Buildings	5 to 33 years	0.00%	3% to 20%
Machinery and equipment	3 to 33 years	0.00%	3% to 33%
Electronic equipment	5 years	0.00%	20%
Motor vehicles	5 years	0.00%	20%
Office equipment	3 to 10 years	0.00%	10% to 33%

The estimated total work and estimated net residual values of machinery and equipment are depreciated using the units-of-production method as follows:

	Estimated total work	Estimated net residual values
Casting equipment	1,500,000 tonnes	0%
Cutting and grinding equipment	2,850,050 tonnes	0%
Hot rolling equipment	2,565,050 tonnes	0%
Cutting and stretching equipment	1,250,000 tonnes	0%
Wing production equipment	48,000 tonnes	0%

4 Summary of significant accounting policies and accounting estimates (Continued)

(7) Fixed assets (Continued)

The estimated useful life and the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at each year-end.

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

(8) Construction in progress

Construction in progress is measured at actual cost as incurred. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the fixed assets ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation is charged starting from the month following the transfer.

(9) Intangible assets

Intangible assets include land use rights and software, and are measured at cost.

(a) Land use rights

Land use rights are amortised on a straight-line basis over their approved use period of 50 years. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

(b) Software

Software is amortised on the straight-line basis over its estimated useful life, typically 3 years.

(c) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end and its useful life and amortisation method are adjusted as appropriate.

(10) Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to right-of-use assets, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual costs less accumulated amortisation.

4 Summary of significant accounting policies and accounting estimates (Continued)

(11) Impairment of long-term assets

Fixed assets, construction in progress, right-of-use assets and intangible assets with finite useful lives are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. Intangible assets that are not yet available for their intended use are tested for impairment at least annually, irrespective of whether there is any indication of impairment. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for asset impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less the cost of disposal and the present value of the future cash flows expected to be derived from it. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in any subsequent periods.

(12) Borrowing costs

The Company's borrowing costs that are directly attributable to acquisition and construction of an asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

(13) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for termination of employment relationship and which include short-term employee benefits and post-employment benefits.

(a) Short-term employee benefits

Short-term employee benefits include wages and salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, labour union funds and employee education funds, and short-term paid absences. The short-term employee benefits actually incurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

4 Summary of significant accounting policies and accounting estimates (Continued)

(13) Employee benefits (Continued)

(b) Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and will have no obligation to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Company's post-employment benefits mainly include the premiums or contributions on basic pensions and unemployment insurance, both of which are under the defined contribution plans.

Basic pensions

The Company’s employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to profit or loss for the current period or the cost of relevant assets.

(14) Provisions

Provisions for product warranties, onerous contracts, etc. are recognised when the Company has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the carrying amount of the provision arising from passage of time is recognised as interest expenses.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions expected to be settled within one year since the balance sheet date are classified as current liabilities.

4 Summary of significant accounting policies and accounting estimates (Continued)

(15) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction (other than a business combination) which affects neither accounting profit nor taxable profit (or deductible loss) and does not give rise to equal taxable and deductible temporary differences. At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax assets and deferred tax liabilities are offset when:

- the deferred tax assets and deferred tax liabilities are related to the Company and the same taxation authority; and,
- the Company has a legally enforceable right to offset current tax assets against current tax liabilities.

(16) Revenue recognition

The Company recognises revenue at the amount of the consideration which the Company expects to be entitled to receive when the customer obtains control over relevant goods or services.

(a) Sales of aluminium sheet products

The Company produces and sells aluminum sheet products. Revenue is recognised when the Company has delivered aluminum sheet products to the location specified in the sales contract and the buyer has confirmed the acceptance of the products, and the delivery order is signed by both parties.

The Company provides buyers with sales discounts, and related revenue is recognised at contract consideration net of the discount amount estimated based on historical experience.

(b) Rendering of services

The Company provides plate processing services and management services. Upon completion the services, the service results will be delivered to the buyer in accordance with the contract, and revenue is recognised upon acceptance of the buyer.

The Company receives cash or bank acceptance notes from the buyer before or after delivery of the products or the services via a bank. Cash or bank acceptance notes received from the buyer before delivery of the products or the services are recognised as contract liabilities.

4 Summary of significant accounting policies and accounting estimates (Continued)

(17) Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Company from the government, including tax return and financial subsidy.

Government grants are recognised when the grants can be received and the Company can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

Government grants related to assets refer to government grants which are obtained by the Company for the purposes of obtaining long-term assets through purchase, construction or other means. Government grants related to income refer to those which are not related to assets.

Government grants related to assets are either deducted against the carrying amount of the assets, or recorded as deferred income and recognised in profit or loss on a systemic basis over the useful lives of the assets. Government grants related to income that compensate the future costs, expenses or losses are recorded as deferred income and recognised in profit or loss, or deducted against related costs, expenses or losses in the subsequent periods in which those costs, expenses or losses are recognised. Government grants related to income that compensate the incurred costs, expenses or losses are recognised in profit or loss, or deducted against related costs, expenses or losses directly in current period. The Company applies the presentation method consistently to the same types of government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit and are otherwise recorded in non-operating income or expenses.

(18) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>The Company as the lessee</u>

At the lease commencement date, the Company recognises the right-of-use asset and measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments include fixed payments, the exercise price of a purchase option or termination penalty if the lessee is reasonably certain to exercise that option. Variable lease payments which are determined in proportion to sales are excluded from lease payments and recognised in profit or loss for the current period as incurred. Lease liabilities that are due within one year (inclusive) as from the balance sheet date are presented as non-current liabilities to be settled within one year.

4 Summary of significant accounting policies and accounting estimates (Continued)

(18) Leases (Continued)

The Company as the lessee (Continued)

Right-of-use assets of the Company comprise leased buildings. Right-of-use assets are measured initially at cost which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initial direct costs, less any lease incentives received. If there is reasonable certainty that the Company will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life and otherwise, depreciated over the shorter of the lease term and its remaining useful life. The carrying amount of the right-of-use asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount.

For short-term leases with a term of 12 months or less and leases of a low value individual asset (when new), the Company chooses to include the lease payments in the cost of the underlying assets or in the profit or loss for the current period on a straight-line basis over the lease term, instead of recognising right-of-use assets and lease liabilities.

The Company accounts for a lease modification as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction (other than a business combination) which affects neither accounting profit nor taxable profit (or deductible loss) and does not give rise to equal taxable and deductible temporary differences. At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled.

4 Summary of significant accounting policies and accounting estimates (Continued)

(19) Critical accounting estimates and judgements

The Company continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the relevant circumstances.

(a) Critical judgements in applying the accounting policies

(i) Classification of financial assets

Significant judgements made by the Company in the classification of financial assets include analysis on business models and contractual cash flow characteristics.

The Company determines the business model for financial asset management at the level of different groups of financial assets, and factors to be considered include the methods of evaluation on financial asset performance and reporting of financial asset performance to key management personnel, risks affecting financial asset performance and the way in which those risks are managed, and how managers of the business are compensated, etc.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, the key judgements made by the Company include: the possibility of any changes on the timing or amount of the principal over the life of the financial assets may be resulted from such reasons like early repayment, and whether interests solely comprise of time value of money, credit risks, other basic lending risks and considerations for costs and profits. For example, whether the repayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, as well as the reasonable compensation for the early termination of the contract.

(ii) Criteria for significant increase in credit risk and credit-impaired

When the Company classifies financial instruments into different stages, its criteria for significant increase in credit risk and credit-impaired are as follows:

Judgement of the Company for significant increase in credit risk is mainly based on whether the financial assets are overdue, or whether one or more of the following indicators changed significantly: business environment of the debtor, internal and external credit rating, significant changes in actual or expected operating results, significant decrease in value of collateral or credit rate of guarantor which affects the probability of default, etc.

The Company determines the occurrence of credit impaired mainly based on the criteria such as whether one or more of the following conditions exist: the deteriorations in the business environment, internal and external credit rating, actual or expected operating results of the debtor, the significant decline in the value of collaterals or credit rating of guarantor which affects the probability of default, etc.

(iii) Timing of revenue recognition

When the Company sells aluminium sheet products to the distributors, it delivers them to the agreed delivery location specified in the contract. After the customer has accepted the aluminium sheet products, they sign the acceptance document. The Company believes that the customer has obtained the control of aluminium sheet products after accepting the goods. Therefore, the Company confirms the revenue of aluminium sheet products when the customer signs the acceptance document.

4 Summary of significant accounting policies and accounting estimates (Continued)

(19) Critical accounting estimates and judgements (Continued)

(b) Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

(i) Measurement of ECL

The Company calculates ECL based on the exposure at default and the ECL rates. The determination of the ECL rates is based on the probability of default and the loss given default. In determining the ECL rates, the Company uses data such as internal historical credit loss experience, and adjusts the historical data based on current conditions and forward-looking information.

When considering forward-looking information, the indicators used by the Company include the risk of economic downturn, changes in the external market environment, the technological environment, and customer conditions, Gross Domestic Product (“GDP”), and Consumer Price Index (“CPI”). The Company regularly monitors and reviews assumptions related to ECL calculation. In 2023, there was no significant changes in the above valuation basis and key assumptions.

(ii) Net realisable value of inventories

Net realisable value of inventories is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes. These estimations are made based on current market condition and historical experience of sale of similar products, which may vary due to changes in customers’ needs and changes in industrial cycle. Management reassesses the reasonableness of such estimation on each balance sheet date.

(iii) Accounting estimates on impairment of long-term assets

The Company performs impairment tests for long-term assets if there is any indication that the long-term assets may be impaired. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less the cost of disposal and the present value of the future cash flows expected to be derived from the asset. These calculations require the use of estimates.

If management revises the growth rate that is used in the calculation of the future cash flows of asset groups, and the revised rate is lower than the current rate, the Company would need to recognise further impairment against long-term assets.

If management revises the gross profit margin that is used in the calculation of the future cash flows of asset groups, and the revised gross profit margin is lower than the one currently used, the Company would need to recognise further impairment against long-term assets.

If management revises the pre-tax discount rate applied to the discounted cash flows, and the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognise further impairment against fixed assets.

4 Summary of significant accounting policies and accounting estimates (Continued)

(19) Critical accounting estimates and judgements (Continued)

(b) Critical accounting estimates and key assumptions (Continued)

(iii) Accounting estimates on impairment of long-term assets (Continued)

If the actual growth rate and gross profit margin is higher or the actual pre-tax discount rate is lower than management's estimates, the impairment loss of fixed assets as previously recognised is not allowed to be reversed by the Group.

(iv) Income taxes, deferred tax assets and deferred tax liabilities

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Company in determining the provision for income tax expenses. Where the final tax outcomes of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which the tax determination is made.

A deferred tax asset is recognised for the carryforward of unused deductible losses to the extent that it is probable that future taxable profits will be available against which the deductible losses can be utilised. Future taxable profits include taxable profits that can be achieved through normal operations and the increase in taxable profits due to the reversal of taxable temporary differences arising from previous period in future period. The Company needs to apply estimates and judgements in determining the timing and amount of future taxable profits. If there is any difference between the actual and the estimates, adjustment would be made to the carrying amount of deferred tax assets.

(v) Useful lives, total work and residual values of fixed assets

Useful lives of fixed assets are estimated based on actual useful lives of fixed assets with similar nature and functions with reference to historical experience. If the useful lives of such fixed assets are shortened, the Company will adjust the depreciation rate upward and dispose of assets that are idle or obsolete. The expected total work of fixed assets is estimated based on the designed capacity of the asset equipment. The design of the total capacity of asset equipment is included in the Company's operating plan. If the expected total work on these fixed assets decreases, the Company will reassess the unit depreciation based on the operating plan. The residual values of fixed assets are based on the values that remain available for sale or use after demolition and cleaning of fixed assets with similar properties and functions that have lost their use values in the past, and are estimated in accordance with historical experience. In order to determine the reliable useful lives, total work and estimated net residual values of fixed assets, the Company will regularly review the changes in market conditions, expected actual wear and tear and asset maintenance. At each settlement date, the Company will make judgement on useful lives, total work and estimated net residual values according to the changes in circumstances.

5 Taxation

The main categories and rates of taxes applicable to the Company are set out below:

Category	Tax rate	Tax base
Enterprise income tax (a)	25%	Taxable income
Value-added tax (“VAT”) (b)	6% and 13%	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input VAT of the current period)
City maintenance and construction tax	7%	The payment amount of VAT

(a) Pursuant to the provisions including the *Circular on Enterprise Income Tax Policy Concerning Deductions for Equipment and Appliances* (Cai Shui [2018] No. 54) and the *Announcement on Extending the Implementation Period of Certain Preferential Tax Policies* (Cai Shui [2021] No. 6) issued by the State Taxation Administration, during the period from 1 January 2018 to 31 December 2023, the cost of newly purchased equipment with the original cost less than RMB 5 million can be fully deducted against taxable profit in the next month after the asset is put into use, instead of being depreciated annually for tax filing.

(b) The Company’s sale of self-manufactured products is subject to VAT. The applicable tax rate for domestic sales is 13%. The Company has been approved to use the “exempt, credit, refund” method on goods exported.

Pursuant to the *Announcement on Relevant Policies for Deepening the Value-Added Tax Reform* (Cai Shui Haiguan [2019] No. 39) and relevant regulations jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, the applicable tax rate for sales of products of the Company is 13% from 1 April 2019. The tax refund rate is 13%.

6 Notes to the financial statements

(1) Cash at bank and on hand

	31 December 2023	31 December 2022
Cash at bank	293,710,032.09	328,078,551.03
Other cash balances	2,000.00	2,000.00
	293,712,032.09	328,080,551.03

As at 31 December 2023, other cash balances of RMB 2,000.00 (31 December 2022: RMB 2,000.00) were ETC deposits for the Company's vehicles.

6 Notes to the financial statements (Continued)

(2) Derivative financial assets and derivative financial liabilities

	31 December 2023	31 December 2022
Derivative financial assets - Unsettled forward contracts	3,349,588.13	2,043,241.47

	31 December 2023	31 December 2022
Derivative financial liabilities - Unsettled forward contracts	12,071,968.63	11,784,140.87

(3) Accounts receivable

	31 December 2023	31 December 2022
Accounts receivable	221,915,871.26	181,529,074.95
Less: Provision for bad debts	(68,024.14)	(66,727.83)
	221,847,847.12	181,462,347.12

(a) The ageing of accounts receivable is analysed as follows:

	31 December 2023	31 December 2022
Within 1 year	221,915,871.26	181,285,631.30
1 to 2 years	-	243,443.65
	221,915,871.26	181,529,074.95

As at 31 December 2023, accounts receivable of RMB 498,938.22 (31 December 2022: RMB 17,368,348.52) were past due, but based on the analysis of the customers' financial position and previous credit records, no provision for impairment was individually provided. The overdue ageing of these accounts receivable is analysed as follows:

	31 December 2023	31 December 2022
Within 1 year	498,938.22	17,124,904.87
1 to 2 years	-	243,443.65
	498,938.22	17,368,348.52

6 Notes to the financial statements (Continued)

(3) Accounts receivable (Continued)

Accounts receivable are analysed by customers categories as follows:

	31 December 2023			31 December 2022		
	Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Receivables from third parties	218,677,372.28	98.54%	(68,024.14)	180,002,351.75	99.16%	(66,727.83)
Receivables from related parties (Note 7(4)(a))	3,238,498.98	1.46%	-	1,526,723.20	0.84%	-
	221,915,871.26	100.00%	(68,024.14)	181,529,074.95	100.00%	(66,727.83)

(b) Provision for bad debts

For accounts receivable, the Company recognises the loss provision based on the lifetime ECL regardless of whether there is any significant financing component.

(i) The company has no provision made on an individual basis for accounts receivables on 31 December 2023 (31 December 2022: Nil).

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows:

	31 December 2023		
	Gross carrying amount	Provision for bad debts	
	Amount	Lifetime ECL rates	Amount
Not overdue	221,416,933.04	0.00%	-
Overdue within 1 to 30 days	478,755.13	9.99%	(47,841.05)
Overdue within 31 to 60 days	8,402.43	100.00%	(8,402.43)
Overdue within 61 to 90 days	856.94	100.00%	(856.94)
Overdue over 90 days	10,923.72	100.00%	(10,923.72)
	221,915,871.26		(68,024.14)

6 Notes to the financial statements (Continued)

(3) Accounts receivable (Continued)

(b) Provision for bad debts (Continued)

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows (Continued):

	31 December 2022		
	Gross carrying amount	Provision for bad debts	
	Amount	Lifetime ECL rates	Amount
Not overdue	164,160,726.43	0.00%	-
Overdue within 1 to 30 days	8,601,111.92	0.00%	-
Overdue within 31 to 60 days	8,429,999.12	0.00%	-
Overdue within 61 to 90 days	82,553.76	0.00%	-
Overdue over 90 days	254,683.72	26.20%	(66,727.83)
	181,529,074.95		(66,727.83)

(iii) In 2023, the provision for bad debts was RMB 1,296.31.

(c) In 2023, no accounts receivable was actually written off.

(4) Other receivables

	31 December 2023	31 December 2022
Deposits receivable	6,500.07	17,700.07
Less: Provision for bad debts	-	-
	6,500.07	17,700.07

(a) The ageing of other receivables is analysed as follows:

	31 December 2023	31 December 2022
Within 1 year	-	11,200.00
1 to 2 years	-	-
Over 2 years	6,500.07	6,500.07
	6,500.07	17,700.07

6 Notes to the financial statements (Continued)

(4) Other receivables (Continued)

(b) Movements in provision for losses and their gross carrying amounts

	Stage 1	
	12-month ECL (group)	
	Gross carrying amount	Provision for bad debts
31 December 2022	17,700.07	-
Amounts decreased in the current year	(11,200.00)	-
31 December 2023	6,500.07	-

As at 31 December 2023 and 31 December 2022, other receivables of which provision for bad debts was calculated on a collective basis were all in Stage 1, and the Company had no other receivables in Stage 2 or Stage 3.

(5) Advances to suppliers

The ageing of advances to suppliers is analysed as follows:

	31 December 2023		31 December 2022	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	1,854,640.07	98.19%	6,702,196.22	99.27%
1 to 2 years	34,171.20	1.81%	49,166.48	0.73%
	1,888,811.27	100.00%	6,751,362.70	100.00%

6 Notes to the financial statements (Continued)

(6) Inventories

	31 December 2022	Increase in the current year	Reversal in the current year	31 December 2023
Cost -				
Raw materials	128,233,237.73			124,295,495.32
Work in progress	149,453,559.39			136,746,924.90
Finished goods	97,023,743.55			121,925,540.80
	374,710,540.67			382,967,961.02
Less: Provision for decline in the value of inventories				
Work in progress	(5,478,665.30)	-	542,722.10	(4,935,943.20)
Finished goods	(33,460.80)	(24,981.97)	-	(58,442.77)
	(5,512,126.10)	(24,981.97)	542,722.10	(4,994,385.97)
	369,198,414.57			377,973,575.05

(7) Other current assets

	31 December 2023	31 December 2022
Input VAT to be deducted	33,320,631.71	7,637,091.20
Prepaid expenses	1,395,029.42	2,770,502.14
	34,715,661.13	10,407,593.34

(8) Other non-current financial assets

	31 December 2023	31 December 2022
Unsettled forward contracts	936,316.28	192,527.10

6 Notes to the financial statements (Continued)

(9) Fixed assets

	Buildings	Machinery and equipment	Electronic equipment	Motor vehicles	Office equipment	Total
Cost						
31 December 2022	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
Transfer from construction in progress (Note 6(11))	9,809,345.93	187,984,641.71	2,134,890.62	-	5,162,395.00	205,091,273.26
Disposals in the current year	(1,135,123.00)	(935,904.89)	(826,862.64)	-	(246,271.21)	(3,144,161.74)
31 December 2023	405,198,729.91	2,261,970,321.99	40,765,822.24	588,396.54	43,308,798.29	2,751,832,068.97
Accumulated depreciation						
31 December 2022	(121,578,037.84)	(489,399,924.00)	(28,420,127.41)	(559,216.35)	(33,602,999.30)	(673,560,304.90)
Increase in the current year	(16,056,200.84)	(103,044,071.56)	(1,415,104.56)	(29,180.19)	(1,786,888.91)	(122,331,446.06)
Disposals in the current year	1,135,123.00	931,389.78	826,862.64	-	246,271.21	3,139,646.63
31 December 2023	(136,499,115.68)	(591,512,605.78)	(29,008,369.33)	(588,396.54)	(35,143,617.00)	(792,752,104.33)
Net book value						
31 December 2023	268,699,614.23	1,670,457,716.21	11,757,452.91	-	8,165,181.29	1,959,079,964.64
31 December 2022	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

In 2023, the depreciation charged to cost of sales, selling and distribution expenses and general and administrative expenses were RMB 121,777,321.38, RMB 16,406.85 and RMB 537,717.83 (2022: RMB 90,293,227.00, RMB 26,812.29 and RMB 581,754.23) respectively.

6 Notes to the financial statements (Continued)

(10) Construction in progress

Project name	31 December 2022	Increase in the current year	Transfer to fixed assets in the current year (Note 6(10))	Transfer to intangible assets in the current year (Note 6(12))	31 December 2023
SAP & MES system	16,505,795.21	23,193,625.36	-	-	39,699,420.57
Casting Line No. 2	142,291,125.80	40,471,884.14	(164,828,860.58)	-	17,934,149.36
QPPD Phase 1 project	3,377,671.65	5,929,921.83	-	-	9,307,593.48
Hot mill automation system	-	7,238,491.23	-	-	7,238,491.23
Manipulating cylinders	-	5,759,368.69	-	-	5,759,368.69
CPwE project	-	4,304,594.00	-	-	4,304,594.00
Fracture toughness tester	-	3,220,989.93	-	-	3,220,989.93
Forklift replacement project	1,413,274.33	18,407.08	(1,431,681.41)	-	-
Cold rolling mill project	1,366,100.00	1,474,060.00	-	-	2,840,160.00
Desktop project	495,024.40	-	(495,024.40)	-	-
Expansion cover project	1,095,645.70	118,584.10	(1,214,229.80)	-	-
Others	22,527,250.21	31,984,256.30	(37,121,477.07)	(263,736.00)	17,126,293.44
	189,071,887.30	123,714,182.66	(205,091,273.26)	(263,736.00)	107,431,060.70
Including: Capitalised borrowing costs	9,903,486.00	2,422,293.57	(12,325,779.57)	-	-
Less: Provision for impairment of construction in progress	-	-	-	-	-
	189,071,887.30	123,714,182.66	(205,091,273.26)	(263,736.00)	107,431,060.70

In 2023, the capitalisation rate used to determine the borrowing costs eligible for capitalisation was 5.30% annually (2022: 5.30%).

6 Notes to the financial statements (Continued)

(11) Intangible assets

	Cost	31 December 2022	Increase in the current year	Transfer from construction in progress (Note 6(11))	Amortisation charged in the current year	31 December 2023	Accumulated amortisation
Land use rights	207,213,183.10	74,841,452.29	110,850,798.10	-	(4,189,082.00)	181,503,168.39	(25,710,014.71)
Software	94,387,409.17	996,249.64	-	263,736.00	(857,878.32)	402,107.32	(93,985,301.85)
	301,600,592.27	75,837,701.93	110,850,798.10	263,736.00	(5,046,960.32)	181,905,275.71	(119,695,316.56)

6 Notes to the financial statements (Continued)

(12) Right-of-use assets

	Buildings
Cost	
31 December 2022	1,801,305.95
Increase in the current year	
New lease contracts	-
31 December 2023	1,801,305.95
Accumulated depreciation	
31 December 2022	(1,212,991.18)
Increase in the current year	
Provision	(415,281.01)
31 December 2023	(1,628,272.19)
Carrying amount	
31 December 2023	173,033.76
31 December 2022	588,314.77

(13) Long-term prepaid expenses

	31 December 2023	31 December 2022
Qualification expenses of aviation products	7,162,828.95	10,744,243.45

6 Notes to the financial statements (Continued)

(14) Deferred tax assets and deferred tax liabilities

Deferred assets and liabilities before any offsetting are set out as follows:

(a) Deferred tax assets

	31 December 2023		31 December 2022	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Accrued expenses	18,271,275.77	73,085,103.07	28,997,189.27	115,988,757.06
Deferred income	12,000,000.00	48,000,000.00	-	-
Interest payable	3,846,540.83	15,386,163.31	15,042,174.77	60,168,699.09
Changes in fair value of the financial assets at fair value through profit or loss	1,946,516.06	7,786,064.22	2,416,098.84	9,664,395.36
Employee benefits payable	1,598,470.37	6,393,881.47	1,771,425.92	7,085,703.69
Provision for decline in the value of inventories	1,248,596.49	4,994,385.97	1,378,031.53	5,512,126.10
Deductible losses	778,610.09	3,382,340.36	34,702,089.06	138,808,356.25
Accrued taxes in relaton to accrued interest	286,088.39	1,144,353.61	1,295,583.63	5,182,334.50
Lease liabilities	45,894.35	183,577.40	138,011.91	552,047.65
Provision for bad debts	17,006.04	68,024.14	16,681.95	66,727.83
Depreciation of PPE	-	-	37,024.30	148,097.20
	40,038,998.39	160,155,993.55	85,794,311.18	343,177,244.73

	31 December 2023	31 December 2022
Including:		
Expected to be recovered within one year (inclusive)	28,038,998.39	73,771,871.24
Expected to be recovered after one year	12,000,000.00	12,022,439.94
	40,038,998.39	85,794,311.18

(b) Deferred tax liabilities

	31 December 2023		31 December 2022	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Depreciation of PPE	81,761.99	327,047.95	-	-
Right-of-use assets	43,258.44	173,033.76	147,078.69	588,314.77
	125,020.43	500,081.71	147,078.69	588,314.77

	31 December 2023	31 December 2022
Including:		
Expected to be recovered within one year (inclusive)	61,770.59	103,820.25
Expected to be recovered after one year	63,249.84	43,258.44
	125,020.43	147,078.69

6 Notes to the financial statements (Continued)

(14) Deferred tax assets and deferred tax liabilities (Continued)

(c) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	31 December 2023	31 December 2022
Deferred tax assets, net	39,913,977.96	85,647,232.49

(15) Other non-current assets

	31 December 2023	31 December 2022
Deposits receivable	44,000.00	2,444,000.00
Advances for land use rights	-	107,604,070.00
	44,000.00	110,048,070.00

(16) Provision for asset impairment and losses

	31 December 2022	Increase in the current year	Reversal in the current year	Write-off in the current year	31 December 2023
Provision for decline in the value of inventories	5,512,126.10	24,981.97	(542,722.10)	-	4,994,385.97
Provision for bad debts	66,727.83	1,296.31	-	-	68,024.14
Including: Accounts receivable	66,727.83	1,296.31	-	-	68,024.14
	5,578,853.93	26,278.28	(542,722.10)	-	5,062,410.11

(17) Contract liabilities

	31 December 2023	31 December 2022
Advances from sales of goods	11,927,708.32	5,977,786.18

The carrying amount of contract liabilities of RMB 5,977,786.18 as at 31 December 2022 were realised as revenue in 2023 (2022: RMB 4,728,402.46).

6 Notes to the financial statements (Continued)

(18) Employee benefits payable

	31 December 2023	31 December 2022
Short-term employee benefits payable (a)	6,972,501.55	7,783,418.63
Defined contribution plans payable (b)	-	-
	6,972,501.55	7,783,418.63

(a) Short-term employee benefits

	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Wages and salaries, bonus, allowances and subsidies	7,783,418.63	89,267,343.62	(90,078,260.70)	6,972,501.55
Social security contributions	-	8,855,720.57	(8,855,720.57)	-
Including: Medical insurance	-	7,597,897.79	(7,597,897.79)	-
Work injury insurance	-	894,294.03	(894,294.03)	-
Maternity insurance	-	363,528.75	(363,528.75)	-
Housing funds	-	6,883,888.80	(6,883,888.80)	-
	7,783,418.63	105,006,952.99	(105,817,870.07)	6,972,501.55

(b) Defined contribution plans

	2023		2022	
	Amount Payable	Ending balance	Amount Payable	Ending balance
Basic pensions	11,753,499.84	-	9,673,758.03	-
Unemployment insurance	367,313.62	-	302,379.93	-
	12,120,813.46	-	9,976,137.96	-

6 Notes to the financial statements (Continued)

(19) Taxes payable

	31 December 2023	31 December 2022
Withholding income taxes payable	6,578,131.35	5,432,954.17
Property tax payable	1,031,529.53	1,031,528.50
Land use tax payable	527,807.08	265,091.04
Withholding individual income tax payable	274,851.80	592,922.52
Others	1,051,184.72	584,612.86
	9,463,504.48	7,907,109.09

(20) Other payables

	31 December 2023	31 December 2022
Payables to related parties ((a), Note 7(4)(d))	778,309,036.94	993,339,318.23
Service expenses payable	12,341,827.46	8,662,533.55
Utility expenses payable	6,027,577.54	6,134,623.05
Freight payable	4,014,159.14	5,024,245.93
Accrued claims	4,004,102.10	892,692.01
Payables for equipment	2,890,736.55	7,119,252.97
Accrued sale rebates	2,341,559.97	1,068,112.64
Accrued project development expenses	2,156,162.40	3,785,410.54
Withholding tax	-	4,830,135.49
Others	2,044,120.88	3,262,979.42
	814,129,282.98	1,034,119,303.83

(a) The company and its related parties have signed a working capital management agreement (i.e. the "capital pool" agreement) with BNP Paribas. According to the agreement, BNP Paribas, as a trustee, was granted the transfer of funds between the designated RMB account ("main account") of Novelis (China) Aluminum Products Co., Ltd. and the designated RMB account ("sub-account") of the Company and other related parties on the relevant transfer day.

On December 31, 2023, the balance and interest payable of the Company's loans from related parties due to its participation in the above plan are accounted for as "other payables" in the company's financial statements.

In 2023, the annual interest rate of the cash pool is 3.45% (2022: 3.65%).

6 Notes to the financial statements (Continued)

(21) Long-term borrowings

	31 December 2023	31 December 2022
Unsecured borrowings (Note 7(4)(e))	282,774,094.57	277,385,379.94

As at 31 December 2023, the unsecured borrowings of USD 39,827,898.22 (equivalent to RMB 282,774,094.57) were borrowings from related parties provided by the Company's parent company Aleris Asia Pacific Ltd. to the Company. The interests are paid once a year, and the principal should be returned due on 18 December 2025.

As at 31 December 2022, the unsecured borrowings of USD 39,827,898.22 (equivalent to RMB 277,385,379.94) were borrowings from related parties provided by the Company's parent company Aleris Asia Pacific Ltd. to the Company. The interests are paid once a year, and the principal should be returned due on 18 December 2025.

As at 31 December 2023, the weighted average interest rate of long-term borrowings was 5.39% per annum (31 December 2022: 5.39% per annum).

(22) Lease liabilities

	31 December 2023	31 December 2022
Lease liabilities	183,577.40	609,947.66
Less: Non-current liabilities to be settled within one year	(183,577.40)	(426,370.26)
	-	183,577.40

(a) As at 31 December 2023, the Company had no events that were not included in lease liabilities but would result in potential future cash outflows (31 December 2022: Nil).

(23) Deferred income

	31 December 2023	31 December 2022
Government Grants(a)	48,000,000.00	-

(a) Government Grants

	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Assets related project	-	48,000,000.00	-	48,000,000.00

6 Notes to the financial statements (Continued)

(24) Revenue and cost of sales

	2023		2022	
	Revenue	Cost of sales	Revenue	Cost of sales
Sales of products	1,698,060,558.62	(1,188,698,814.91)	1,621,817,448.88	(1,230,095,546.24)
Rendering of services	1,214,856.95	(1,135,380.33)	407,090.48	(380,458.39)
	1,699,275,415.57	(1,189,834,195.24)	1,622,224,539.36	(1,230,476,004.63)

(a) The Company's revenue is disaggregated as follows:

	2023		
	Sales of aluminium sheets	Others	Total
Revenue from main operations	1,698,060,558.62	-	1,698,060,558.62
Including: Recognised at a point in time	1,698,060,558.62	-	1,698,060,558.62
Revenue from other operations (i)	-	1,214,856.95	1,214,856.95
	1,698,060,558.62	1,214,856.95	1,699,275,415.57

	2022		
	Sales of aluminium sheets	Others	Total
Revenue from main operations	1,621,817,448.88	-	1,621,817,448.88
Including: Recognised at a point in time	1,621,817,448.88	-	1,621,817,448.88
Revenue from other operations (i)	-	407,090.48	407,090.48
	1,621,817,448.88	407,090.48	1,622,224,539.36

(i) The Company’s revenue from rendering of services is recognised at a point in time.

As at 31 December 2023, the Company had no performance obligations that had been contracted but not yet performed or completed (31 December 2022: Nil).

(25) Taxes and surcharges

	2023	2022
Property tax	4,126,108.92	4,197,529.36
City maintenance and construction tax	2,413,079.74	-
Land use tax	1,848,512.04	1,060,364.04
Educational surcharge	1,723,628.38	-
Stamp tax	680,105.24	650,746.97
Environmental protection tax	45,894.40	264,531.76
Others	1,944,837.20	1,699,885.79
	12,782,165.92	7,873,057.92

6 Notes to the financial statements (Continued)

(26) Financial expenses - net

	2023	2022
Interest costs	40,165,621.07	46,428,941.06
Add: Interest costs on lease liabilities	16,333.44	38,117.43
Less: Amounts capitalised on qualifying assets	(2,422,293.57)	(5,047,310.27)
Interest expenses	37,759,660.94	41,419,748.22
Less: Interest income	(11,921,315.41)	(1,597,513.99)
Exchange (gains)/losses	(718,910.48)	20,022,809.90
Charges	485,135.69	323,124.16
	25,604,570.74	60,168,168.29

(27) Expenses by nature

The cost of sales, selling and distribution expenses, and general and administrative expenses in the income statement are listed as follows by nature:

	2023	2022
Changes in inventories of finished goods and work in progress	(12,195,162.76)	(11,658,696.80)
Consumed raw materials and low value consumables, etc.	807,530,462.75	869,982,516.49
License expenses	123,982,292.60	95,009,682.30
Depreciation and amortisation expenses	130,959,820.88	97,292,368.42
Employee benefits	117,127,766.45	108,853,655.83
Utility and gas expenses	97,105,112.02	94,634,860.51
Service expenses	92,573,947.72	74,173,116.43
Freight expenses	24,475,258.16	42,535,022.75
Packaging expenses	16,656,588.31	20,331,018.93
Maintenance expenses	14,678,615.15	16,891,341.84
Consulting expenses	9,420,306.07	16,541,652.86
Production safety expenses		
- accrued	5,949,172.68	7,599,019.87
- expensed	(5,949,172.68)	(7,599,019.87)
Depreciation of right-of-use assets	415,281.01	578,652.44
Others	28,825,391.61	45,641,062.44
	1,451,555,679.97	1,470,806,254.44

(28) Reversal of asset impairment

	2023	2022
Reversal of decline in the value of inventories	517,740.13	1,001,301.87

6 Notes to the financial statements (Continued)

(29) Credit impairment losses

	2023	2022
Credit impairment losses of accounts receivable	1,296.31	5,642.25

(30) Investment losses/(income)

	2023	2022
Investment losses/(income) from disposals of derivative financial instruments	14,022,131.95	(16,804,000.17)

(31) Gains/(Losses) arising from changes in fair value

	2023	2022
Forward contracts	1,878,331.14	(11,873,641.01)

(32) Income tax expenses

	2023	2022
Current income tax	-	-
Deferred income tax	45,733,254.53	(85,647,232.49)
	45,733,254.53	(85,647,232.49)

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the income statement to the income tax expense is set out as below:

	2023	2022
Total profit	197,415,926.52	89,264,971.66
Income tax expense calculated at applicable tax rates	49,353,981.63	22,316,242.92
Costs, expenses and losses not deductible for tax purposes	664,739.32	1,156,586.27
Recognisation of previously unrecognised deductible losses	-	(76,778,184.28)
Previously deductible temporary differences for which no deferred tax asset was recognised	(4,285,466.42)	(32,341,877.40)
Income tax expenses	45,733,254.53	(85,647,232.49)

6 Notes to the financial statements (Continued)

(33) Notes to the cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities

	2023	2022
Net profit	151,682,671.99	174,912,204.15
Add: Reversal of provision for asset impairment	(517,740.13)	(1,001,301.87)
Credit impairment losses	1,296.31	5,642.25
Depreciation of right-of-use assets	415,281.01	578,652.44
Depreciation of fixed assets	122,331,446.06	90,901,793.52
Amortisation of intangible assets	5,046,960.32	2,809,160.38
Amortisation of long-term prepaid expenses	3,581,414.50	3,581,418.17
Decrease in provisions	-	(10,106.11)
Losses on scrapping of fixed assets	4,515.11	109,819.65
Financial expenses	39,982,007.99	37,642,133.61
(Gains)/Losses arising from changes in fair value	(1,878,331.14)	11,873,641.01
Investment losses/(income)	14,022,131.95	(16,804,000.17)
Decrease/(Increase) in deffered tax assets	45,733,254.53	(85,647,232.49)
(Increase)/Decrease in inventories	(8,257,420.35)	6,246,177.40
Increase in operating receivables	(57,421,112.67)	(35,153,439.62)
Increase in operating payables	17,925,950.99	58,336,901.22
Net cash flows from operating activities	332,652,326.47	248,381,463.54

(b) Net decrease in cash

	2023	2022
Cash at the end of the year (Note 6(1))	293,710,032.09	328,078,551.03
Less: Cash at the beginning of the year (Note 6(1))	(328,078,551.03)	(342,048,704.07)
Net decrease in cash	(34,368,518.94)	(13,970,153.04)

6 Notes to the financial statements (Continued)

(33) Notes to the cash flow statement (Continued)

(c) Cash

	31 December 2023	31 December 2022
Cash at bank and on hand (Note 6(1))	293,712,032.09	328,080,551.03
Less: Other restricted cash balances	(2,000.00)	(2,000.00)
Cash	293,710,032.09	328,078,551.03

(d) Cash paid relating to other financing activities

	2023	2022
Repayments of lease liabilities	442,703.70	569,000.00

In 2023, total cash outflows for leases paid by the Company amounted to RMB 442,703.70 which is classified as cash paid relating to financing activities for repayments of lease liabilities and operating activities for the remainder.

7 Related parties and related party transactions

(1) The parent company

(a) General information of the parent company

	Place of incorporation	Nature of business
Aleris Asia Pacific Ltd.	Hong Kong, PRC	Investment management

Hindalco Industries Ltd. is the ultimate holding company of the Company.

Novelis ALR International,Inc. is the interim holding company of the Company.

7 Related parties and related party transactions (Continued)

(b) Registered capital and changes in registered capital of the parent company

Name of entity	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Aleris Asia Pacific Ltd.	USD 500,000,000.00	-	-	USD 500,000,000.00

(c) The percentages of shareholding and voting rights in the Company held by the parent company

	31 December 2023		31 December 2022	
	Shareholding (%)	Voting rights (%)	Shareholding (%)	Voting rights (%)
Aleris Asia Pacific Ltd.	100%	100%	100%	100%

(2) Nature of related parties that do not control/are not controlled by the Company

	Relationship with the Company
Novelis Koblenz GmbH	Controlled by the same ultimate holding company
Novelis ALR Rolled Products Sales Corporation	Controlled by the same ultimate holding company
Novelis Korea Limited	Controlled by the same ultimate holding company
Novelis (China) Aluminum Products Co., Ltd.	Controlled by the same ultimate holding company
Aleris (Shanghai) Trading Co., Ltd. (a)	Controlled by the same ultimate holding company
Novelis (Shanghai) Aluminum Trading Co., Ltd.	Controlled by the same ultimate holding company
Novelis Inc.	Controlled by the same ultimate holding company
Novelis PAE	Controlled by the same ultimate holding company
Novelis Global Employment Organization, Inc.	Controlled by the same ultimate holding company
Novelis Services Limited	Controlled by the same ultimate holding company

(a) Aleris (Shanghai) Trading Co., Ltd was deregistered on November 29, 2023.

(3) Related party transactions

(a) Pricing policies

The Company's pricing on raw materials purchased from related parties, products sold to related parties and other related party transactions is negotiated by both parties involved in the transaction as appropriate.

7 Related parties and related party transactions (Continued)

(3) Related party transactions (Continued)

(b) Rendering of services

	2023	2022
Novelis (China) Aluminum Products Co., Ltd.	1,117,853.02	405,860.39

(c) Receipt of services

	2023	2022
Novelis Inc.	65,976,850.50	43,906,140.69
Novelis (Shanghai) Aluminum Trading Co., Ltd.	17,011,219.46	743,270.71
Aleris (Shanghai) Trading Co., Ltd.	8,480,120.24	16,921,091.37
Novelis (China) Aluminum Products Co., Ltd.	7,970,743.77	4,974,145.87
Novelis Global Employment Organzation, Inc.	4,395,853.10	4,019,358.04
Novelis ALR Rolled Products Sales Corporation	2,788,955.99	2,805,597.84
Novelis Koblenz GmbH	1,881,046.54	25,171,801.41
Novelis Korea Limited	995,307.61	2,666,637.72
Novelis PAE	-	3,161,789.20
	109,500,097.21	104,369,832.85

(d) Purchase of goods

	2023	2022
Novelis PAE	83,451.86	-
Novelis Korea Limited	-	28,937,929.81
	83,451.86	28,937,929.81

(e) Sales of goods

	2023	2022
Novelis (China) Aluminum Products Co., Ltd.	1,140,253.64	-
Novelis Korea Limited	-	2,779,132.57
	1,140,253.64	2,779,132.57

7 Related parties and related party transactions (Continued)

(3) Related party transactions (Continued)

(f) Royalty fees

	2023	2022
Novelis Koblenz GmbH	88,526,622.64	66,216,152.43
Novelis Services Limited	4,346,057.49	3,541,871.84
	92,872,680.13	69,758,024.27

(g) Repayment of cash pool loan

	2023	2022
Novelis (China) Aluminum Products Co., Ltd.	251,499,086.46	46,221,493.04

(h) Interest expenses

	2023	2022
Novelis (China) Aluminum Products Co., Ltd.	24,779,457.76	31,717,160.31
Aleris Asia Pacific Ltd.	15,386,163.31	14,711,780.75
	40,165,621.07	46,428,941.06

(i) Receipt of IT service expenses

	2023	2022
Novelis Inc.	15,269,052.43	9,088,197.55

(4) Receivables from and payables to related parties

(a) Accounts receivable

	31 December 2023	31 December 2022
Novelis (China) Aluminum Products Co., Ltd.	2,095,895.23	41,114.29
Novelis ALR International,Inc.	1,142,603.75	1,136,136.29
Aleris (Shanghai) Trading Co., Ltd.	-	349,472.62
	3,238,498.98	1,526,723.20

7 Related parties and related party transactions (Continued)

(4) Receivables from and payables to related parties (Continued)

(b) Advances to suppliers

	31 December 2023	31 December 2022
Novelis (China) Aluminum Products Co., Ltd.	1,232,324.00	-

(c) Accounts payable

	31 December 2023	31 December 2022
Novelis Koblenz GmbH	562,994.22	532,759.35
Novelis Korea Limited	-	9,519,953.11
	562,994.22	10,052,712.46

(d) Other payables

	31 December 2023	31 December 2022
Novelis (China) Aluminum Products Co., Ltd.		
-cash pool	533,234,583.68	784,795,710.68
-others	999,469.54	1,893,901.83
Aleris Asia Pacific Ltd.	90,533,923.27	73,762,418.90
Novelis Koblenz GmbH	73,526,827.16	75,530,115.26
Novelis Inc.	53,088,925.67	35,161,021.29
Novelis Global Employment Organzation, Inc.	12,516,698.84	8,065,603.46
Novelis (Shanghai) Aluminum Trading Co., Ltd.	12,416,530.06	475,491.24
Novelis Services Limited	1,198,779.70	3,581,446.17
Novelis ALR Rolled Products Sales Corporation	497,313.06	605,019.61
Novelis Korea Limited	295,985.96	1,267,657.41
Aleris (Shanghai) Trading Co., Ltd.	-	7,379,109.58
Novelis PAE	-	821,822.80
	778,309,036.94	993,339,318.23

(e) Long-term borrowings

	31 December 2023	31 December 2022
Aleris Asia Pacific Ltd.	282,774,094.57	277,385,379.94

8 Commitments

(1) Capital commitments

As at the balance sheet date, capital expenditures contracted for but not yet necessary to be recognised by the Company in the balance sheet are as follows:

	31 December 2023	31 December 2022
Buildings, machinery and equipment	46,268,369.36	53,354,592.19

9 Financial instrument and risks

The Company's activities expose it to a variety of financial risks: market risk (primarily including foreign exchange risk, interest rate risk and other price 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.

(1) Market risk

(a) Foreign exchange risk

The Company’s major operational activities are carried out in the Chinese mainland. Some sales and procurement are denominated in USD, AUD and EUR. The acquisition and construction expenditures such as plant construction and equipment installation are denominated in USD and EUR. The Company is also exposed to foreign exchange risk arising from the recognised assets and liabilities, and future transactions denominated in foreign currencies (primarily with USD, AUD and EUR). The Company’s finance department is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies to minimise the foreign exchange risk. Therefore, the Company may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk.

As at 31 December 2023 and 31 December 2022, the financial assets and the financial liabilities of the Company denominated in foreign currencies were expressed in RMB as follows:

9 Financial instrument and risks (Continued)

(1) Market risk (Continued)

(a) Foreign exchange risk (Continued)

	31 December 2023		
	USD	EUR	Total
Financial assets denominated in foreign currencies -			
Cash at bank	243,667,398.13	1,760,873.38	245,428,271.51
Accounts receivable	168,884,352.59	-	168,884,352.59
	412,551,750.72	1,760,873.38	414,312,624.10
Financial liabilities denominated in foreign currencies -			
Accounts payable	55,166,591.07	1,395,295.99	56,561,887.06
Other payables	239,902,417.81	1,110,991.13	241,013,408.94
Long-term borrowings	282,774,094.57	-	282,774,094.57
	577,843,103.45	2,506,287.12	580,349,390.57

	31 December 2023		
	USD	EUR	Total
Financial assets denominated in foreign currencies -			
Cash at bank	289,128,862.47	842,022.75	289,970,885.22
Accounts receivable	139,192,036.99	-	139,192,036.99
	428,320,899.46	842,022.75	429,162,922.21
Financial liabilities denominated in foreign currencies -			
Accounts payable	68,133,577.84	1,395,295.99	69,528,873.83
Other payables	129,554,926.86	841,606.91	130,396,533.77
Long-term borrowings	277,385,379.94	-	277,385,379.94
	475,073,884.64	2,236,902.90	477,310,787.54

As at 31 December 2023, for the financial assets and financial liabilities denominated in USD in the Company whose recording currency were RMB, if the RMB had strengthened/weakened by 4% against the USD while all other variables had been held constant, the Company’s profit before tax would be approximately RMB 6,611,654.11 higher/lower (31 December 2022: the Company’s profit before tax would be approximately RMB 1,925,914.61).

(b) Interest rate risk

The Company's interest rate risk arises from long-term interest bearing obligations, including long-term bank borrowings. Financial liabilities issued at floating rates expose the Company to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Company to fair value interest rate risk. The Company determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 31 December 2023, the Company had no floating interest rate contracts. The long-term interest bearing borrowings of the Company were fixed interest rate contracts mainly denominated in USD, with a total amount of RMB 282,774,094.57 (31 December 2022: RMB 277,385,379.94).

9 Financial instrument and risks (Continued)

(1) Market risk (Continued)

(b) Interest rate risk (Continued)

The Company's finance department continuously monitors the interest rate position of the Company. Increases in interest rates will increase the cost of new borrowing and the interest costs with respect to the Company's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Company's financial performance. Management makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. During 2023 and 2022, the Company did not enter into any interest rate swap agreements.

(c) Other price risk

The Company's other price risk arises mainly from derivatives with a risk of changes in the price of derivatives.

As at 31 December 2023, if the expected prices of the derivatives held by the Company had risen/fallen by 4% while holding all other variables constant, the Company's profit before tax would have been approximately RMB 8,961,045.07 (31 December 2022: RMB 7,248,031.36) lower/higher respectively.

(2) Credit risk

Credit risk is managed on a collective basis. Credit risk mainly arises from cash at bank, accounts receivable, other receivables, etc.

The Company expects that there is no significant credit risk associated with cash at bank and on hand since it is deposited at state-owned banks and other large or medium size listed banks with good reputation and high credit rating, and there will be almost no significant losses from non-performance by these counterparties.

In addition, the Company has policies to limit the credit exposure on accounts receivable and other receivables. The Company assesses the credit quality of and sets credit periods on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Company. In respect of customers with a poor credit history, the Company will chase settlement by using written payment reminders, or shorten/cancel credit periods, to ensure the overall credit risk of the Company is limited to a controllable extent.

As at 31 December 2023, the Company had no significant collateral or other credit enhancements held as securities from debtors (31 December 2022: Nil).

9 Financial instrument and risks (Continued)

(3) Liquidity risk

Cash flow forecasting is performed by the Company's finance department. The Company's finance department monitors rolling forecasts of the Company's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs; continuously monitors whether the covenant terms in borrowing agreements are complied; and maintains sufficient headroom on the Company's committed undrawn banking facilities from major financial institutions so as to meet the short-term and long-term liquidity requirements.

As at the balance sheet date, the undiscounted contractual cash flows of the Company's financial liabilities, analysed by their maturity dates, are as below:

	31 December 2023				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable	85,778,960.98	-	-	-	85,778,960.98
Other payables	723,595,359.71	-	-	-	723,595,359.71
Long-term borrowings	105,775,446.97	296,479,445.86	-	-	402,254,892.83
Lease liabilities	185,000.00	-	-	-	185,000.00
	915,334,767.66	296,479,445.86	-	-	1,211,814,213.52

	31 December 2022				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable	93,576,528.67	-	-	-	93,576,528.67
Other payables	960,356,884.93	-	-	-	960,356,884.93
Long-term borrowings	88,713,490.88	14,561,527.46	278,098,973.81	-	381,373,992.15
Lease liabilities	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

10 Fair value estimates

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 the asset or liability.

10 Fair value estimates (Continued)

(1) Assets and liabilities measured at fair value on a recurring basis

As at 31 December 2023, the assets and liabilities measured at fair value on a recurring basis by the above three levels are analysed as below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets - Unsettled forward contracts	-	3,349,588.13	-	3,349,588.13
Other non-current financial assets - Unsettled forward contracts	-	936,316.28	-	936,316.28
Total financial assets	-	4,285,904.41	-	4,285,904.41

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial liabilities - Unsettled forward contracts	-	12,071,968.63	-	12,071,968.63
Total financial liabilities	-	12,071,968.63	-	12,071,968.63

As at 31 December 2022, the assets and liabilities measured at fair value on a recurring basis by the above three levels are analysed as below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets - Unsettled forward contracts	-	2,043,241.47	-	2,043,241.47
Other non-current financial assets - Unsettled forward contracts	-	192,527.10	-	192,527.10
Total financial assets	-	2,235,768.57	-	2,235,768.57

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial liabilities - Unsettled forward contracts	-	11,784,140.87	-	11,784,140.87
Other non-current liabilities - Unsettled forward contracts	-	116,023.06	-	116,023.06
Total financial liabilities	-	11,900,163.93	-	11,900,163.93

10 Fair value estimates (Continued)

(2) Assets measured at fair value on a non-recurring basis

As at 31 December 2023 and 31 December 2022, the Company had no assets measured at fair value on a non-recurring basis.

(3) Assets and liabilities not measured at fair value but for which their fair values are disclosed

Financial assets and liabilities measured at amortised cost mainly include accounts receivable, other receivables, payables, lease liabilities and long-term borrowings.

As at 31 December 2023 and 31 December 2022, the carrying amount of the Company's financial assets and liabilities not measured at fair value was a reasonable approximation of their fair value.

11 Capital management

The Company's capital management policies aim 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 increase capital or sell assets to reduce debts.

The Company's total capital is calculated as 'owners' equity' as shown in the balance sheet. The Company is not subject to external mandatory capital requirements, and monitors capital on the basis of gearing ratio.

As at 31 December 2023 and 31 December 2022, the Company's gearing ratios were as follows:

	31 December 2023	31 December 2022
Gearing ratio	39.39%	44.37%

Hindalco Industries Limited

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