

CIA DE FERRO LIGAS DA BAHIA – FERBASA AND SUBSIDIARIES

Management's Explanatory Notes to Intermediate, Individual and Consolidated Accounting Information
Three- and nine-month period ending September 30, 2024

In thousands of reais, unless otherwise indicated

1. OPERATIONAL CONTEXT

Cia de Ferro Ligas da Bahia S.A. - FERBASA ("Ferbasa" or "Company") is a publicly-held company, headquartered in Pojuca - BA, registered with the Brazilian Securities and Exchange Commission (**CVM** – Comissão de Valores Mobiliários) and has shares traded on the São Paulo Stock Exchange (B3). Ferbasa started its activities 63 years ago, on February 23, 1961, and operates sustainably in the areas of chromite mining, metallurgy in the production of ferroalloys, renewable forest resources and wind energy generation, all in the State of Bahia. Its parent company is the José Carvalho Foundation, a non-profit entity with an indefinite duration, whose primary objective is to provide quality education to children and young people in need.

This intermediate, individual and consolidated accounting information, contained in the Quarterly Information Form - ITR for the period ended September 30, 2024, was approved by the Company's Board of Directors on November 8, 2024.

1.1 Effects of the Russia-Ukraine and Israel-Hamas conflicts

In addition to the relief in tensions resulting from the pandemic period, which caused a downward movement in commodity prices, more recently, the intensification of protectionist actions in many countries, and the conflicts between Russia and Ukraine, and between Israel and Hamas, brought new challenges to international trade. More specifically, protectionism has been generating pent-up commercialization of products in some regions and an oversupply in others. Meanwhile, the congestion of maritime traffic in the Suez Canal and in many important commercial logistics circuits is harming the availability and regularity of ships and containers.

The national scenario reflects a moment of difficulty for the steel industry, which has already signaled its discomfort with the growth of steel imports, especially those of Chinese origin. In the case of exports, the international panorama is greatly impacted by the protectionist actions recently intensified by the United States. This set of factors affected the Company's trading pace in the period.

1.2 Accounting impacts related to climate change and the ESG agenda

FERBASA has historically prioritized actions that contribute to the evolution of the ESG agenda in its corporate agenda. As a result of the first diagnosis focused on the subject, the roadmap was drawn up that aims to accelerate advances related to sustainability. As one of the consequences of this work, we have incorporated into the Management Report a specific topic called "ESG Agenda", which aims to inform and disseminate the main updates related to the matter to our Stakeholders.

The Company does not have, as of September 30, 2024: (i) loans or financing linked to green goals or commitments; (ii) insurance related to ESG aspects; (iii) carbon credit transactions; (iv) ESG risk linked to inventories or impact on the useful or residual life of its assets; (v) provisions or contingent liabilities constituted related to ESG, in addition to the environmental provision already disclosed by the Company; and (vi) risk of discontinuity of its operations.

The Company understands that there is no significant impact on individual and consolidated

interim accounting information resulting from the ESG or climate change theme as of September 30, 2024.

1.3 Tax Reform on consumption

On December 20, 2023, Constitutional Amendment (in Portuguese, "EC", *Emenda Constitucional*) No. 132 was enacted, which establishes the Tax Reform ("Reform") on consumption. Several topics, including the rates of the new taxes, are still pending regulation by Complementary Laws (in Portuguese, "LC", *Leis Complementares*), which must be forwarded for evaluation by the National Congress within 180 days. The Reform model is based on VAT divided ("dual VAT") into two competences, one federal (Contribution on Goods and Services – "CBS" in Portuguese, *Contribuição sobre Bens e Serviços*) and one subnational (Tax on Goods and Services – "IBS" in Portuguese, *Imposto sobre Bens e Serviços*), which will replace the PIS, COFINS, ICMS and ISS taxes. A Selective Tax (in Portuguese, "IS", *Imposto Seletivo*) was also created - of federal competence, which will be levied on the production, extraction, commercialization or import of goods and services harmful to health and the environment, under the terms of LC.

On July 10, 2024, the Tax Reform regulation was approved by the Chamber of Deputies and the text went to the Federal Senate for analysis.

There will be a transition period from 2025 to 2033, in which the two tax systems - old and new - will coexist. The impacts of the Reform on the calculation of the above-mentioned taxes, as of the beginning of the transition period, will only be fully known when the regulation process of the pending issues by LC is finalized. Consequently, there is no effect of the Reform on individual and consolidated interim financial information, as of September 30, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1. Preparation base

This interim accounting information should be read in conjunction with the Company's audited financial statements as of December 31, 2023, which were prepared and presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (in Portuguese, "CPC", *Comitê de Pronunciamentos Contábeis*) and in accordance with the International Financial Reporting Standards (IFRS, issued by the International Accounting Standards Board - IASB), currently referred to by the IFRS Foundation as "IFRS® Accounting Standards", including the interpretations issued by the IFRS Interpretations Committee (IFRIC® Interpretations) or by its predecessor body, Standing Interpretations Committee (SIC® Interpretations), evidencing all relevant information from the financial statements, and only the financial statements, which are consistent with those used by the Administration.

(i) Adoption of new and/or revised accounting pronouncements, guidelines and interpretations. As disclosed in Note 7 of the financial statements as of December 31, 2023, the Company analyzed the new pronouncements and found that there were no significant changes to those disclosed for this individual and consolidated interim financial information, due to their adoption.

(ii) Interim financial information

The Company's individual and consolidated interim financial information has been prepared and is being presented in accordance with the technical pronouncement CPC 21 (R1) -

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Interim Statement and international standard IAS 34 - "Interim Financial Reporting", which aim to establish the minimum content of an interim financial statement.

The preparation of interim accounting information requires the use of certain critical accounting estimates, as well as the exercise of judgment by the Company's Management as to the process of applying its accounting practices. There were no significant changes in the assumptions and judgments adopted by the Company's Management regarding the use of estimates for the preparation of this interim accounting information, in relation to those used in the financial statements as of December 31, 2023.

The material accounting policies applied in the preparation of this quarterly interim accounting information are consistent with those disclosed in Note 6 to the Company's financial statements as of December 31, 2023, filed with the CVM on March 6, 2024 and, therefore, should be read in conjunction with this interim financial information.

3. FINANCIAL INSTRUMENTS

3.1. Classification of financial instruments and fair value hierarchy

The following are the main financial instruments assets and liabilities:

Active	Accounting measurement	Parent		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
Cash and cash equivalents	Amortized cost	355,885	215,629	468,338	341,787
Current financial investments	Fair value through profit or loss	362,294	463,299	362,294	463,299
Non-current financial investments	Fair value through profit or loss	182,646	314,566	236,327	367,541
Accounts receivable from customers	Amortized cost	224,536	187,035	235,255	197,566
Judicial deposits	Amortized cost	8,934	8,970	9,484	9,520
Liabilities					
Suppliers	Amortized cost	128,294	141,966	132,334	147,832
Advance on customers	Amortized cost	34,113	29,419	34,113	29,419
Advance on current exchange contract	Amortized cost	97,114	-	97,114	-
Loans and Current Financing	Amortized cost	16,224	46,058	42,098	72,676
Funding cost	Amortized cost	-	-	(455)	(455)
Loans and Current Financing		113,338	46,058	138,757	72,221
Noncurrent loans and financing	Amortized cost	-	15,052	169,103	202,296
Funding cost	Amortized cost	-	-	(2,790)	(3,132)
Noncurrent loans and financing	Amortized cost	-	15,052	166,313	199,164
Current CCEE Reimbursement Account	Amortized cost	-	-	54,096	64,841
Non-current CCEE reimbursement account	Amortized cost	-	-	15,407	2,254
Current Leases Payable	Amortized cost	52,042	44,010	52,670	44,634
Non-current payables	Amortized cost	15,639	19,584	21,854	26,452

3.2. Risk management

The Company's activities expose it to various financial risks, such as: (i) foreign exchange risk, (ii) interest rate risk, (iii) credit risk, (iv) liquidity risk, (v) concentration risk, (vi) commodity price risk and (vii) other non-financial risk factors. Risk management focuses on the unpredictability of the markets and seeks to minimize potential adverse effects on the Company's financial performance.

3.2.1. Risco cambial

Foreign exchange risk arises from the mismatch of the functional currency (Real) and foreign currency transactions (US Dollar), including Accounts Receivable from Customers, Advances on Foreign Exchange Contracts (in Portuguese, "ACC", *Adiantamentos sobre Contratos de Câmbio*) and export exchange lock contracts.

For the purposes of sensitivity analysis, the Company adopted as scenario I (probable) the expectation of the average exchange rate for the year 2024, according to the Focus Report of

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October 25, 2024.

		09/30/2024		Scenario I	
	Salary	US\$	R\$	Rate	Gain / (Loss) R\$
<u>Parent and Consolidated</u>					
Accounts receivable from customers (net PECLD)	-	10,774	58,692	5.4500	26
Exchange Contract Advance (ACC)	Q2 & Q3 2025	17,520	95,451	5.4500	(33)

For the purposes of sensitivity analysis, the Company adopted as scenario I (probable) the expectation of the average exchange rate for the year 2024, according to the Focus Report of October 25, 2024.

		09/30/2024 - Contracted			Scenario I	
	Salary	US\$	R\$	Weighted average rate (R\$)	Rate US\$	Gain / (Loss) R\$
<u>Parent and Consolidated</u>						
Export locks	Q4 2024	6,810	38,333	5.6289	5.4500	1,219

3.2.2. Interest Rate Risk

The interest rate risk arises from the possibility, due to changes in the financial market, of changes in the values of the securities acquired in the portfolio of financial investments arising from their mark-to-market, the choice of indexes and the option for pre-fixed or post-fixed rates, as well as in the present value and cost of loans and financing.

For the balance applied on September 30, 2024, the Company and its subsidiaries consider as scenario I (probable) the basic interest rate for the end of 2024 of 10.50% p.a., according to the Focus Report of October 25, 2024.

Interest Rate Risks	Closing rate 09/30/2024 – p.a.	Probable scenario I
Basic interest rate – (% p.a.)	10.75%	11.75%
<u>Parent</u>		
Balance of financial investments (Notes 4 and 5)	887,185	914,850
Net effect		27,665
<u>Consolidated</u>		
Balance of financial investments (Notes 4 and 5)	1,047,423	1,079,865
Net effect		32,442

For the balance of loans and financing on September 30, 2024, the Company and its subsidiaries consider as scenario I (probable) the TJLP for the end of the year of 7.43% p.a., and for the CDI (Interbank Deposit Certificate, in Portuguese, *Certificado de Depósito Interbancário*) of 11.65% p.a..

Interest rate risks (Note 16)	Closing fee 09/30/2024 – p.a.	Probable scenario I
<u>Interest rate - TJLP - (% p.a.)</u>	6.91%	7.43%
<u>Parent:</u>		
Balance of loans and financing	5,751	5,855
Net effect		(104)

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Interest rate risks (Note 16)	Closing fee 09/30/2024 - p.a.	Probable scenario I
<u>Interest rate - TJLP - (% p.a.)</u>		
Consolidated:		
Balance of loans and financing	200,728	204,357
Net effect		(3,629)
	10.65%	11.65%
<u>Interest rate - CDI - (% p.a.)</u>		
Parent and Consolidated:		
Balance of loans and financing	10,462	10,754
Net effect		(292)

The other risks are disclosed in Note 8 to the Company's financial statements as of December 31, 2023.

4. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Cash and banks	13,640	5,964	19,536	11,972
Investments in CBD (i)	10,850	3,952	26,068	64,653
Investment funds (ii)	331,395	205,713	422,734	265,162
	<u>355,885</u>	<u>215,629</u>	<u>468,338</u>	<u>341,787</u>

- (i) Operations in Bank Deposit Certificates ("CDB", in Portuguese, *Certificado de Depósito Bancário*) and Commercial Lease Bills ("LAM", in Portuguese, *Letra de Arrendamento Mercantil*), whose weighted average rate of remuneration was 100.40% of the CDI (101.3% on December 31, 2023), whose redemption has daily liquidity without material change in the nominal value.
- (ii) Operations in securities through investment funds, whose redemption has liquidity at D+1 without material change in the nominal value. The monthly weighted average return, marked to market, was 112.4% of the CDI (97.0% on December 31, 2023).

5. FINANCIAL INVESTMENTS

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Circulating:				
Financial bills (i)	163,868	170,114	163,868	170,114
Investment funds (ii)	143,456	166,033	143,456	166,033
CDB (iii)	4,090	76,448	4,090	76,448
Other (iv)	50,880	50,704	50,880	50,704
	<u>362,294</u>	<u>463,299</u>	<u>362,294</u>	<u>463,299</u>

Non-current:

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CDB (iii)	103,410	75,901	103,410	75,901
Financial bills (i)	47,433	232,806	70,795	255,917
Investment funds (ii)	-	-	30,319	29,864
Reinvestment deposit (v)	6,327	5,859	6,327	5,859
Other (iv)	25,476	-	25,476	-
	182,646	314,566	236,327	367,541
	544,940	777,865	598,621	830,840

- (i) Financial bills with monthly weighted average remuneration, marked to market, of 105.9% of the CDI (99.7% as of December 31, 2023).
- (ii) Operations in securities through investment funds, whose maturities exceed 90 days and the weighted monthly average remuneration, marked to market, was 104.1% of the CDI (100.0% as of December 31, 2023). Although the Company and its subsidiaries select securities with liquidity in the secondary market, uncertainty regarding market conditions and prices at a liquidity event suggests that these investments are not considered cash equivalents.
- (iii) Operations in Bank Deposit Certificates ("CDB"), whose average monthly remuneration rates were 115.6% of the CDI (108.9% on December 31, 2023).
- (iv) Agribusiness Receivables Certificate ("CRA", in Portuguese, *Certificado de Recebíveis do Agronegócio*), Debentures and Treasury bills with a weighted monthly average remuneration, marked to market, of 101.2% of the CDI (81.1% as of December 31, 2023).
- (v) Referring to the IRPJ (Corporate Income Tax, in Portuguese, *Imposto de Renda sobre Pessoa Jurídica*) reinvestment subsidy, at *Banco do Nordeste do Brasil* ("BNB", Nordeste Bank of Brazil), with a yield of 100% of the CDI.

6. ACCOUNTS RECEIVABLE FROM CUSTOMERS

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Domestic market	166,066	134,743	176,780	145,274
Foreign market	58,692	52,514	58,692	52,514
Expected losses on doubtful accounts (PECLD)	(222)	(222)	(222)	(222)
	224,536	187,035	235,250	197,566

Foreign market receivables are in U.S. dollars (US\$), converted to Reais on the date of preparation of the interim financial information. On September 30, 2024 and December 31, 2023, the Company did not have any transaction that generated a significant effect of adjustment to present value.

The Company had a provision for expected loss in doubtful accounts, in the amount of R\$ 222, on September 30, 2024 and December 31, 2023, considered sufficient to cover possible losses in accounts receivable, according to an internal analysis carried out by Management.

Accounts receivable by maturity age are shown below:

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	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
To expire	207,469	176,371	218,183	186,902
Overdue from 0-30 days	16,460	10,664	16,460	10,664
Overdue for more than 150 days	829	222	829	222
PECLD	(222)	(222)	(222)	(222)
	<u>224,536</u>	<u>187,035</u>	<u>235,250</u>	<u>197,566</u>

7. INVENTORIES (PARENT AND CONSOLIDATED)

Inventories are shown at the average cost of purchases or production, lower than the replacement cost or the realization value.

	09/30/2024	12/31/2023
Current:		
Finished products	271,735	220,587
Raw materials	188,213	139,833
Chromium Ore	61,256	47,843
Materials for maintenance (i)	132,154	110,884
	<u>653,358</u>	<u>519,147</u>
Non-Current:		
Materials for maintenance (i)	14,152	14,627
Provision for obsolescence (ii)	(10,756)	(6,576)
	<u>3,396</u>	<u>8,051</u>
	<u>656,754</u>	<u>527,198</u>

- (i) Maintenance material inventories are classified into current or non-current assets, considering the consumption history.
- (ii) The Company maintains a provision for obsolescence related to items with low turnover, when there is no forecast of use in the coming periods. For this group, the Company conducts the evaluation annually.

8. TAXES TO BE RECOVERED

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current:				
IRPJ and CSLL	29,558	25,754	40,601	32,834
PIS and COFINS to be recovered	12,402	8,134	12,403	8,135
ICMS to be recovered	4,010	3,606	4,010	3,606
Other	1	-	49	40
	<u>45,971</u>	<u>37,494</u>	<u>57,063</u>	<u>44,615</u>

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Non-current:

ICMS to be recovered	5,706	6,621	5,706	6,621
Other	312	311	312	311
	6,018	6,932	6,018	6,932
	51.989	44.426	63.081	51.547

9. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Deferred income tax and social contribution are calculated on the temporary differences between the tax calculation bases and the book values of the Assets and Liabilities of the financial statements. The rates of these taxes, for determining deferred taxes, are 25% for IRPJ and 9% for CSLL.

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
<u>Active Deferred Taxes</u>				
Provision for contingencies	(61,534)	(74,403)	(61,534)	(74,403)
Provision for inventory losses (i)	(10,756)	(6,576)	(10,756)	(6,576)
Profit sharing allowance (ii)	(37,394)	(61,381)	(37,394)	(61,381)
Provision for environmental liabilities	(16,994)	(17,729)	(16,994)	(17,729)
Labor and actuarial obligations	(62,052)	(58,552)	(62,052)	(58,552)
Realization of capital gains	(28,718)	(25,404)	(28,718)	(25,404)
PECLD Provision	(222)	(222)	(222)	(222)
Suspended enforceability taxes (PIS/COFINS)	(4,358)	(4,358)	(4,358)	(4,358)
Tax losses	-	-	(666)	(955)
Other temporary provisions	(15,235)	(16,141)	(15,235)	(16,141)
Calculation basis	(237,263)	(264,766)	(237,929)	(265,721)
Deferred IRPJ at the rate of 25%	55,927	61,916	56,094	62,155
Deferred CSLL at the rate of 9%	21,354	23,829	21,414	23,915
Deferred IRPJ/CSLL assets ^(A)	77,281	85,745	77,508	86,070

- (i) Provision of obsolescence related to maintenance items with low turnover and provision of inventories.
- (ii) The profit sharing of the Management in the amount of R\$ 13,552 (R\$ 17,100 on December 31, 2023) is the basis only for the calculation of the deferred CSLL. In the case of IRPJ, it is a permanent difference.

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
<u>Deferred Taxes Liability</u>				
Deemed cost	58,811	58,811	63,385	63,385
Biological assets - fair value	107,198	104,997	107,198	104,997
Advantageous purchase	75,143	75,143	75,143	75,143
IFRS 16 Leases	24,309	16,562	24,309	16,562
Accelerated depreciation	5,770	5,770	5,770	5,770
Calculation basis	271,231	261,283	275,805	265,857
Deferred IRPJ at the rate of 25%	(67,808)	(65,321)	(68,951)	(66,464)

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	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Deferred CSLL at the rate of 9%	(24,411)	(23,515)	(24,823)	(23,927)
Deferred IRPJ/CSLL liability ^(B)	(92,219)	(88,836)	(93,774)	(90,391)
Liquid Deferred IRPJ/CSLL ^(A+B)	(14,938)	(3,091)	(16,266)	(4,321)

Management, based on the best estimate, on an individual analysis of the provisions, believes that it will realize the tax credits arising from the temporary differences as shown below:

Calendar year	Parent		Consolidated	
	IRPJ/CSLL - deferred		IRPJ/CSLL - deferred	
	Active	Liability	Active	Liability
2024	10,524	20,245	10,524	20,245
2025	9,669	11,645	9,896	11,645
2026	282	1,534	282	1,534
2027	224	9,281	224	9,281
2028	163	9,527	163	9,527
2029 onwards	56,419	39,987	56,419	41,542
	77,281	92,219	77,508	93,774

The IRPJ and CSLL amounts that affected the results of the respective fiscal years are shown below:

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Profit before IRPJ/CSLL	220,994	373,135	221,741	376,300
Combined IRPJ/CSLL rate	34%	34%	34%	34%
IRPJ/CSLL at the rates of the legislation	(75,138)	(126,866)	(75,392)	(127,942)
Interest on equity	12,070	38,946	12,070	38,946
Equity	(6,603)	3,946	-	-
Donations	(578)	(1,424)	(579)	(1,443)
IRPJ / CSLL calculation adjustments	27,219	-	27,219	-
Other	(4,660)	(1,416)	(11,568)	(2,674)
SUDENE fiscal incentive (i)	27,996	41,363	27,996	44,675
	(19,694)	(45,451)	(20,254)	(48,438)
IRPJ and CSLL Results				
SUDENE fiscal incentive (i)	27,996	41,363	27,996	44,675
Current	(36,607)	(61,699)	(37,069)	(67,824)
Deferred	(11,083)	(25,115)	(11,181)	(25,289)
IRPJ and CSLL expense	(19,694)	(45,451)	(20,254)	(48,438)

(i) Due to the industrial enterprise installed in the area of operation of the Superintendence of the Development of the Northeast (SUDENE), the Company enjoys the tax benefit of income tax reduction, with a 75% reduction percentage on income tax and non-refundable additional, levied on revenues:

- Arising from the manufacture of ferroalloys and their by-products, in the period from January 1, 2015 to December 31, 2024, according to Constitutive Report No. 0200/2015.
- Arising from the exploration and processing of chrome ore and its by-products, in the period

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from January 1, 2016 to December 31, 2025, according to Constitutive Report No. 0131/2016.

- Arising from the generation of electricity, in the period from January 1, 2018 to December 31, 2027, according to Constitutive Reports No. 487, 488, 489, 490, 491, 492 and 428/2018, replaced by Nos. 291, 292, 293, 300, 301, 302, and 303/2019.
- Arising from the manufacture of crushed quicklime and crushed lime, in the period from January 1, 2023 to December 31, 2032, according to Constitutive Report No. 0021/2023.

The portion corresponding to the income tax reduction incentives is recognized in the income statement and at the end of each fiscal year is transferred from retained earnings to a profit reserve (tax incentive), and cannot be distributed to shareholders.

The movement of deferred taxes during the nine months of 2024 and 2023 is presented below:

	Parent	Consolidated
Balance on 12/31/2022 – Deferred Taxes Assets	17,845	16,823
Recognized in other comprehensive results	2,320	2,320
Recognized in the result	(25,115)	(25,289)
Balance on 09/30/2023 – Deferred Taxes Liabilities	(4,950)	(6,146)
Balance on 12/31/2023 – Deferred Taxes Liabilities	(3,091)	(4,321)
Recognized in other comprehensive results	(764)	(764)
Recognized in the result	(11,083)	(11,181)
Balance on 09/30/2024 – Deferred Taxes Liabilities	(14,938)	(16,266)

10. JUDICIAL DEPOSITS

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Labor	497	507	506	516
Tax (i)	8,437	8,463	8,978	9,004
	8,934	8,970	9,484	9,520

- (i) They refer to deposits associated with tax proceedings and questions regarding the legality and constitutionality of certain taxes, which are recorded in the Company's non-current assets, until the judicial decision to redeem these deposits by one of the parties involved occurs.

11. INVESTMENTS

The information regarding the investments was presented in the Company's financial statements as of December 31, 2023, in Note 16. The summarized financial statements of the subsidiaries are shown below:

	Share %	Active	Liabilities	Net worth	Incomes	Expenditure	Profit(Loss)	Participation in the shareholders' equity of the subsidiaries	Company's Participation (equity method)
<u>September 30, 2023</u>									
Silbasa	51.26	2,890	35	2,855	732	(368)	364	1,463	187
Jacurici	100.00	28,393	1,343	27,252	3,507	(2,362)	1,145	27,252	1,145
Reflora	99.98	3,904	8	3,896	335	(98)	237	3,896	236

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Damacal	100.00	2,959	263	2,696	206	(49)	157	2,696	157
Ferbasa & CO	100.00	2,543	101	2,442	-	(349)	(349)	2,442	(349)
BW Guirapá	100.00	818,615	345,119	473,496	104,667	(91,125)	13,542	529,234	10,228
								<u>566,983</u>	<u>11,604</u>
<u>September 30, 2024</u>									
Silbasa	51.26	3,149	35	3,114	748	(369)	379	1,596	194
Jacurici	100.00	29,176	1,343	27,833	2,941	(2,287)	654	27,833	654
Reflora	99.98	4,139	7	4,132	309	(77)	232	4,131	232
Damacal	100.00	3,109	262	2,847	188	(39)	149	2,847	149
Ferbasa & CO	100.00	1,856	1,760	96	-	(896)	(896)	96	(896)
Bahia Minas	51.00	50,938	3	50,935	13	(8)	5	25,977	3
BW Guirapá	100.00	771,311	303,317	467,994	83,831	(100,273)	(16,442)	519,314	(19,756)
								<u>581,794</u>	<u>(19,420)</u>

- (i) Adjusted for the assets valued at their fair value in the acquisition of BW Guirapá and their respective realization of the net amount of R\$ 51,320 and R\$ 3,314 (R\$ 55,738 and R\$ 3,314 on September 30, 2023).

The movement of investments is shown below:

	BW Guirapá	Silbasa	Jacurici	Reflora	Damacal	Ferbasa & CO	Bahia Minas	Other	Total
Balance on December 31, 2022	519,006	1,276	26,107	3,660	2,539	(63)	-	78	552,603
Investments (ii)	-	-	-	-	-	2,651	-	15,000	17,651
Cumulative conversion adjustments	-	-	-	-	-	203	-	-	203
Result of the period	13,542	187	1,145	236	157	(349)	-	-	14,918
Realization of assets (fair value)	(3,314)	-	-	-	-	-	-	-	(3,314)
Balance on September 30, 2023	<u>529,234</u>	<u>1,463</u>	<u>27,252</u>	<u>3,896</u>	<u>2,696</u>	<u>2,442</u>	<u>-</u>	<u>15,078</u>	<u>582,061</u>
Balance on December 31, 2023	539,070	1,463	27,179	3,899	2,698	909	15,000	78	590,296
Investments (iii)	-	-	-	-	-	-	10,974	39,808	50,782
Result of the period	(16,442)	194	654	232	149	(896)	3	-	(16,106)
Cumulative conversion adjustments	-	-	-	-	-	83	-	-	83
Dividends	-	(61)	-	-	-	-	-	-	(61)
Realization of assets (fair value)	(3,314)	-	-	-	-	-	-	-	(3,314)
Balance on September 30, 2024	<u>519,314</u>	<u>1,596</u>	<u>27,833</u>	<u>4,131</u>	<u>2,847</u>	<u>96</u>	<u>25,977</u>	<u>39,886</u>	<u>621,680</u>

- (ii) It refers to the payment of the capital stock of the subsidiary Ferbasa & CO and an advance for the purchase of land for investment, in the amounts of R\$ 2,651 and R\$ 15,000, respectively.
- (iii) They refer to: (a) Closing of the share purchase and sale agreement, for the acquisition of a 45% stake in the company *NK 232 Empreendimentos e Participações S.A.* (a company of the *Auren Energia S.A.* group). The total price of the acquisition was R\$ 37,822, whose value was initially recognized as fair value and, subsequently, measured by the amortized cost using the effective rate, with value updated on September 30, 2024 at R\$39,808, classified as other participations. The purpose of this company is to operate the *Ventos de São Ciro* (located in the Brazilian state of Piauí) and *Ventos de São Bernardo* (located in the Brazilian state of Pernambuco) wind farms, and will enable FERBASA to consume, under the self-production by equivalence ("APE" in Portuguese, *autoprodução por equiparação*) regime, the electricity generated in the aforementioned farms. Additionally we simultaneously signed the Power Purchase and Sale Agreements (PPA) with the aforementioned Wind Farms, which will provide FERBASA with the supply of 35MW average of electricity, for 20 years, with supply starting in 2025. There is an option to repurchase said asset at the end of the contractual term; (b) Payment of the capital stock of the company *Bahia Minas Bioenergia Ltda.*, in the amount of R\$ 10.974.

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12. FIXED ASSETS, INTANGIBLES AND LEASE RIGHTS OF USE

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Land for planting	124,454	124,454	124,454	124,454
Land	29,617	29,367	86,408	50,289
Buildings	224,527	153,463	266,336	177,882
Machinery and equipment	413,557	351,642	983,716	961,353
Vehicles and tractors	14,913	14,969	14,913	14,969
Furniture and fixtures	4,518	3,062	4,676	3,250
Computing	6,917	7,317	7,130	7,550
Mine development	105,382	94,641	105,382	94,641
Ongoing and others	112,659	198,350	145,978	239,123
Fixed Assets (12.1)	1,036,544	977,265	1,738,993	1,673,511
Right of use - lease (12.2)	93,822	88,018	102,496	96,952
Total Assets	1,130,366	1,065,283	1,841,489	1,770,463
Intangible (12.3)	4,362	5,194	13,247	14,366

The table below shows the economic useful life of the assets, and the annual depreciation rates were calculated by the straight-line method (Consolidated):

Asset	Average lifespan (years)
Machinery and equipment	21
Vehicles and tractors	5
Buildings	25
Furniture and fixtures	10
Computing	5
Right of use in lease	
Right of use machinery and equipment	4
Right of land use	29
Right of use buildings	5

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12.1. Asset

	Parent									
	Land for planting	Land	Buildings	Machinery and equipment	Vehicles and tractors	Furniture and fixtures	Computing	Mines	Other Fixed Assets	Total
<u>Cost</u>										
Balance on 12/31/2022	115,419	26,357	235,817	720,755	71,967	13,356	17,108	136,087	214,777	1,551,643
Additions and transfers	8,883	3,222	13,467	107,724	14,609	966	4,954	14,953	(38,338)	130,440
Write-offs	-	(65)	(52)	(86)	(623)	-	-	-	-	(826)
Reclassifications	-	-	838	-	-	-	-	-	(1,119)	(281)
Balance on 09/30/2023	124,302	29,514	250,070	828,393	85,953	14,322	22,062	151,040	175,320	1,680,976
Balance on 12/31/2023	124,454	29,367	250,427	855,256	87,019	14,820	22,575	160,198	235,091	1,779,207
Additions and transfers	-	250	48,787	101,102	3,154	2,033	1,287	15,838	(49,118)	123,333
Write-offs	-	-	(550)	(2,335)	(2,730)	(2)	(24)	-	-	(5,641)
Reclassifications	-	-	30,997	-	-	-	2	-	(34,130)	(3,131)
Balance on 09/30/2024	124,454	29,617	329,661	954,023	87,443	16,851	23,840	176,036	151,843	1,893,768
<u>Accumulated depreciation and depletion</u>										
Balance on 12/31/2022			(87,628)	(461,466)	(71,144)	(11,072)	(13,129)	(59,759)	(23,410)	(727,608)
Depreciation and depletion expense			(6,992)	(31,001)	(1,076)	(499)	(1,533)	(4,182)	(2,257)	(47,540)
Write-offs			32	60	623	-	-	-	-	715
Reclassifications			-	-	-	-	-	-	(229)	(229)
Balance on 09/30/2023			(94,588)	(492,407)	(71,597)	(11,571)	(14,662)	(63,941)	(25,896)	(774,662)
Balance on 12/31/2023			(96,964)	(503,614)	(72,050)	(11,758)	(15,258)	(65,557)	(36,741)	(801,942)
Depreciation and depletion expense			(8,373)	(39,124)	(3,049)	(577)	(1,688)	(5,097)	(2,443)	(60,351)
Write-offs			203	2,272	2,569	2	23	-	-	5,069
Balance on 09/30/2024			(105,134)	(540,466)	(72,530)	(12,333)	(16,923)	(70,654)	(39,184)	(857,224)
<u>Net balances in</u>										
09/30/2023	124,302	29,514	155,482	335,986	14,356	2,751	7,400	87,099	149,424	906,314
12/31/2023	124,454	29,367	153,463	351,642	14,969	3,062	7,317	94,641	198,350	977,265
09/30/2024	124,454	29,617	224,527	413,557	14,913	4,518	6,917	105,382	112,659	1,036,544

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09/30/2023	124,454	35,284	292,278	845,102	14,356	2,942	7,543	87,099	186,207	1,595,265
12/31/2023	124,454	50,289	177,882	961,353	14,969	3,250	7,550	94,641	239,123	1,673,511
09/30/2024	124,454	86,408	266,336	983,716	14,913	4,676	7,130	105,382	145,978	1,738,993

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Other Immobilizations

They include fixed assets in progress at the Parent Company in the amount of R\$106,447 (R\$191,687 as of December 31, 2023), and at the Consolidated in the amount of R\$108,237 (R\$200,034 as of December 31, 2023), in addition to other fixed assets corresponding to wind farm demobilizations, mine closures, road maintenance, among others.

Additions and transfers

They include acquisitions of fixed assets realized in the periods and ongoing projects transferred to operations.

Goods offered as collateral

In the period ended September 30, 2024, fixed assets offered as collateral for loan operations and lawsuits totaled R\$3,494 (R\$6,326 as of December 31, 2023).

12.2. Right of use in lease

The movement of the right of use, during the period ended September 30, 2024, was as follows:

	Parent	Consolidated			
	Machinery and equipment	Machinery and equipment	Land	Buildings	Total
<u>Cost</u>					
Cost on 12/31/2022	127,397	127,397	13,151	176	140,724
Additions/Remeasurement	72,103	72,103	(1,475)	-	70,628
Cost as of 09/30/2023	199,500	199,500	11,676	176	211,352
Cost on 12/31/2023	213,994	213,994	11,246	176	225,416
Additions/Remeasurement	65,505	65,505	82	-	65,587
Cost on 09/30/2024	279,499	279,499	11,328	176	291,003
<u>Depreciation</u>					
Depreciation as of 12/31/2022	(86,780)	(86,780)	(1,857)	(141)	(88,778)
Additions	(31,433)	(31,433)	(354)	(35)	(31,822)
Depreciation on 09/30/2023	(118,213)	(118,213)	(2,211)	(176)	(120,600)
Depreciation as of 12/31/2023	(125,976)	(125,976)	(2,312)	(176)	(128,464)
Additions	(59,701)	(59,701)	(342)	-	(60,043)
Depreciation on 09/30/2024	(185,677)	(185,677)	(2,654)	(176)	(188,507)
Net balance as of 09/30/2023	81,287	81,287	9,465	-	90,752
Net balance as of 12/31/2023	88,018	88,018	8,934	-	96,952
Net balance as of 09/30/2024	93,822	93,822	8,674	-	102,496

The amounts recognized in the additions and remeasurement lines, in the Parent Company of R\$65,505 (R\$72,103 on September 30, 2023) and in the Consolidated of R\$65,587 (R\$70,628 on September 30, 2023) did not affect the cash flow statements, and part of the depreciation of the right of use in lease in the amount of R\$10,915 (R\$2,324 on September 30, 2023) was appropriated to the cost of inventory.

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12.3. Intangible

	Parent	Consolidated		
	Software	Right of use	Software	Total
<u>Cost</u>				
Balance on 12/31/2022	9,426	13,863	298	23,587
Additions and transfers	4,933	-	74	5,007
Reclassifications	642	-	-	642
Balance on 09/30/2023	15,001	13,863	372	29,236
Balance on 12/31/2023	15,571	13,863	373	29,807
Additions and transfers	182	-	-	182
Low	-	-	(3)	(3)
Balance on 09/30/2024	15,753	13,863	370	29,986
<u>Accumulated amortization</u>				
Balance on 12/31/2022	(9,337)	(4,421)	(155)	(13,913)
Amortization expense	(597)	(292)	(74)	(963)
Reclassifications	(104)	-	-	(104)
Balance on 09/30/2023	(10,038)	(4,713)	(229)	(14,980)
Balance on 12/31/2023	(10,377)	(4,810)	(254)	(15,441)
Amortization expense	(1,014)	(292)	(60)	(1,366)
Reclassifications	-	-	68	68
Balance on 09/30/2024	(11,391)	(5,102)	(246)	(16,739)
Net balance as of 09/30/2023	4,963	9,150	143	14,256
Net balance as of 12/31/2023	5,194	9,053	119	14,366
Net balance as of 09/30/2024	4,362	8,761	124	13,247

13. BIOLOGICAL ASSET (PARENT AND CONSOLIDATED)

The information regarding the biological asset was presented in the Company's financial statements as of December 31, 2023, in Note 18.

Biological assets are represented by formed and forming forests, intended to supply wood for the production of bioeducer, which, in turn, is a raw material in the manufacture of silicon ferroalloys. The forests are located in Bahia. The movement of the balance of biological assets and the net effect of the change in fair value on profit or loss are shown below:

	09/30/2024	12/31/2023
At the beginning of the exercise	348,553	276,279
Planting and maintenance	54,780	71,726
Depletion	(56,623)	(71,180)
Write-offs (i)	(1,024)	-
Fair value change	34,858	71,728
At the end of the financial year	380,544	348,553

(i) Loss of 62.11/ha (about 153 acres) of forests up to 1.7 years old, caused by damage caused by heavy rains/winds.

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On September 30, 2024, the net result of the variation in the biological asset was R\$9,129, due to the positive effect of R\$34,858 related to the variation in fair value and negative of R\$25,729 related to the consumption and sale of wood.

Forests in formation that are less than 2 (two) years old are maintained at historical cost as a result of Management's understanding that during this period the historical cost of forest in formation approaches fair value.

To determine the fair value of the biological assets, the discounted cash flow model was used, whose projections are based on a single projective scenario, with productivity and eucalyptus plantation area for a cutting cycle of approximately 7 (seven) years. The period of cash flows was projected according to the productivity cycle of forestry projects. The volume of production of eucalyptus "standing timber" to be harvested was estimated considering the average productivity per m3 of wood from each garden at the cutting age.

The estimated average standard cost includes expenses with mowing activities, chemical control of weed competition, combating ants and other pests, fertilization, road maintenance, inputs, services and own labor. The estimated costs of remuneration of the own land used for cultivation were also considered.

The main assumptions considered in the calculation of the fair value of biological assets are:

	Parent and Consolidated	
	09/30/2024	12/31/2023
Effective planting area (hectare)	25,670	25,670
Average annual increment (IMA) - m ³ /hectare year	32.77	33.07
Average selling price – R\$/m3	154.00	125.23
Remuneration of own land - R\$/hectare	1,000.00	1,000.00
Deflated Discount Rate - %	8.10%	7.09%

The fair values of biological assets were considered to be level 3 in the fair value hierarchy defined by IFRS 13 / CPC 46 (information for assets or liabilities that is not based on market observable data, i.e. unobservable assumptions).

The Company has 5,222 hectares (about 12,903 acres) of biological assets pledged as collateral for financing with the National Bank for Economic and Social Development ("BNDES" in Portuguese, *Banco Nacional de Desenvolvimento Econômico e Social*).

The Company carries out the fair value assessment of biological assets always in the third quarter of each year and the complement on December 31.

14. SUPPLIERS

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Electrical energy	14,638	24,481	14,638	24,481
Raw material and inputs	94,217	106,796	94,217	106,796
Other Suppliers (i)	19,439	10,689	23,479	16,555
	<u>128,294</u>	<u>141,966</u>	<u>132,334</u>	<u>147,832</u>

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- (i) These are various services (consulting, transportation, research and prospecting, etc.), as well as suppliers not linked to production. On December 31, 2023, the Company had an accounts payable with related parties in the amount of R\$ 867, according to explanatory note 24.

15. ADVANCE PAYMENTS FROM CUSTOMERS (PARENT AND CONSOLIDATED)

	09/30/2024	12/31/2023
Advance on customers	34,113	29,419

The most relevant item refers to funds received by shipments of products in transit on the base date of September 30, 2024 and December 31, 2023, whose respective revenue recognition occurs at the completion of the unloading at the place of destination, where the delivery obligation ceases, and the control of the products is effectively transferred to the customer.

16. LOANS AND FINANCING

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current:				
Financing (i)	16,224	46,058	16,224	46,058
BNDES BW Guirapá Financing (ii)	-	-	25,874	26,618
Advance on exchange contract (iii) (note 3.2.1)	97,114	-	97,114	-
Subtotal Financing	113,338	46,058	139,212	72,676
Funding Cost (IOF)	-	-	(455)	(455)
Total Current	113,338	46,058	138,757	72,221
Non-current:				
Financing (i)	-	15,052	-	15,052
BNDES BW Guirapá Financing (ii)	-	-	169,103	187,244
Subtotal Financing	-	15,052	169,103	202,296
Funding Cost (IOF)	-	-	(2,790)	(3,132)
Total non-current	-	15,052	166,313	199,164
	113,338	61,110	305,070	271,385

- (i) Long-term third-party capital for investment in the forestry area and for the acquisition of machinery and equipment.
- (ii) Financing from the National Bank for Economic and Social Development (BNDES), raised on October 6, 2015 for the construction of wind farms. The guarantees offered for the payment of the debt were: pledge of BW Guirapá's shares, pledge of credit rights (O&M agreement), pledge of emerging rights (authorization of independent producer), pledge of machinery and equipment (wind turbines), fiduciary assignment of credit rights (revenues from the sale of energy and the CER, and constitution of reserve accounts) and bank guarantee.
- (iii) Raising of financial resources through advances on exchange contracts (ACC), at an average discount of 6.27% p.a., with monthly maturities in 2Q25 and 3Q25, average exchange rate

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of R\$/US\$ 5.38, with the objective of financing ferroalloy inventories and taking advantage of the favorable level of the exchange rate at the moment.

The table below shows the main characteristics of the debts of the Company and its subsidiaries:

Mode	Salaries	Assignments (a.a.)	Amortization	Guarantees	Parent	Consolidated
FINAME	2024	TJLP + 3.40%	Monthly	Fiduciary alienation	1	1
FINEM	2025	TJLP + 2.27%	Monthly	Land Mortgage	5,750	5.750
FINEM	2032	TJLP + 2.65%	Monthly	See (ii) of the Azimu.	-	194.977
				TJLP subtotal (note 3.2.2)	5,751	200.728
CCB	2025	CDI + 1.86%	Annual	Clean	10,462	10.462
				CDI subtotal (note 3.2.2)	10,462	10.462
FINAME	2024	6%	Monthly	Fiduciary alienation	11	11
ACC	2025	VC+6.27%	Annual	Export History	97,114	97.114
				Subtotal	97,125	97.125
				(-) Funding cost	-	(3,245)
				Total	113.338	305,070

Restrictive contractual clauses – cfurnaceants

The Company has financing that includes restrictive clauses with the requirement to comply with the performance of annual indexes, under the condition of anticipation of debt maturity in case of non-compliance with the cfurnaceants.

On September 30, 2024 and December 31, 2023, Ferbasa met the ratio required in the financing agreements (Finame) in which the ratio between net financial debt and EBITDA, consolidated, must be less than or equal to 2.5x during the entire term of the contracts.

Specifically, BW Guirapá and Wind Power Plants are required to maintain, throughout the term of the BNDES financing agreement, the annual consolidated debt service coverage ratio ("ICSD" in Portuguese, *índice de cobertura do serviço da dívida*) equal to or greater than 1.30, which was met on September 30, 2024 and December 31, 2023. In addition, they have as relevant obligations, compliance with deadlines to start and execute the commercial operation; presentation to BNDES of the respective operating licenses; to remain in good standing with the environmental agencies, CCEE, ANEEL, MME, the National Electric System Operator ("ONS" in Portuguese, *Operador Nacional do Sistema Elétrico*) and/or any other bodies and entities that are part of the Direct or Indirect Public Administration; as well as to adopt measures and actions aimed at avoiding or correcting damage to the environment, safety and occupational medicine. These clauses were met on September 30, 2024 and December 31, 2023.

17. RENT PAYABLE

	Parent	Consolidated			
	Machinery and equipment	Machinery and equipment	Land	Buildings	Total
Balance on 12/31/2022	39,882	39,882	10,161	34	50,077
Additions/Remeasurement	72,103	72,103	(1,475)	-	70,628
Payments	(50,636)	(50,636)	(1,134)	(41)	(51,811)
AVP Realization	5,240	5,240	261	7	5,508
Balance on 09/30/2023	66,589	66,589	7,813	-	74,402

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Balance on 12/31/2023	63,594	63,594	7,492	-	71,086
Additions/Remeasurement	65,505	65,505	82	-	65,587
Payments	(69,152)	(69,152)	(1,036)	-	(70,188)
AVP Realization	7,734	7,734	305	-	8,039
Balance on 09/30/2024	<u>67,681</u>	<u>67,681</u>	<u>6,843</u>	<u>-</u>	<u>74,524</u>
Current	52,042				52,657
Non-current	15,639				21,867

On September 30, 2024, the Company estimated the discount rates based on the risk-free interest rates observed in the Brazilian market, according to the term of its contracts. The weighted average rate used for the parent company is 13.92% p.a. and for the subsidiaries it is 9.54% p.a.

The amounts classified in non-current liabilities are broken down as follows, by maturity year:

Expiration year	Parent	Consolidated
2025	5,845	5,973
2026 to 2029	9,794	11,892
2030 to 2034	-	2,062
2035 to 2039	-	1,576
2040 to 2044	-	305
2045 onwards	-	59
Total	<u>15,639</u>	<u>21,867</u>

The table below shows the estimated value of the potential PIS/COFINS right to be recovered, which is included in the lease consideration for the Parent Company, according to the periods foreseen for payment:

	Parent				Consolidated			
	Nominal	Adjusted to present value	Nominal	Adjusted to present value	Nominal	Adjusted to present value	Nominal	Adjusted to present value
	09/30/2024	12/31/2023	09/30/2024	12/31/2023	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Consideration	87,441	76,444	67,681	63,594	100,942	90,474	74,524	71,086
Potential PIS/COFINS (9.25%)	8,088	7,071	6,260	5,882	9,337	8,369	6,894	6,575

18. LABOR AND ACTUARIAL OBLIGATIONS

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current:				
Salaries and charges	11,535	13,858	11,752	14,135
Labor provisions and charges	49,216	28,216	49,647	28,428
Profit sharing (i)	37,394	61,381	37,394	61,501
	<u>98,145</u>	<u>103,455</u>	<u>98,793</u>	<u>104,064</u>
Non-current:				
Labor and actuarial obligations (ii)	62,052	58,552	62,052	58,552
	<u>160,197</u>	<u>162,007</u>	<u>160,845</u>	<u>162,616</u>

- (i) The Company's Bylaws establish that up to ten percent (10%) of the profit for the year shall be allocated for distribution to employees and up to ten percent (10%) of the resulting

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balance for management bonuses. The reduction in the balance refers to the payment of participations to employees and managers, carried out in the first half of 2024.

(ii) The Company maintains labor and actuarial obligations as follows:

- Private Pension: The Company maintains a defined contribution plan for supplementary retirement, managed by *BRASILPREV Seguros e Previdência S.A.* and a health care plan managed by *Bradesco Saúde*.
- Retirement premium: The Company also stipulates an additional post-employment benefit for employees who receive a salary below the social security ceiling and who have worked at the Company for at least ten (10) uninterrupted years. It is a one-time payment to the employee when their employment relationship ends.
- FGTS fine: The Company has established a provision for a post-employment benefit related to the FGTS fine at the time of retirement for employees exposed to harmful risks (special retirement), opting for the FGTS (*Service Time Guarantee Fund*), terminated at their request, and not remaining at the time of their termination. These special retirees will be entitled to the benefit as if they were dismissed, as long as the length of service is longer than 5 or 8 years, depending on the location in which they work.
- Medical assistance: Employees who join the Company after the changes made in the 2022 fiscal year will not be entitled to remain in the plan when retired or terminated. Employees with more than 30 years of uninterrupted employment, when terminated due to retirement and provided that they assume the full cost of the plan, will be entitled to remain in the plan. Employees who were active before the changes, when terminated as retired or non-retired, will have the respective time limits (1 year for each year of contribution limited to 9 years and 1/3 of the contribution time with a minimum of 6 months and a maximum of 2 years, respectively) of permanence in the plan, provided that the legal requirements established for this are met and assuming the full cost of the health care plan.

The information regarding labor and actuarial obligations was presented in the Company's financial statements as of December 31, 2023, in Note 23.

19. TAXES AND SOCIAL CONTRIBUTIONS

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current:				
ICMS	15,479	11,924	15,627	12,022
IRPJ and CSLL	10,047	-	10,080	21
IRRF to be collected	2,670	5,244	2,793	5,447
IPI	1,528	542	1,528	542
PIS and COFINS	-	356	519	623
Other	2,811	5,358	2,897	5,483
	32,535	23,424	33,444	24,138
Non-current:				
IRPJ - Reinvestment (i)	3,500	3,500	3,500	3,500
PIS and COFINS	-	-	87	87
	3,500	3,500	3,587	3,587

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- | | | | | | |
|--|--|---------------|---------------|---------------|---------------|
| | | <u>36,035</u> | <u>26,924</u> | <u>37,031</u> | <u>27,725</u> |
|--|--|---------------|---------------|---------------|---------------|
- (i) It refers to 30% of the IRPJ due in the calendar year 2022, maintained until the approval of the projects sent to SUDENE. If approved, this amount will be capitalized, otherwise, the Company will make the payment.

20. FX-HEDGING FINANCIAL INSTRUMENTS (PARENT AND CONSOLIDATED)

Raising of financial resources through an advance on an exchange contract (ACC) in the amount of R\$ 95.5 million, at an average discount of 6.27% p.a., monthly maturities in 3Q25, average exchange rate of R\$/US\$ 5.38, with the objective of financing the growth of ferroalloy inventories and taking advantage of the favorable level of the exchange rate at the moment.

In addition, we inform that the Company has US\$ 6.8 million in export lock, at an average exchange rate of R\$/US\$ 5.63 and with maturity dates of up to 120 days from the respective contract.

The information on the operations on September 30, 2024 is shown in the table below:

Salaries	Financial instruments		Object of protection	
	Operation	US\$	R\$	Operation
Q4 2024	Export locks	6,810	38,333	Future sales
Q2 & Q3 2025	ACC	17,520	95,451	Advance on export exchange contract
		<u>24,330</u>	<u>133,784</u>	

21. PROVISION FOR ENVIRONMENTAL LIABILITIES

The Company uses judgments and assumptions when measuring its obligations related to the provision for the closure of mines and wind farms, as well as the demobilization of assets linked to its operations. Costs potentially covered by insurance or indemnities are not deducted from the amount provisioned, because their recovery is considered uncertain.

The demobilization costs were measured based on available information for the costs of dismantling equipment and civil works, inflated and discounted at the average capital cost rate of each project. Thus, the Company applied the technical interpretation ICPC 12 – Changes in Liabilities due to Deactivation, Restoration and Other Similar Liabilities, recording the provision calculated from its best estimate of the costs to be incurred in the dismantling of this equipment at the end of the authorization, discounted at present value considering a long-term direct treasury rate discounted by inflation measured in accordance with the IPCA.

The movements of these provisions are shown below:

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
<u>Non-current</u>				
Balance at the beginning of the year	17,729	15,666	46,352	56,313
Estimate Revision (i)	-	-	-	(12,024)
Write-offs	(849)	(888)	(849)	(888)
Monetary Update, AVP and others	114	2,951	1,053	2,951

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Balance at the end of the period	<u>16,994</u>	<u>17,729</u>	<u>46,556</u>	<u>46,352</u>
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- (i) In the fourth quarter of 2023, the Company hired a specialized consultancy to reassess the assumptions applied to the provision for the decommissioning of wind farms, considering all the dismantling costs for the removal of wind turbines, the "Substations" SES - BW Guirapá I and BW Guirapá II, the 69 KV "Transmission Lines" TLS and civil works. Based on its best estimate of the expenses to be incurred in the dismantling of these wind farms at the end of the authorization, monetarily adjusted for inflation and then discounted by a long-term rate from the direct treasury, to determine the present value, which is R\$ 29,350.

22. PROVISION FOR CONTINGENCIES (PARENT AND CONSOLIDATED)

The Management of the Company and its subsidiaries, based on the position of its legal advisors, classified the lawsuits according to the degree of risk of loss, as follows:

	Possible		Probable	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Tax / Administrative	29,230	27,534	52,134	63,746
Labor	896	746	5,149	6,596
Civil	462	442	4,251	4,061
	<u>30,588</u>	<u>28,722</u>	<u>61,534</u>	<u>74,403</u>

The reduction in the balance mainly refers to the payment of the employer's social security contribution on the variable compensation of managers in 2Q24.

The description of the Company's main contingent liabilities, including those that were considered likely to be a possible loss by management and its legal advisors, was presented in the financial statements as of December 31, 2023, in Note 27 and there were no significant changes in their possible contingencies in this period.

23. REIMBURSEMENT ACCOUNT – CCEE (CONSOLIDATED)

	Consolidated	
	09/30/2024	12/31/2023
Balance at beginning of period	67,095	73,515
Compensation	22,497	1,616
Penalty	2,123	-
Update	2,283	3,336
Write-offs	<u>(24,495)</u>	<u>(11,372)</u>
Balance at the end of the period	<u>69,503</u>	<u>67,095</u>
Current	54,096	64,841
Non-current	<u>15,407</u>	<u>2,254</u>
	<u>69,503</u>	<u>67,095</u>

Under an authorization regime, the BW Guirapá Wind Complex has all its production contracted for a period of twenty years with the Electric Energy Trading Chamber ("CCEE"), within the scope of the Reserve Auction – 2011 ("LER 2011", in Portuguese, *Leilão de Reserva*) in the regulated

environment. Reimbursement accounts – CCEE refer to the differences between the contracted amount and the value of electricity actually generated. The calculation criteria are defined contractually, through a tolerance limit between the energy actually generated and the contracted energy, as follows:

- The accepted contractual limit, without the incidence of penalties or bonuses, is equivalent to the supply of 90% to 130% of the contracted energy of a year, calculated at the end of each quadrennium. In these cases, the positive or negative deviation between the energy supplied and the contracted energy is recognized in the asset or liability, respectively, by applying the updated contractual price on the MWh calculated. Any differences between the supply of electricity and the contracted energy will be compensated for each contractual quadrennium, with the first quadrennium ending on September 30, 2018, the second quadrennium ending on June 30, 2022 and the third quadrennium began in July 2022.
- If the energy supplied is less than 90% of the contracted energy, the due reimbursement will occur with the application of 115% of the current contractual price on the amount in MWh that is less than the contracted 90%. If the energy supplied exceeds 130% of the contracted energy, the Companies will receive 70% of the contracted price on the amount in MWh that exceeds the contracted 130%. In both cases, the financial settlement occurs from July of the current year to June of the following year.

Additionally, as of June 2023, the CCEE will begin the recalculations of the calculations of reimbursements considering the energy not supplied by *constrained off* wind farms. *Constrained off effects* were calculated for CCEARs and CERs ending the contractual year through September 2021. For the period from October 2021, the recalculation schedule has not yet been released, since the process of ANEEL Public Consultation No. 22/2022 has not been concluded. The Company reflected in the segregation between current and non-current the schedule already disclosed.

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24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Result			Active	Passive
	Rental costs (i)	Sales revenue (ii)	Other (revenue)/operating expenses (iii)	Accounts receivable from customers (ii)	Other suppliers (iii)
Parent:					
José Carvalho Foundation	-	95	9,000	-	1,105
Controlled:					
BW Guirapá S.A.	-	-	(432)	-	-
Silício de Alta Pureza da Bahia S.A.	630	-	-	-	-
Mineração Vale do Jacurici S.A.	1,143	-	-	-	-
Reflorestadora e Agrícola S.A.	45	-	-	-	-
Indústria de Minérios Damacal Ltda.	27	-	-	-	-
Related Part:					
Marubeni Corporation (iv)	-	270,864	-	31,449	-
Total on September 30, 2024	1,845	270,959	8,568	31,449	1,105
Total on December 31, 2023	2,460	471,299	10,565	18,721	867
Total on September 30, 2023	1,845	359,575	6,567	10,824	-

- (i) Lease of the operations of the subsidiaries.
- (ii) Revenues and receivables from the sale of alloys (FeSi75) to the related company abroad and accounts receivable from the sale of wood, quicklime and slag dust to the Parent Company.
- (iii) Refers to: (a) Cooperation and Partnership Agreement for the reservation and guarantee of enrollment in schools of the José Carvalho Foundation for dependents of the Company's employees who reside in the towns of the school headquarters (Pojuca, Catu and Andorinhas); (b) Agreement for socio-educational-sports training, for children from 8 to 14 years of age, public school students, aiming at the development of learning and sports practice; (c) Cooperation and Partnership Agreement for the implementation of the José Carvalho Memorial, whose objective is to preserve the memory, cultural heritage, existing collection, the founder's residence in life, in addition to hosting the permanent organizational culture program; (d) Infrastructure Sharing Agreement and Administrative Structure of the corporate activities between Ferbasa and BW.
- (iv) Marubeni Corporation has an interest in *Silício de Alta Pureza da Bahia S.A. ("Silbasa")* together with Ferbasa and Japan Metals & Chemicals - JMC.

In addition, the Company has, in its staff, close family members of key management personnel, who hold managerial positions and remuneration compatible with their respective functions. Ferbasa made payments as compensation in the amount of BRL 1,771 in the nine months of 2024 (BRL 1,780 in the nine months of 2023).

The Company has no guarantees granted or received to/from related parties.

24.1. Management Compensation

Approved at the Annual General Meeting, the overall compensation of the key management personnel,

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which includes directors and statutory officers, is shown below:

	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Overall remuneration	28,217	26,555	31,430	29,114
Social security charges (i)	5,717	2,565	6,361	3,079
	<u>33,934</u>	<u>29,120</u>	<u>37,791</u>	<u>32,193</u>

- (i) In the first half of 2024, R\$ 2,975 was recorded referring to social security charges on variable compensation, paid in April 2024.

The Company and its subsidiaries do not have key personnel other than statutory personnel, and also do not have share-based compensation plans or other long-term benefits, other than those disclosed in Note 29 of the 2023 Financial Statements.

25. EQUITY

25.1. Share Capital

At a meeting of the Board of Directors held on August 28, 2023, the increase in the capital stock from R\$ 1,225,444 to R\$ 1,470,396 was approved, through the capitalization of part of profit reserves in the amount of R\$ 244,952. This capitalization was carried out without the issuance of new shares. The capital subscribed and paid in shares is distributed as follows:

	09/30/2024 (i)		12/31/2023	
	Common shares	Preferred shares	Common shares	Preferred shares
Shareholders				
Fundação José Carvalho	116,347,784	62,051,700	29,086,696	15,300,800
Trígono Capital	12,000	23,704,100	3,000	8,358,100
Black Rock	-	6,237,044	-	1,703,787
Vanguard Group	-	4,390,792	-	1,555,711
Other shareholders	1,240,216	126,403,164	310,304	28,778,302
Treasury shares	160,000	12,733,200	40,000	3,183,300
	<u>117,760,000</u>	<u>235,520,000</u>	<u>29,440,000</u>	<u>58,880,000</u>

- (i) At the Extraordinary General Meeting held on December 20, 2023, the split of shares was approved, in the proportion of 01 (one) share to (four) shares, without any change in the value of the capital stock. The shares started to be traded "ex-split" as of 01/24/2024 and the shares resulting from the split were credited to shareholders on 01/25/2024.

The objective was to make its shares more accessible to investors and, consequently, favor the increase in liquidity.

At the same EGM, the increase in the limit of the Company's authorized capital stock from R\$ 1,500,000 to R\$ 3,000,000 was approved.

The Company may, by resolution at the Shareholders' Meeting, promote the increase of the various existing types and classes, without keeping proportion with the others or create a new class of preferred shares, observing the limit of 2/3 of the total shares issued for preferred shares

without voting rights, or subject to restrictions on such right.

25.2. Treasury shares

The Company has shares acquired through a share buyback program. The shares acquired under the program will remain in treasury, and the decision on the sale and/or cancellation of these shares will be taken in due course and will be duly communicated to the market. The volume of treasury shares and their respective market values, considering the closing price of quotation on B3, is as follows:

	09/30/2024 (i)		12/31/2023	
	PN	ON	PN	ON
Number of treasury shares (note 25.1)	12,733,200	160,000	3,183,300	40,000
Quotation on B3 - R\$/share	13.28	7.68	46.49	62.25
Average acquisition cost - R\$/share	2.02	0.02	8.07	0.06

Preferred shares do not have voting rights and have a statutory guarantee of payment of dividends 10% higher than those paid to holders of common shares and priority in the repayment of capital.

25.3. Profit reserves

- The legal reserve is constituted with an increase in the capital stock and the allocation of 5% of the profit for the year, up to 20% of the capital stock, and its use is restricted to the compensation of losses, after the balances of retained earnings and other profit reserves have been absorbed.
- The SUDENE tax incentive profit reserves, related to income tax, refers to the portion of the tax incentive of income tax (operating profit) and ICMS *DESENVOLVE* (ICMS Develops) related to the gain of the tax incentive of the debit balance of the tax on circulation of goods. These reserves are constituted by transferring the portion of the tax incentive that affected the expense with income tax and ICMS for the year and cannot be distributed to shareholders. The reserve referring to SUDENE also includes the reinvestment value of income tax.
- The profits, after the appropriation of the legal reserve, profit reserve (tax incentive) and attribution of dividends to be distributed to shareholders, are transferred to the profit retention reserve account for investments, to be carried out in accordance with the Company's capital budget and strategic planning. In the 2023 fiscal year, the prescribed dividends, in the amount of R\$ 667, were reverted to the profit reserve account according to Law No. 6,404/76.

25.4. Other comprehensive results and equity valuation adjustment

Other comprehensive income comprises income and expense items (including reclassification adjustments), which are not recognized in the income statement as required or permitted by the pronouncements, interpretations and guidance issued by the CPC. Created by Law No. 11,638/07, the group of "Equity valuation adjustments" maintained in the Company's shareholders' equity includes valuation adjustments with increases and decreases in assets and liabilities, when applicable, while not computed in the income for the year, until its effective realization.

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25.5. Profit reserve to be made

In calendar year 2018, the Company constituted a reserve of unrealized profits arising from the gain from the advantageous purchase of the acquisition of the BW Guirapá complex in the amount of R\$ 49,595.

25.6. Dividends and interest on equity

The Company grants its shareholders the right to receive a minimum mandatory dividend of 25% of adjusted annual net income each fiscal year. Interest on equity is considered as a distribution of profits for the purposes of determining the minimum mandatory dividend. The preferred share has dividends 10% (ten percent) higher than that attributed to the common share.

As resolved by the Company's Board of Directors, in meetings, interest on equity, gross of Withholding Income Tax ("IRRF" in Portuguese, *Imposto de Renda Retido na Fonte*), was approved. These will be imputed as an anticipation of the amount of the mandatory dividend for the fiscal year 2024, "ad referendum" of the 2025 Annual General Meeting.

Deliberation in RCA	Start of payment	Value brute	Gross value per share (in R\$)	
			Ordinary	Preferential
05/29/2024	06/20/2024	17,500	0.04825383436	0.05307921780
08/29/2024	09/20/2024	18,000	0.04963251534	0.05459576687
		35,500		

26. EARNINGS PER SHARE

As defined by IAS 41 - Earnings per Share, the basic calculation of earnings per share is made by dividing the net income for the nine-month period attributable to holders of common and preferred shares of the Company, by the weighted average number of common and preferred shares available during the period. In the case of the Company, the diluted earnings per share are equal to the basic earnings per share, as it does not have diluting potential common or preferred shares.

	09/30/2024	09/30/2023
Profit from operations attributable to shareholders of the parent company	201,300	327,684
Reconciliation of distributable income, by class (numerator):		
Attributable Profit from Operations:		
Common shares	65,275	106,257
Preferred shares	136,025	221,427
Weighted average of the number of shares, by class (denominator):		
Weighted average number of shares (ex-treasury): (note 25.1(i))		
Common Issued	117,600,000	29,400,000
Preferred Issued	222,786,800	55,696,700
Basic/diluted* result per share (in R\$)		
Common stock	0.55506	3.61417

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	09/30/2024	09/30/2023
Preferred stock	0.61056	3.97559

(*) The Company does not hold potential dilutable shares outstanding or other instruments that could result in dilution of earnings per share.

27. NET SALES REVENUE

	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Gross sales revenue				
Domestic market	968,473	1,143,482	1,041,691	1,237,868
Foreign market	810,348	912,986	810,348	912,986
	<u>1,778,821</u>	<u>2,056,468</u>	<u>1,852,039</u>	<u>2,150,854</u>
Sales deductions				
Returns and rebates	(13,920)	(16,101)	(13,920)	(16,101)
Sales Taxes	(205,558)	(237,706)	(208,880)	(241,330)
	<u>(219,478)</u>	<u>(253,807)</u>	<u>(222,800)</u>	<u>(257,431)</u>
	<u>1,559,343</u>	<u>1,802,661</u>	<u>1,629,239</u>	<u>1,893,423</u>

28. COSTS OF GOODS SOLD AND EXPENSES

	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Cost of goods sold (i)	(1,242,043)	(1,373,864)	(1,313,546)	(1,433,576)
Selling expenses	(15,730)	(14,463)	(15,730)	(14,463)
General and administrative expenses	(91,472)	(81,585)	(97,044)	(85,977)
Employee profit sharing	(23,842)	(37,806)	(23,842)	(37,806)
Management Compensation	(33,934)	(29,120)	(37,791)	(32,193)
Total general and administrative expenses	<u>(149,248)</u>	<u>(148,511)</u>	<u>(158,677)</u>	<u>(155,976)</u>
Other revenue (expenditure)	<u>(25,598)</u>	<u>(37,522)</u>	<u>(28,835)</u>	<u>(41,665)</u>
	<u>(1,432,619)</u>	<u>(1,574,360)</u>	<u>(1,516,788)</u>	<u>(1,645,680)</u>

The following is the breakdown by nature of the costs of goods sold and operating expenses:

	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Variable costs and product overhead spend	(608,642)	(810,474)	(666,376)	(816,629)
Personnel expenses (ii)	(360,137)	(341,723)	(330,716)	(348,447)
Depreciation and depletion expenses	(159,846)	(129,327)	(193,505)	(161,965)
Expenses with the provision of services	(156,086)	(143,614)	(174,351)	(162,525)
Maintenance and repairs expenses	(88,931)	(78,961)	(89,541)	(81,626)

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	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Fuels and lubricants	(24,679)	(22,351)	(24,764)	(22,435)
Cost of idle capacity	(8,700)	(10,388)	(8,700)	(10,388)
Other revenue (expenses) (iii)	(25,598)	(37,522)	(28,835)	(41,665)
	<u>(1,432,619)</u>	<u>(1,574,360)</u>	<u>(1,516,788)</u>	<u>(1,645,680)</u>

(i) Costs of goods sold include:

- Cost of electricity for consumption in the 14 electric furnaces. In addition to electric furnaces, there is energy consumption in the areas of auxiliary and other services, as well as in mining;
- The Company imports reactive metallurgical coke (*met coke*) (a commodity available in the international market) for the production of ferrochrome;
- Cost of transportation of chrome ore between the mines (Town of Campo Formoso) and the metallurgy (Pojuca - BA), by rail;
- The consolidated includes depreciation, amortization, energy transmission, system use charges, operation and maintenance, etc. for wind power generation in the amount of R\$ 73,187 (R\$ 61,355 as of September 30, 2023).

(ii) It includes personnel expenses, management fees, and profit sharing for employees and managers.

(iii) The following is the breakdown by nature of other net income (expenses):

	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Post-employment benefit (note 18)	(5,746)	(873)	(5,746)	(873)
Other taxes and contributions	(6,811)	(6,729)	(7,892)	(8,161)
Social and corporate responsibility	(10,683)	(11,073)	(10,723)	(11,127)
Consulting and research	(7,379)	(9,770)	(7,904)	(9,902)
Realization of capital gains	-	-	(3,314)	(3,314)
Assignment of energy	(3,290)	(5,932)	(3,290)	(5,932)
Tax credit	12,773	-	12,773	-
Other expenses	(4,462)	(3,145)	(2,739)	(2,356)
	<u>(25,598)</u>	<u>(37,522)</u>	<u>(28,835)</u>	<u>(41,665)</u>

29. FINANCIAL RESULT

	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
<u>Financial revenues</u>				
Income from financial investments	76,958	111,434	89,832	127,206
Exchange rate variation	24,538	15,422	24,577	15,422
Other financial income	13,377	1,850	14,373	1,941
	<u>114,873</u>	<u>128,706</u>	<u>128,782</u>	<u>144,569</u>

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In thousands of reais, unless otherwise indicated

Financial expenses				
Exchange rate variation	(17,123)	(15,478)	(17,123)	(15,478)
Interest incurred	(9,889)	(8,040)	(24,750)	(24,454)
Other financial expenses	(9,029)	(11,529)	(12,477)	(15,651)
	<u>(36,041)</u>	<u>(35,047)</u>	<u>(54,350)</u>	<u>(55,583)</u>
	<u>78,832</u>	<u>93,659</u>	<u>74,432</u>	<u>88,986</u>

30. OPERATING SEGMENTS

The Company segmented its operational structure taking into account the way in which Management manages its business. The operating segments defined by Management are shown below:

- Ferroalloys segment - involves the operations of high carbon chromium ferroalloys, low carbon ferroalloys and chromium ferrosilicon, special silicon 75 and silicon 75 "standard";
- Wind energy segment – involves the operations of the subsidiary BW Guirapá;
- Other segments include - forestry activity, with the sale of “standing timber” and mining activities with the sale of chromium ore, chromite sand, quicklime and hydrated lime.

Information about financial results, income tax and social contribution, total assets and liabilities were not disclosed in the information by segment, due to the non-use, by the Company's management, of such data in a segmented manner, as they are managed and analyzed in a consolidated manner in its operation.

	Consolidated							
	Ferroalloys		Wind power		Other segments		Total	
	09/30/24	09/30/23	09/30/24	09/30/23	09/30/24	09/30/23	09/30/24	09/30/23
<u>Net Sales</u>								
Domestic market	717,776	856,204	70,066	90,932	42,736	46,450	830,578	993,586
Foreign market	798,661	899,837	-	-	-	-	798,661	899,837
	<u>1,516,437</u>	<u>1,756,041</u>	<u>70,066</u>	<u>90,932</u>	<u>42,736</u>	<u>46,450</u>	<u>1,629,239</u>	<u>1,893,423</u>
Cost of goods sold	(1,187,729)	(1,321,820)	(73,187)	(61,355)	(52,630)	(50,401)	(1,313,546)	(1,433,576)
Change in the fair value of biological assets		-		-	34,858	39,571	34,858	39,571
Gross profit	<u>328,708</u>	<u>434,221</u>	<u>(3,121)</u>	<u>29,577</u>	<u>24,964</u>	<u>35,620</u>	<u>350,551</u>	<u>499,418</u>
Operating Expenses	(191,443)	(200,714)	(6,404)	(6,081)	(5,395)	(5,309)	(203,242)	(212,104)
Operating income before financial result	<u>137,265</u>	<u>233,507</u>	<u>(9,525)</u>	<u>23,496</u>	<u>19,569</u>	<u>30,311</u>	<u>147,309</u>	<u>287,314</u>
<u>Product sales (tonnes)</u>								
Domestic market	96,737	109,282						
Foreign market	<u>98,085</u>	<u>98,318</u>						
	<u>194,822</u>	<u>207,600</u>						

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In thousands of reais, unless otherwise indicated

31. LONG-TERM COMMITMENTS

As of September 30, 2024, the Company has long-term commitments with suppliers in the take-or-pay modality with rail transportation and power reserve and power transmission agreements. The contracts provide for termination and suspension of supply clauses for reasons of non-compliance with essential obligations. There are no liabilities recorded beyond the amount that was recognized monthly. Long-term commitments total R\$108,698 in the parent company and R\$118,851 in the consolidated, per year.

32. INSURANCE COVERAGE

The Company and its subsidiaries have insurance coverage against fire of equipment, explosions, electrical damage, vehicles, international transport imports, civil liability, business liability, surety bond and operational risks for wind power generation, on September 30, 2024 in the amount of R\$ 265,966 (R\$ 229,654 on December 31, 2023) in the parent company and R\$ 1,151,526 (R\$ 1,219,679 on December 31, 2023) in the consolidated statement.

33. TRANSACTIONS THAT DID NOT AFFECT CASH

During the nine months of 2024 and 2023, the Company carried out the following transactions that did not involve cash, so these are not reflected in the cash flow statements.

Description	Note	Parent		Consolidated	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023
Share capital increase	24	-	244,952	-	244,952
Gain (loss) with actuarial liabilities		2,246	(6,824)	2,246	(6,284)
Right of use in leases according to IFRS 16	12.2	51,079	33,152	51,339	33,152
Depreciation Right of Use appropriated to the cost of inventory	12.2	10,915	(2,324)	10,915	(2,324)
Realization of capital gains	12.1	3,314	3,314	3,314	3,314

34. SUBSEQUENT EVENTS

Cancellation of treasury shares

At the Board of Directors' meeting held on November 7, 2024, the cancellation of (i) thirty-five thousand (35,000) common shares (FESA3) and (ii) seventy thousand (70,000) preferred shares (FESA4), all registered and without par value, held in treasury, was approved.

The cancellation of shares will not reduce the Company's capital stock, which is R\$ 1,470,395,617.65 (one billion, four hundred and seventy million, three hundred and ninety-five thousand, six hundred and seventeen reais and sixty-five cents) and which will be divided into 353,175,000 (three hundred and fifty-three million, one hundred and seventy-five thousand) shares, with no par value, of which 117,725,000 (one hundred and seventeen million, seven hundred and twenty-five thousand) common shares and 235,450,000 (two hundred and thirty-five million, four hundred and fifty thousand) preferred shares.

CIA DE FERRO LIGAS DA BAHIA – FERBASA AND SUBSIDIARIES

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In thousands of reais, unless otherwise indicated

In due course, an extraordinary general meeting will be called to adjust the number of shares in which it divides the capital stock set forth in Article 5 of the Company's Bylaws, in view of the cancellation herein resolved. After the cancellation, 125,000 (one hundred and twenty-five thousand) common shares (FESA3) and 12,663,200 (twelve million, six hundred and sixty-three thousand, two hundred) preferred shares (FESA4) will remain in treasury.

Accountant:

Arnaldo Pereira Anastácio

Accounting Manager

CRC-RJ 61263/O - 0-T-BA



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B3 LISTED N1



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*Cia de Ferro Ligas da Bahia – **FERBASA** (B3: FESA3 and FESA4), the main supplier of ferroalloys in Brazil and the only integrated producer of ferrochrome in the Americas, discloses the results related to the **economic and financial performance of the third quarter of 2024**, whose quarterly interim information, from the parent company and consolidated, were prepared in accordance with the accounting practices adopted in Brazil, based on the Brazilian Corporation Law “Lei das Sociedades por Ações” (a Model Business Corporation Act – MBCA-like law), the rules and pronouncements of the Brazilian Securities and Exchange Commission (henceforth **CVM**), the Accounting Pronouncements Committee (CPC) and IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB). This document contains forward-looking statements and information about **FERBASA**, based on assumptions and expectations that may or may not materialize, and are therefore not a guarantee of the Company's future performance. Although **FERBASA** believes that the assumptions and expectations used are reasonable, we caution investors that such information is and will be subject to risks and other factors related to the Company's operations and business environments, so that actual results may differ from the projections, express or implied, contained in this material. Thus, **FERBASA** expressly disclaims the duty to update the statements, prospects and expectations contained in this document.*

STOCKS

B3: FESA3 & FESA4
PFDs in the stock market: 161,839 thousand
Market value: R\$ 3.4 billion

INVESTOR RELATIONS

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AGENDA

Results Conference
November 13, 2024
3:00 pm (Brasília time)
1:00 p.m. (NY time, USA)
Access: [click here](#)

1. HIGHLIGHTS OF CONSOLIDATED RESULTS

The highlights of the last quarterly calculation and the cumulative result for the year are presented in the table below.

Highlights (R\$ million)	3T24	2T24	Δ%	3T23	Δ%	9M24	9M23	Δ%
Average US dollar practiced	5.51	5.14	7.2%	4.86	13.4%	5.21	5.02	3.8%
Net revenue	597.7	522.0	14.5%	550.9	8.5%	1,629.2	1,893.4	-14.0%
Cost of goods sold	498.7	402.8	23.8%	478.1	4.3%	1,313.5	1,433.6	-8.4%
Cost over revenue	83.4%	77.2%		86.8%		80.6%	75.7%	
Adjusted EBITDA	127.1	99.5	27.7%	75.7	67.9%	305.0	407.4	-25.1%
EBITDA Margin	21.3%	19.1%		13.7%		18.7%	21.5%	
Net Profit	103.6	56.8	82.4%	74.6	38.9%	201.5	327.9	-38.5%
Profit margin	17.3%	10.9%		13.5%		12.4%	17.3%	

PRODUCTION – In 3Q24, 76.3 thousand tons of ferroalloys were produced, an increase of 2.1% compared to 2Q24, due to the 12.6% growth in silicon alloys and the 3.1% reduction in chromium. HP FeSi production in 3Q24 increased by 3.5% compared to 2Q24 and reached a 38.4% share in the total of silicon alloys. In the comparison between 9M23 and 9M24, there was an increase of 4.0% in the total manufactured.

SALES VOLUME – 68.3 thousand tons of ferroalloys were sold in the third quarter of the year. The increase of 7.7% compared to 2Q24 derives from the conjunction between the 26.5% increase in sales to the domestic market and the 8.6% reduction in volumes destined for the foreign market. In 9M24, the total volume of sales still accumulates a decrease of 6.2% compared to 9M23, with a decrease of 11.5% in sales in Brazil and stability (-0.2%) in exports.

NET REVENUE – In 3Q24, net revenue totaled R\$597.7 million. The growth of 14.5% compared to 2Q24 was driven by factors such as the 7.7% increase in sales volume and 7.2% in the average dollar price, in addition to the maintenance (-



0.8%) in the average dollar price of the alloys. In the comparison between 9M24 and 9M23, net revenue decreased 14.0%, with a reduction in revenues from the domestic and foreign markets.

COST OF GOODS SOLD – Consolidated COGS reached R\$498.7 million in 3Q24, incorporating an increase of 23.8% compared to 2Q24 due to the 10.2% increase in ferroalloys' COGS and the inclusion of R\$25.7 million in 3Q24 related to the "depletion of the fair value of the biological asset". The increase in ferroalloys' COGS, which totaled R\$418.7 million in 3Q24, is mainly explained by the 7.7% increase in sales volume and 8.8% in the cost of energy consumed, both compared to 2Q24. The ratio between COGS and net revenue of ferroalloys went from 75.3% in 9M23 to 78.3% in 9M24, an oscillation mainly explained by the decrease in revenue, which neutralized the improvement in production costs.

SALES AND GENERAL/ADMINISTRATIVE EXPENSES – Sales expenses in 9M24 totaled R\$15.7 million and increased 8.3% compared to 9M23, while general/administrative expenses totaled R\$158.6 million and registered a slight increase of 1.7% compared to the same period of the previous year.

OTHER OPERATING INCOME/EXPENSES – In 9M24, operating expenses totaled R\$28.8 million, 30.9% lower than the R\$47.7 million recorded in 9M23, with emphasis on the constitution of tax credits in the amount of R\$12.8 million in 2024.

ADJUSTED EBITDA – Operating cash generation, measured by Adjusted EBITDA, reached R\$ 127.1 million in 3Q24 (of which R\$ 19.1 million related to BWG) with an EBITDA margin of 21.3% and an increase of 27.7% compared to 2Q24. In 9M24, Adjusted EBITDA reached R\$ 305.0 million (of which R\$ 32.2 million related to BWG) and a margin of 18.7%, a result 25.1% lower than that achieved in 9M23.

CASH GENERATION/CONSUMPTION – Cash consumption, cash equivalents and financial investments totaled R\$105.6 million in 9M24, ending the period with a consolidated financial reserve of R\$1.067 billion. Deducting consolidated indebtedness of R\$308.3 million, the net cash position was R\$758.7 million in 3Q24 compared to R\$897.6 million at the end of 4Q23.

FINANCIAL RESULT – The consolidated financial result was R\$ 25.2 million in 3Q24, 17.2% higher than in 2Q24, basically due to the 21.7% increase in financial revenue. In the comparison between 9M24 and 9M23, the financial result decreased by 16.4%, a movement mainly explained by the decline in financial revenue due to the drop-in interest rates and higher cash consumption in the nine months of 2024.

CAPEX – In 9M24, R\$ 221.4 million were invested, an amount 1.9% higher than in 9M23, with emphasis on the acquisition of machinery and equipment for the most part of the Metallurgy and Mining unit, as well as for the maintenance of the biological asset in the Forest Resources area. Also noteworthy is the investment of R\$ 37.8 million made in equity interest with an electricity generating company, and R\$ 35.9 million for the acquisition of land by *Bahia Minas Bioenergia*.

NET PROFIT – Consolidated net income reached R\$ 103.6 million in 3Q24, an increase of 82.4% compared to 2Q24. Regarding the 38.5% retraction recorded between 9M23 and 9M24, there will be details in the following sections of this report.

2. CORPORATE PROFILE

National leader in the production of ferroalloys and the only integrated producer of ferrochromium in the Americas, **FERBASA** is among the 10 largest industries in activity in Bahia, according to the 2024 Valor 1,000 ranking. With an integrated and verticalized production cycle in the areas of Mining, Metallurgy, Forest Resources and Renewable Energy, the Company is supported by a solid Integrated Management System, certified in accordance with ISO 9001, ISO 14001 and ISO 45001 standards.

Its portfolio is composed of the alloys of High Carbon Ferrochromium (HC FeCr), Low Carbon Ferrochromium (LC FeCr), Ferrosilicon (FeSi75), High Purity Ferrosilicon 75 (HP FeSi75) and Ferrosilicon Chromium (FeSiCr), mainly intended for



the steel sector and the manufacture of stainless and special steels. With a solid trajectory of 63 years, the Company serves the national market and countries such as China, Japan, the United States and the European Union.

In the Mining segment, **FERBASA** has two chromium ore extraction units (one underground and one open-pit), two quartz mines and a plant dedicated to the production of quicklime, located in the Center-North and Northeast regions of the state of Bahia. The production of ores is directed, almost entirely, to its metallurgical unit, located in Pojuca/BA, where ferroalloys are produced in 14 electric furnaces equipped with bag filters designed to neutralize the release of particulate matter into the atmosphere. The Forest area consists of 64 thousand hectares, of which 25 thousand are planted with renewable eucalyptus forests. The remaining extension of the forest asset encompasses legal reserve areas, firebreaks, native forests, Private Natural Heritage Reserve (in Portuguese: RPPN – *Reserva Particular do Patrimônio Natural*), among other characterizations.

Guided by the sustainability and verticalization of the business, the Company's strategy was strengthened with the incorporation of the BW Guirapá Wind Complex, located in the towns of Caetité and Pindaí/BA. The 07 parks in the Complex will have their clean and renewable energy available to integrate **FERBASA's** supply mix from 2036, either for its own consumption or for the commercialization of the energy generated.

Located in Salvador/BA, the Company's corporate office centralizes the services of all the group's operational units.

Highlighted by its citizen trajectory, which distinguishes and forges its culture, **FERBASA**, since its foundation, has acted responsibly and with integrity, seeking to contribute to the socioeconomic development of the surrounding communities.

3. MARKET ENVIRONMENT

CRUDE STEEL: according to data from the *World Steel Association* (WSA), in 9M24 the world production of crude steel, a relevant driver of ferrosilicon consumption, fell 1.9% compared to 9M23, totaling 1,394.1 Mt. China was responsible for 55% of the total produced in the period (768.5 Mt). Among the world's largest producers, the best performers came from Turkey (+13.8%), India (+5.8%), Brazil (+4.4%) and Germany (+4.0%). The worst results were recorded in the USA (-1.6%), Iran (-3.1%), Japan (-3.2%), China (-3.6%), South Korea (-4.6%) and Russia (-5.5%).

In South America, the volume produced in 9M24 was 31.4 Mt, remaining stable compared to 9M23. Of this total, 25.2 Mt came from Brazil. According to statistics from the Brazil Steel Institute (IABr), the national production of crude steel continues to be stimulated by the good level of domestic demand, despite the high and growing level of imports. Between 9M23 and 9M24, the national apparent consumption grew 8.4%, imports rose 24.0% and exports fell 13.1%.

FeSi: in China, which accounts for about 70% of the world's supply of silicon alloys, 4.1 Mt were produced in 9M24, which represents stability (+0.2%) compared to 9M23, according to specialized reports. In the period, there was also a slight drop in the overall demand for the Chinese FeSi, mainly due to the lower domestic production of crude steel (-3.6%). In July/24, Chinese production of silicon alloys grew for the third consecutive month and reached the highest level of the year. On the other hand, in September/24, China's crude steel production declined for the third month in a row and reached the lowest production of the year, slightly below that of January/24, which is part of the typically weak first two months of the year. Such a scenario led, as of July/24, to a reduction in the domestic price and, as of August/24, to cuts in the production of silicon alloys in China.

In Europe and the US, the average price of FeSi, in U.S. dollars, decreased 1.2% and 4.7%, respectively, between 2Q24 and 3Q24. In the case of China, the export price remained stable (+0.5%) while that of the domestic market decreased by 2.9%.

STAINLESS STEELS: specialized reports indicate that the world production of stainless steels, a reference for FeCr consumption, totaled 47.4 Mt in 9M24, an increase of 5.7% compared to 9M23. Of this amount, China was responsible for 29.7 Mt - 63% of the total produced, an increase of 4.8% compared to 9M23. In Europe, production in the same period was estimated at 4.6 Mt, which shows stability (-0.1%) compared to 9M23, while in the USA production was estimated at 1.4 Mt, which represents a growth of 3.6%. In Brazil, the expectation is for a drop of 4% (267 thousand tons).

FeCr: the world production of HC FeCr, which remains in line with the volumes produced of stainless steel, registered 11.9 Mt in 9M24, an increase of 14.5% compared to 9M23, according to estimates by specialized publications. China accounted for 6.8 Mt (57% of the total in 9M24) of this volume, jumping 28.0% compared to 9M23. As a result, the country reached the second highest quarterly production in its history in 3Q24, only 0.8% below 2Q24.

Impacted by the 4.4% decline in local stainless-steel production, the Chinese price of HC FeCr dropped 1% between 2Q24 and 3Q24.

In 3Q24, the average price of UG2 remained stable (-0.4%) compared to 2Q24, starting the quarter at USD 320 /t and ending at USD 270 /t – its lowest level since January 2023 – influenced by the 4% reduction in the purchase price of HC FeCr by stainless steel mills. The market fundamentals still seem firm in China, where there was a growth of around 25% in ore consumption and 30% in its inventories, both between 9M23 and 9M24. A popular category of chromium ore produced in South Africa and considered a by-product of platinum mining activity (PGM – *Platinum Group Metals*), UG2 has recorded quarterly average price levels above USD 250/t since 1Q23, serving as an important support for FeCr prices in China.

The prices charged by **FERBASA** are based on a "basket" of international prices, including those charged by the European, American and mainly Asian markets.

4. OPERATING RESULTS

4.1 Production of ferroalloys

In 3Q24, 76.3 thousand tons of ferroalloys were produced, an increase of 2.1% compared to the previous quarter, reflecting the combination of the 12.6% increase in the production of silicon alloys and the 3.1% reduction in chromium. HP FeSi, which accounted for 38.4% of the total silicon alloys produced in 3Q24, achieved an increase of 3.5% compared to 2Q24.

Between 9M23 and 9M24, there was an increase of 4.0% in the production of ferroalloys, as a result of advances of 11.5% in silicon alloys and 0.6% in chromium alloys. On the other hand, HP FeSi recorded a decrease of 2.1%.

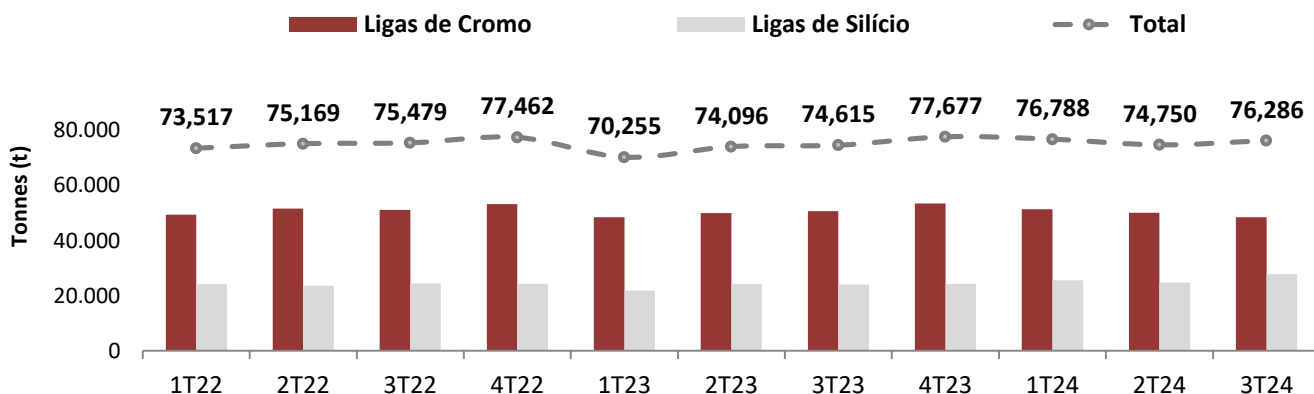
It is important to note that a portion of the ferroalloys manufactured is consumed internally, as an input in the other production chains.

Production (tonnes)	3Q24	2Q24	Δ%	3Q23	Δ %	9M24	9M23	Δ %
Chromium Alloys	48,495	50,067	-3.1%	50,652	-4.3%	149,859	149,025	0.6%
Silicon Alloys	27,791	24,683	12.6%	23,963	16.0%	77,965	69,941	11.5%
Total	76,286	74,750	2.1%	74,615	2.2%	227,824	218,966	4.0%
Installed capacity utilisation (MWh) %	85.2%	82.6%		80.3%		84.2%	79.1%	

The installed capacity, measured based on the amount of electricity that can be consumed in MWh, is based on the daily and uninterrupted operation of the furnaces at normal power (without power reduction or shutdowns of any kind) and the product mix that enables the operation of the furnaces at maximum power. The use of installed capacity, in turn, may be affected by (i) furnace shutdown or power reduction for maintenance, renovation or operational intervention; (ii) production of alloys that require power reduction in some furnace; and (iii) commercialization of part of the contracted energy in the Free Market.

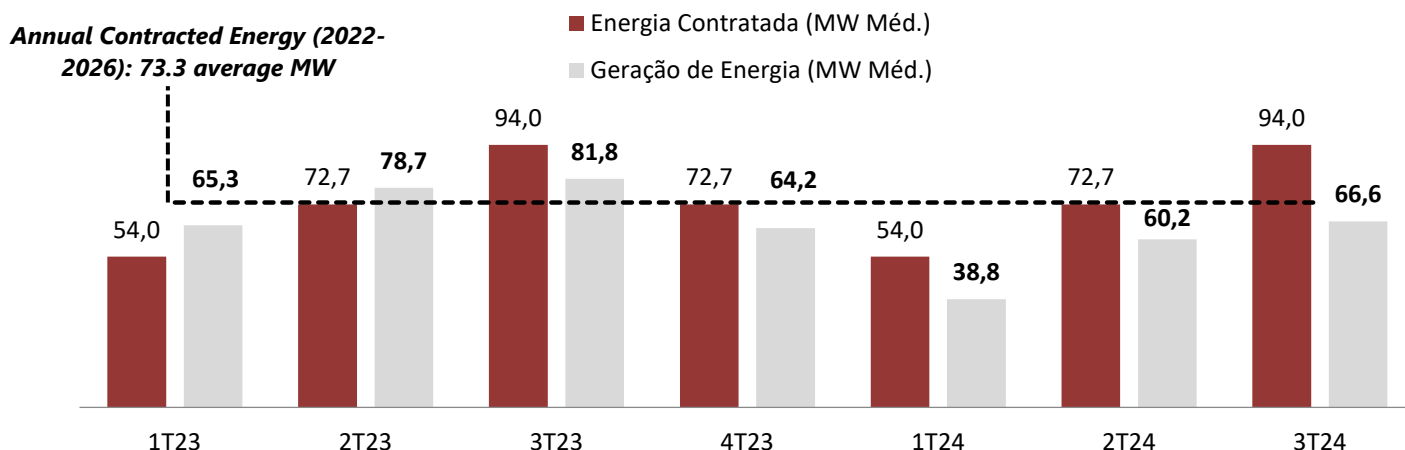
In 3Q24, **FERBASA** used 85.2% of the installed capacity of the Metallurgical Plant. The increase of 2.6 p.p. compared to 2Q24 mainly reflected the increase in the share of silicon alloys, which are more electro-intensive, in total production.

In the comparative analysis between 9M23 and 9M24, there was an increase of 5.1% in the utilization of installed capacity, caused by the end of the restriction on energy use during peak hours (6 pm to 9 pm) since August 2023.



4.2 Electric Power Generation – BW Guirapá

Net energy generation in BW Guirapá's wind farms was 66.6 average MW in 3Q24, 18.6% lower than in 3Q23 and 29.2% below the 94 average MW contracted for the quarter. The weather effect was the main driver, being responsible for the reduction of 23.2 average MW of expected gross generation, as a result of adverse weather conditions in the Center-South of Brazil and in the Atlantic that impacted the quality of winds in 3Q24.



The results mentioned above should be analyzed in the light of the main factors that influence the energy generation of the BW Guirapá Wind Complex: (i) the operational availability of the entire Wind Complex, which, in the case of the wind turbine, is related to the time available to operate and the time relative to the effective generation (availability for energy); (ii) wind turbine performance, measured by the association between actual and expected generation, as a function of the turbine's theoretical power curve; (iii) climatic conditions of the atmosphere that are reflected in the quality of the winds (speed and density), a determining factor for the level of energy generation of wind farms; (iv) systemic restrictions imposed by the National Electric System Operator - ONS; and (v) internal and external electrical losses.

The difference between the expected gross generation (best expectation) of 107.6 average MW for 3Q24 and the actual net generation of 66.6 average MW can be explained as follows:

Manageable factors (-2.8 average MW):

- Realized availability of 98.0%, which caused a decrease of **2.1 average MW** in energy generation, mainly related to damage to wind turbines, inspection and maintenance of blades, in addition to scheduled shutdowns of wind turbines for improvements in medium voltage networks, with the implementation of poles and spacers.



- Average performance of 99.1%, which implied a decrease of **0.7 MW** on average, as a result of the calibration of the equipment that guides the wind turbines.

Non-manageable factors (-38.2 average MW):

- The weather negatively impacted the expected gross generation by **23.2 average MW**, since the average wind speed (8.8 m/s) was below that expected for the period (10.2 m/s).
- The systemic restrictions imposed by the ONS for real-time management of the National Interconnected System (SIN) resulted in a reduction of **10.1 average MW** in the generation of the Park.
- Internal and external electrical losses referring, respectively, to the equipment and the transmission system (external systemic losses – ONS apportionment) suppressed **4.9 average MW** of gross generation.

5. SALES

Sales in 3Q24 reached 68.3 thousand tons of ferroalloys, an increase of 7.7% compared to 2Q24, due to the combination of the 26.5% increase in sales to the domestic market and the 8.6% decrease in shipments to the foreign market.

In 9M24, the quantities transacted accumulated a decrease of 6.2% compared to 9M23, as a result of the conjunction between the reduction of 11.5% in volumes destined to the domestic market and the stability (-0.2%) in exports. The national scenario was impacted by the difficulties of the steel industry, which faces a still high level of steel imports, especially those of Chinese origin. The export outlook reflects the reduction in demand for chromium alloys, especially in 3Q24, and the intensification of international logistics challenges, with limited ships and containers, in addition to higher freight costs, a situation that has been monitored and cited in previous quarterly earnings releases.

Sales (tonnes)	3Q24	2Q24	Δ%	3Q23	Δ%	9M24	9M23	Δ%
DOMESTIC MARKET								
Chromium Alloys	31,119	24,770	25.6%	35,461	-12.2%	81,013	95,727	-15.4%
Silicon Alloys	6,259	4,788	30.7%	5,395	16.0%	15,724	13,555	16.0%
Total MI	37,378	29,558	26.5%	40,856	-8.5%	96,737	109,282	-11.5%
FOREIGN MARKET								
Chromium Alloys	11,790	16,176	-27.1%	8,204	43.7%	41,019	45,395	-9.6%
Silicon Alloys	19,156	17,682	8.3%	17,044	12.4%	57,066	52,923	7.8%
Total ME	30,946	33,858	-8.6%	25,248	22.6%	98,085	98,318	-0.2%
TOTAL (MI + ME)	68,324	63,416	7.7%	66,104	3.4%	194,822	207,600	-6.2%

5.1 Net Revenue

Net revenue in 3Q24 totaled R\$ 597.7 million, an increase of 14.5% compared to 2Q24. This result expresses the combination of increases of 7.7% in sales volume and 7.2% in the average dollar practiced, in addition to the stability (-0.8%) in the average price of alloys in dollars.

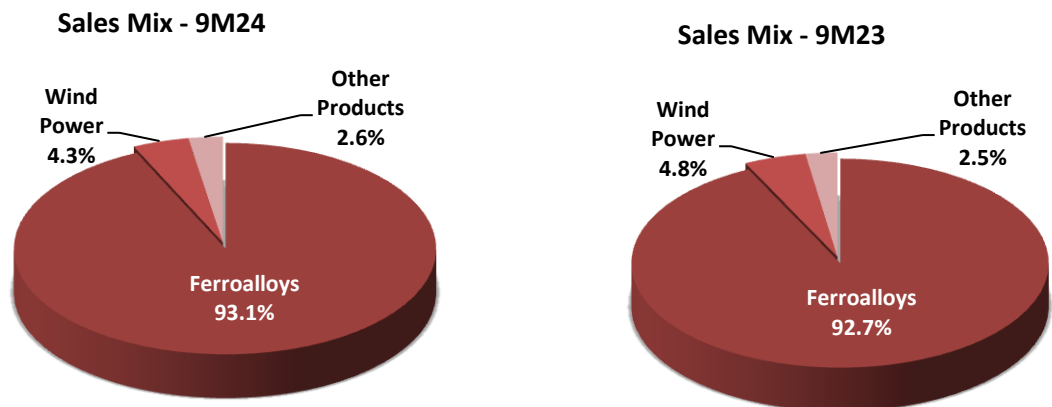
Compared to the same period in 2023, consolidated net revenue in 9M24 contracted 14%, following the 13.6% drop in revenue from ferroalloys. This result reflects the decreases of 11.0% in the average price in dollars of ferroalloys and of 6.2% in the volume traded, partially offset by the appreciation of 3.8% in the average dollar practiced.

Net Revenue (R\$ million)	3Q24	2Q24	Δ %	3T23	Δ %	9M24	9M23	Δ %
DOMESTIC MARKET								
Ferroalloys	287.4	217.4	32.2%	290.0	-0.9%	717.8	856.2	-16.2%
Wind power	28.7	25.7	11.7%	34.0	-15.6%	70.1	90.9	-22.9%
Other Products (*)	16.7	13.5	23.7%	15.9	5.0%	42.6	46.5	-8.4%
Total MI	332.8	256.6	29.7%	339.9	-2.1%	830.5	993.6	-16.4%
FOREIGN MARKET								
Ferroligas	264.9	265.4	-0.2%	211.0	25.5%	798.7	899.8	-11.2%
Total ME	264.9	265.4	-0.2%	211.0	25.5%	798.7	899.8	-11.2%
TOTAL (MI+ME)	597.7	522.0	14.5%	550.9	8.5%	1,629.2	1,893.4	-14.0%
Average dollar (R\$/USD)	5.51	5.14	7.2%	4.86	13.4%	5.21	5.02	3.8%

(*) includes revenue with chromite sand, lime, microsilica, wood and slag.

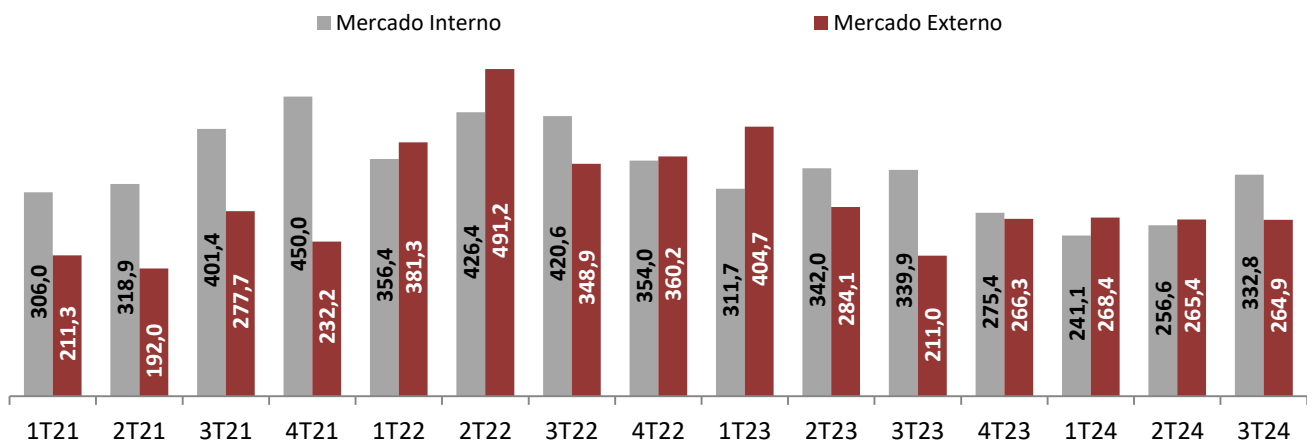
5.2 Net Revenue by Product and Market

The following is the net revenue by product:



The chart below shows the evolution of net revenue between 1Q21 and 3Q24, distributed between the domestic market and exports. In 2021, Brazil recorded the highest level of steel production in recent years, leveraging the commercialization of FERBASA's products. In 2022, the outbreak of the conflict in Eastern Europe caused a sharp increase in the price of commodities, which was reflected in the increase in revenue in both markets, in addition to the record profit in the period. The reorganization of supply chains in 2023 caused the accommodation of prices and revenues with ferroalloys throughout the year, while 2024 has been characterized by the stabilization of this trend.

Distribution of Net Revenue by Market (In millions of Reais)





6. COST OF GOODS SOLD

The cost of goods sold (COGS), considering exclusively the data of ferroalloys, totaled R\$ 418.7 million in 3Q24. The increase of 10.2% compared to 2Q24 mainly follows the increases of 7.7% in sales volume and 8.8% in the cost of energy consumed. Also in 3Q24, the line "depletion of the fair value of biological assets" included R\$25.7 million. As a result, consolidated COGS ended the quarter at R\$498.7 million – an increase of 23.8% compared to the previous three months.

When analyzing the period between 9M23 and 9M24, the COGS of ferroalloys recorded a decrease of 10.1%, mainly justified by the decrease of 6.2% in sales volume, in addition to reflecting lower production costs with electricity and coke. It is worth noting that, in relation to the electricity consumed in the production of ferroalloys, there was a decrease of 20.9% in the average cost in this period, as a result of the 25.0% drop in the energy tariff, due to the optimization of the portfolio of contracts for this year, and of 14.1% in the expenses with sectoral charges.

When analyzing the HC FeCr specifically, a decrease in production costs was recorded between 9M23 and 9M24, attributed to the reductions in electricity expenses and coke costs, reflecting the decline in the international price of coal. In the same direction, the production cost of LC FeCr decreased due to the lower expenses on electricity and FeSiCr reducer (produced internally), the latter directly benefiting from the already commented decrease in the production cost of HC FeCr. The retraction in the cost of ferrosilicon production is due to the reduction in expenses with electricity and electrical pulp, in addition to the dilution of fixed costs due to the increase in production volume.

Specifically regarding the ratio between COGS and net revenue of ferroalloys, there was an increase from 75.3% to 78.3% between 9M23 and 9M24, mainly caused by the decrease in revenue due to the drop in trading prices in dollars, which neutralized the improvement in production costs recorded in the period analyzed.

The "Wind Energy" line presented in the table below is related to the COGS of the BW Guirapá wind complex, which covers the main cost components associated with the operation of wind turbines, equipment maintenance, power transmission and depreciation.

COGS (R\$ million)	3Q24	%NR(*)	2Q24	% NR (*)	3Q23	% NR (*)	9M24	% NR (*)	9M23	% NR (*)
Ferroalloys	418.7	75.8%	379.9	78.7%	422.9	84.4%	1,187.7	78.3%	1,321.7	75.3%
Wind power	23.8	82.9%	25.7	100.0%	22.1	65.0%	73.2	104.4%	61.4	67.5%
Other products (i)	11.2	67.1%	9.4	69.6%	11.1	69.8%	30.2	70.9%	30.5	65.7%
Subtotal Products	453.7		415.0		456.1		1,291.1		1,413.6	
Biological Asset Fair Value										
Depletion	25.7		-		24.8		25.7		24.8	
Idle capacity	3.8		3.6		4.7		8.7		10.4	
Other	15.5		(15.8)		(7.5)		(12.0)		(15.2)	
Subtotal Other	45.0		(12.2)		22.0		22.4		20.0	
Grand total	498.7		402.8		478.1		1,313.5		1,433.6	
% Net Revenue	83.4%		77.2%		86.8%		80.6%		75.7%	

(*) considers the COGS percentages by the Net Revenue of each product.

(i) Costs for the products include: chromite sand, lime, microsilica, wood and slag.

7. EXPENSES

7.1 Sales Expenses

Sales expenses totaled R\$15.7 million in 9M24, up 8.3% compared to 9M23. In relation to net revenue, the percentages of Sales expenses corresponded to 1.0% in 9M24, while in 9M23 it was recorded 0.8%.

7.2 General and Administrative Expenses

Consolidated general and administrative expenses include portions related to salaries, benefits, management fees, social charges, consulting services and the provision of profit sharing. For 9M24, such expenses totaled R\$158.6 million (R\$6.7 million related to BWG), an increase of 1.7% compared to the R\$156.0 million recorded in the same period of 2023 (R\$5.5 million related to BWG).

7.3 Other Operating Expenses/Income

Operating expenses reached R\$28.8 million in 9M24, 30.9% lower than in 9M23. This variation mainly refers to the constitution of tax credits in the amount of R\$ 12.8 million in 2024. The main expenses accumulated up to 9M24 occurred in the lines related to Social and Corporate Responsibility (R\$ 10.7 million), other taxes and fees (R\$ 7.9 million), energy assignment (R\$ 3.3 million), in addition to geological surveys, consultancies and others (R\$ 6.9 million).

8. ADJUSTED EBITDA

EBITDA is not a measure defined by Brazilian and international accounting standards, representing the profit for the period calculated before Interest, Income Tax, Social Contribution, Depreciation, Amortization and Depletion. **FERBASA** discloses its adjusted EBITDA in accordance with CVM* Resolution 156/22, i.e., with the elimination of the net effect of the fair value of biological assets, the provision for contingencies and other non-recurring effects.

*CVM – in Portuguese: *Comissão de Valores Mobiliários*, which stands for Securities and Exchange Commission of Brazil.

EBITDA - Consolidated (R\$ million)	3Q24	2Q24	Δ %	3Q23	Δ %	9M24	9M23	Δ %
Net Profit	103.6	56.8	82.4%	74.6	38.9%	201.5	327.9	-38.5%
(+/-) Net financial result	(25.2)	(21.5)	17.2%	(36.2)	-30.4%	(74.4)	(89.0)	-16.4%
(+/-) IRPJ/CSLL	(13.7)	13.3	-	9.1	-	20.3	48.4	-58.1%
(+/-) Depreciation, amortization, depletion and capital gain ¹	77.8	49.1	58.5%	47.8	62.8%	171.1	140.5	21.8%
EBITDA	142.5	97.7	45.9%	95.3	49.5%	318.5	427.8	-25.5%
(+/-) Effect of the restriction on ONS power generation	4.8	3.4	41.2%	-	-	8.2	-	-
(+/-) Effect of actuarial liabilities (health plan, private pension and FGTS ⁴)	1.9	1.9	-	(3.5)	-	5.7	(3.5)	-
(+/-) Provision for contingencies and others ²	(1.5)	(2.2)	-31.8%	(1.3)	15.4%	(5.5)	(2.1)	161.9%
(+/-) Net Effect of Fair Value of Biological Assets	(9.1)	-	-	(14.8)	-38.5%	(9.1)	(14.8)	-38.5%
(+/-) Constitution of tax credit ³	(11.5)	(1.3)	784.6%	-	-	(12.8)	-	-
Adjusted EBITDA	127.1	99.5	27.7%	75.7	67.9%	305.0	407.4	-25.1%
EBITDA Margin	21.3%	19.1%		13.7%		18.7%	21.5%	

1) Capital gain refers to the effect of the realization of the assets valued at their fair value, reflecting the acquisition of BWG;

2) Effect of the constitution of new processes and reversals of provisions for contingencies in the period (Note 27 of the 2023 Financial Statements);

3) Constitution of tax credits from federal taxes (does not include monetary adjustment).

4) FGTS – Service Time Guarantee Fund, in Portuguese, *Fundo de Garantia por Tempo de Serviço*

In addition, the EBITDA table of the subsidiary BW Guirapá is presented below.

EBITDA - BW (R\$ million)	3Q24	2Q24	Δ %	3T23	Δ %	9M24	9M23	Δ %
Net Profit (Loss)	(0.1)	(5.0)	-98.0%	8.0	-	(16.4)	13.6	-
(+/-) Net financial result	3.1	2.7	14.8%	1.0	210.0%	6.9	7.7	-10.4%
(+/-) IRPJ/CSLL	-	-	-	1.1	-	-	2.2	-
(+/-) Depreciation and amortization	11.3	11.1	1.8%	11.0	2.7%	33.5	32.4	3.4%
EBITDA	14.3	8.8	62.5%	21.1	-32.2%	24.0	55.9	-57.1%
(+/-) Effect of the restriction on ONS power generation	4.8	3.4	41.2%	-	-	8.2	-	-
Adjusted EBITDA	19.1	12.2	56.6%	21.1	-9.5%	32.2	55.9	-42.4%
EBITDA Margin	66.6%	47.5%		62.1%		45.9%	61.5%	

9. FINANCIAL STRUCTURE

9.1 Net Cash and Cash Consumption

According to the Cash Flow Statement (DFC, CPC – 03 R2), which considers only the variation in cash accounts and cash equivalents, the amount generated by operating, investing and financing activities in 9M24 was (+) R\$126.5 million, mainly impacted by:

(+) R\$141.4 million of operating income generated in the period, including variations in working capital, interest payments and taxes.

(+) R\$34.1 million from investment activities, a result influenced by:

- i) transfer of financial investments in the amount of (+) R\$ 292.2 million to Cash and Cash Equivalent;
- ii) acquisitions for fixed assets and biological assets, which together totaled (-) R\$ 221.4 million (of which R\$ 35.9 million refer to the acquisition of land by *Bahia Minas Bioenergia*);
- iii) equity interest in an energy generation company, in the amount of (-) R\$ 37.8 million (ref. APE – Self-production by equivalence, in Portuguese, *Autoprodução por equivalência*); and
- (iv) others, in the amount of (+) R\$ 1.1 million.

(-) R\$ 48.9 million from financing activities, whose impacts were:

- i) amortization of consolidated loans and financing in the amount of (-) R\$ 62.4 million (R\$ 19.8 million referring to BWG's debt with BNDES);
- ii) payment of leases/rents totaling (-) R\$ 70.2 million;
- (iii) Payment of interest on equity in the amount of (-) R\$ 35.6 million;
- (iv) capital injection in *Bahia Minas Bioenergia* (portion paid by the minority partner) in the amount of (+) R\$ 24.9 million; and
- (v) Raising of financial resources through advances on exchange contracts (ACC in Portuguese, *Contrato de Câmbio*) in the amount of (+) R\$ 94.3 million, at an average discount of 6.27% p.a., with monthly maturities in 2Q25 and 3Q25, average exchange rate of R\$/US\$ 5.38, with the objective of financing ferroalloy inventories and taking advantage of the favorable level of the exchange rate at the moment.

Also considering the "Financial Investments" account, whose variation was negative by R\$232.1 million, there was a total cash consumption of R\$105.6 million in 9M24. As of September 30, 2024, the consolidated financial reserve reached R\$1.067 billion (including cash, cash equivalents and marketable securities, of which R\$132.8 million came from BWG) and the consolidated debt amounted to R\$308.3 million (R\$195.0 million related to BWG's debt with BNDES – Brazilian Bank of Development, in Portuguese – *Banco Nacional do Desenvolvimento*). Thus, the Company ended 9M24 with a net cash position of R\$758.7 million.

Net Cash - Consolidated (R\$ million)	09/30/2024	12/31/2023	Δ
Cash and cash equivalents	468.3	341.8	126.5
Financial investments	598.7	830.8	(232.1)
Total Financial Reserve	1,067.0	1,172.6	(105.6)
Loans and financing*	(308.3)	(275.0)	(33.3)
Net Cash	758.7	897.6	(138.9)

(*) The value of the IOF on funding is R\$ 3.3 and R\$ 3.6 million for 09/30/24 and 12/31/23, respectively.

9.2 Net Financial Result

In 3Q24, the financial result totaled R\$ 25.2 million, 17.2% higher than the R\$ 21.5 million in the previous quarter. This increase was due to the combination of the 21.7% increase in financial revenue, mainly caused by the income from financial investments and the monetary adjustment of tax credits.

The 9M24 analysis points to a decrease of 16.4% in the financial result compared to 9M23, mainly caused by the drop in financial revenue, which fell 19.3% due to the lower interest rate for financial investments and cash consumption in the period.

In addition, we inform that the Company has US\$ 6.8 million in export lock, at an average exchange rate of R\$/US\$ 5.63 and maturing in 4Q24.

Financial result (R\$ million)	3Q24	2Q24	Δ %	3T23	Δ %	9M24	9M23	Δ %
Financial performance								
Financial income	38.1	31.3	21.7%	45.0	-15.3%	104.2	129.1	-19.3%
Financial expense	(15.1)	(12.6)	19.8%	(11.8)	28.0%	(37.2)	(40.0)	-7.0%
Net exchange rate variation	2.2	2.8	-21.4%	3.0	-26.7%	7.4	(0.1)	-
Total	25.2	21.5	17.2%	36.2	-30.4%	74.4	89.0	-16.4%

10. CAPEX

10.1 Operational

In 9M24, CAPEX totaled R\$221.4 million, which represents an increase of 1.9% compared to the total realized in 9M23. The following table shows the values segregated by business unit:

CAPEX (R\$ million)	Metallurgy	Mining	Forest	Bahia Minas	Wind power	9M24	9M23
Machinery and equipment	25.7	37.3	13.5	-	6.4	82.9	102.1
Biological asset	-	-	54.8	-	-	54.8	54.7
Land	-	-	-	35.9	-	35.9	23.4
Mines	-	15.9	-	-	-	15.9	15.1
Buildings	3.4	11.0	10.8	-	0.3	25.5	9.9
Vehicles and tractors	-	0.3	-	-	-	0.3	4.5
Furniture and utensils	0.2	-	-	-	-	0.2	-
Other (i)	2.2	0.7	2.5	-	0.5	5.9	7.5
Total	31.5	65.2	81.6	35.9	7.2	221.4	217.2



- (i) They include: advances, information technology, intangibles and others.

The most significant investments in the period were related to the acquisition of machinery and equipment (37.4%), mostly for the Metallurgy and Mining units, as well as maintenance of the biological asset (24.8%) for the Forest Resources area. Such expenses together represented 62.2% of the total CAPEX made in the period.

In addition, in 3Q24, *Bahia Minas Bioenergia* (subsidiary) acquired land in the amount of R\$ 35.9 million, from capital contributions of R\$ 11.0 million made by **FERBASA** and R\$ 24.9 million by the minority partner.

10.2 Equity interests

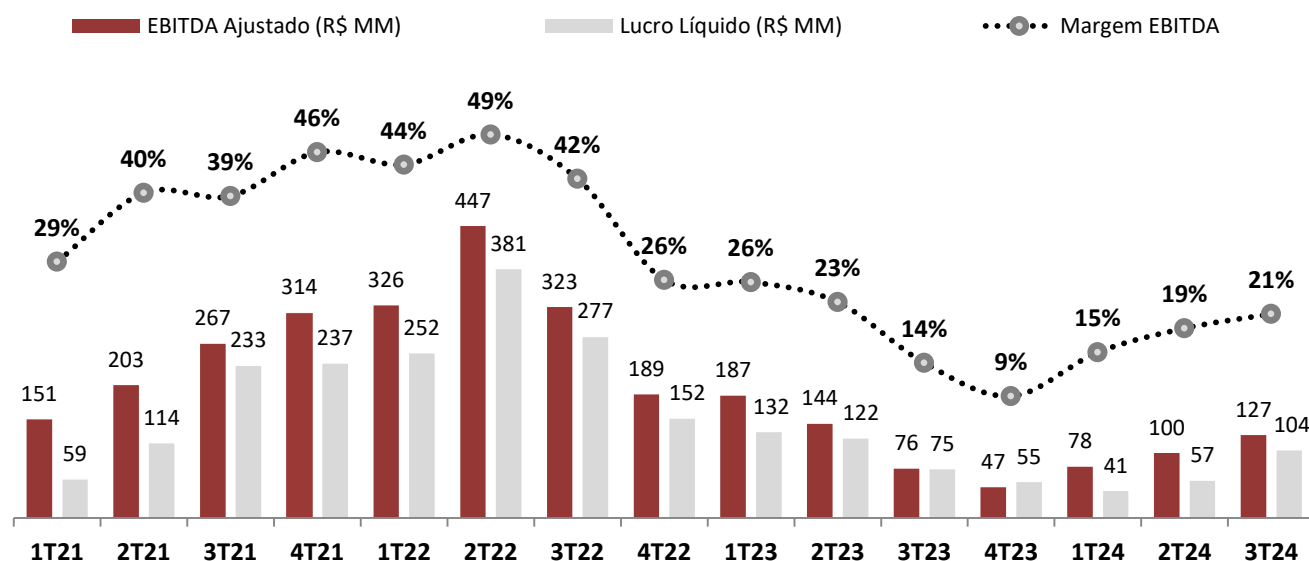
In 9M24, R\$ 37.8 million was disbursed for the acquisition of a 45% stake in the company NK232 (a company of the Auren Energia S.A. group) for the purpose of operating the *Ventos de São Ciro* (located in the Brazilian state of Piauí) and *Ventos de São Bernardo* (located in the Brazilian state of Pernambuco) wind farms, which will allow the supply of 35MW of average electricity to the Company for 20 years, under the self-production by equivalence (APE) regime, as disclosed to the market on February 9, 2024.

11. NET INCOME AND RESULTS

As a result of the effects mentioned in this report, consolidated net income in 3Q24 was R\$ 103.6 million (net margin of 17.3%). As a cumulative result in 9M24, net income was R\$ 201.5 million (margin of 12.4% on net revenue and a reduction of 38.5% compared to 9M23). The main elements that influenced the result of 9M24, in relation to the same period of the previous year, were:

- (i) Appreciation of 3.8% in the average dollar practiced;
- (ii) Decrease of 11.0% in the average price of ferroalloys in dollars;
- (iii) Reduction of 6.2% in the total sale of ferroalloys;
- (iv) Drop of 10.1% in the cost of goods sold (COGS) of ferroalloys;
- (v) Loss of R\$ 16.4 million for BW Guirapá;
- (vi) Revenue of R\$ 17.2 million, related to the constitution of tax credits, of which R\$ 12.8 million in other operating revenues and R\$ 4.4 million as financial income;
- (vii) Positive adjustment of R\$9.1 million for the calculation of the fair value of the biological asset for the period, of which (+) R\$34.9 million reflecting the market price of wood and the growth of the forest, and (-) R\$25.8 million for wood consumption;
- (viii) In addition, **FERBASA** achieved a consolidated cash burn of R\$105.6 million in 9M24.

The following chart shows the evolution of EBITDA, EBITDA margin and net income since 1Q21.



12. STATEMENT OF ADDED VALUE

The table below shows the wealth generated by the Company and its respective distribution. In 9M24, **FERBASA** generated R\$ 647.3 million.

DVA (R\$ million)	9M24	9M23	D%
Employees	327.6	311.9	5.0%
Government	102.8	157.5	-34.7%
Other (1)	15.4	35.4	-56.5%
Net Profit (2)	201.5	327.9	-38.5%
Total	647.3	832.7	-22.3%

(1) They refer to interest, rents, leases, financial expenses, passive exchange rate variation and others.

(2) Shareholders and retained earnings.

13. CAPITAL MARKETS AND INVESTOR RELATIONS

FERBASA maintains strict transparency standards to preserve the trust of related parties, prioritizing the timely disclosure of information, providing an institutional *website* and other direct communication channels with the Investor Relations area. In addition, the Company promotes conferences to disclose quarterly results and an annual public meeting. In this topic, a summary of the relevant information for our investors and the market in general will be presented.

13.1 Earnings

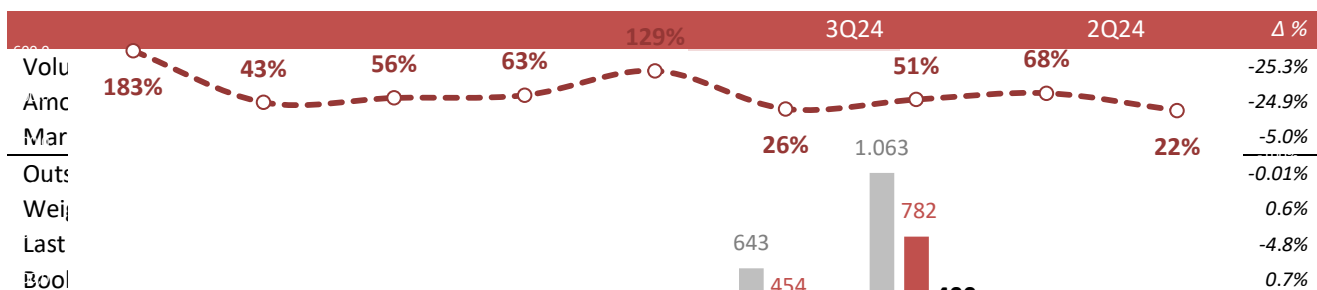
A regular payer of dividends, **FERBASA** portrays in the chart below a historical series of its profit distribution. Until 3Q24, the Company decided to distribute approximately R\$ 36.0 million in earnings in the form of JCP, achieving a *payout* of 23% in relation to adjusted earnings in 1H24.

13.2 FESA4 performance on B3

Lucro Líquido consolidado (R\$ MM)

Lucro Ajustado - base para distribuição (R\$ MM)

The following table shows some indicators of the behavior of FERBASA's preferred shares in 3Q24:



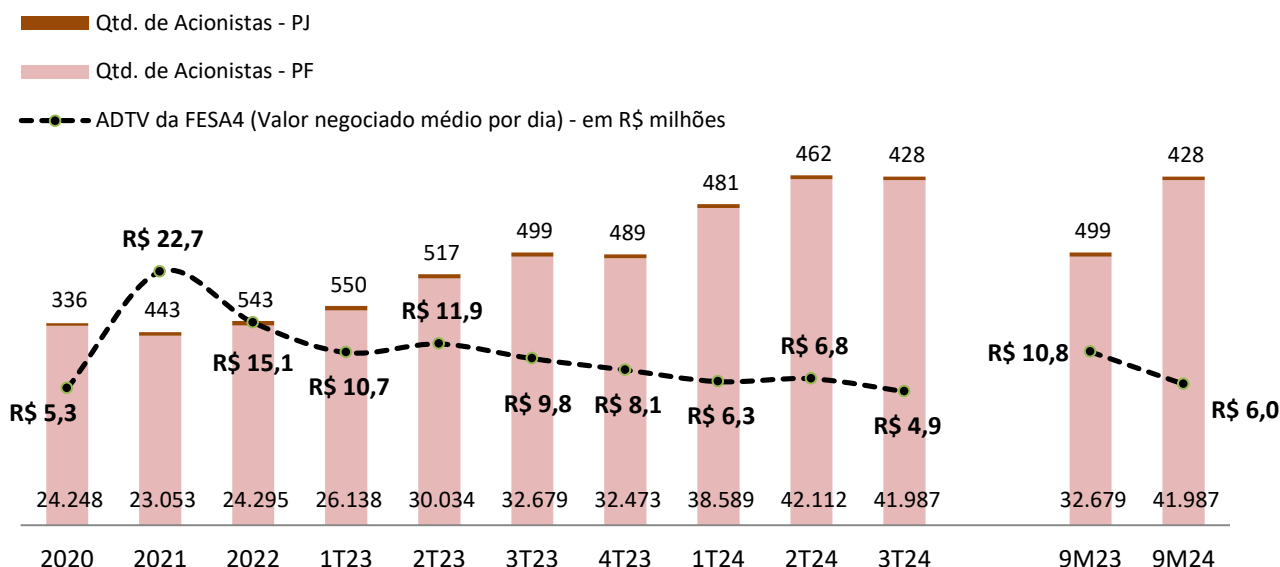
Notes:

(1) Nu
(2) To

The Company's ADTV (Average Daily Trading Volume) in 3Q24 reached R\$ 4.9 million and decreased 27.9% compared to 2Q24. In 9M24, ADTV decreased 44.6% compared to 9M23, due to the 27.5% retraction in the average price of FESA4, which exceeded the effect of growth in the average volume of PN's traded.

Analyzing the scenario of the Brazilian capital market, in 3Q24, despite the rise in the IBOV index associated with the positive balance of foreign investment in the stock market in July and August, steel-related stocks, in general, were penalized by the drop in the price of iron ore due to the reduction in its consumption in China. This effect is also reflected in FERBASA, as the price of its products is impacted by the same market.

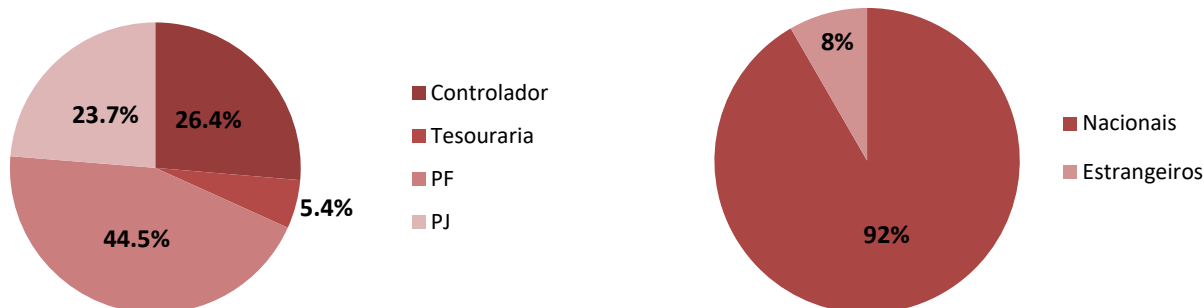
In the following chart, we present the evolution of the shareholder base by type of shareholder and the liquidity measured by ADTV.





13.3 Investor Profile

The shareholder profile of FERBASA's preferred shares (FESA4), based on the shareholder base on 09/30/2024, is as follows:



14. SUBSEQUENT EVENT

Cancellation of treasury shares

At the Board of Directors' meeting held on November 7, 2024, the cancellation of (i) thirty-five thousand (35,000) common shares (FESA3) and (ii) seventy thousand (70,000) preferred shares (FESA4), all registered and without par value, held in treasury, was approved.

The cancellation of shares will not reduce the Company's capital stock, which is R\$ 1,470,395,617.65 (one billion, four hundred and seventy million, three hundred and ninety-five thousand, six hundred and seventeen reais and sixty-five cents) and which will be divided into 353,175,000 (three hundred and fifty-three million, one hundred and seventy-five thousand) shares, with no par value, of which 117,725,000 (one hundred and seventeen million, seven hundred and twenty-five thousand) common shares and 235,450,000 (two hundred and thirty-five million, four hundred and fifty thousand) preferred shares.

In due course, an extraordinary general meeting will be called to adjust the number of shares in which it divides the capital stock set forth in Article 5 of the Company's Bylaws, in view of the cancellation herein resolved. After the cancellation, 125,000 (one hundred and twenty-five thousand) common shares (FESA3) and 12,663,200 (twelve million, six hundred and sixty-three thousand, two hundred) preferred shares (FESA4) will remain in treasury.

15. GLOSSARY

High Carbon Ferrochromium (HC FeCr) - An alloy of iron and chromium that has a carbon content, also known as "Charge Chromium", it is used in the manufacture of stainless steels and special alloys. Stainless steels are used in the food, chemical, cellulose, petroleum industries, in addition to the so-called "white goods", household utensils, civil construction and others.

Low Carbon Ferrochromium (LC FeCr) - An alloy of iron and chromium that has a carbon content of up to 0.15%, used during the production of steels to correct chromium content without causing undesirable variations in carbon content. Industrially, it has the same purpose as high carbon ferrochromium, being used in the production of stainless steels with wide application in the consumer goods industries.

Ferrosilicon Chromium (FeSiCr) - Reducing element in the manufacture of Low Carbon Ferrochromium and steels, for the addition of chromium and silicon.

Ferrosilicon 75 (FeSi75) - In steel production, Ferrosilicon 75 Standard is used as a deoxidizer and alloying element; in the foundry industry it serves as a graphitizing agent. High Purity Ferrosilicon (HP) is part of the manufacture of steels for the manufacture of transformers, hydroelectric plants, freezers, hermetic compressors for refrigerators and others.



Million tons (Mt) - According to the International System of Units (S.I.), the prefix that designates the million (mega) can be represented by the capital letter M. In the case of the ton, its representation in the S.I. is the lowercase letter t. Therefore, for millions of tons, the abbreviation Mt. can be adopted (conversion: 1 Mt = 1,000,000 t).



16. MAIN CONSOLIDATED FINANCIAL STATEMENTS (in R\$ thousands)

16.1 Balance sheet

ASSETS	9M24	2023	9M23
Current	1,808,627	1,584,250	1,686,372
Cash and cash equivalents	468,338	341,787	475,611
Financial investments	362,294	463,299	489,214
Accounts receivable from customers	235,250	197,566	172,193
Stocks	653,358	519,147	509,805
Taxes to be recovered	57,063	44,615	24,328
Anticipated expenses	5,085	6,038	3,258
Down Payment Vendor - Energy	-	167	667
Other assets	27,239	11,631	11,296
Non-Current	2,531,334	2,526,447	2,450,437
Financial investments	236,327	367,541	388,969
Stocks	3,396	8,051	8,051
Taxes to be recovered	6,018	6,932	7,678
Judicial deposits	9,484	9,520	9,366
Other credits	897	897	1,636
Investments	39,932	124	15,124
Fixed and intangible assets	1,752,240	1,687,877	1,609,520
Right of use in lease	102,496	96,952	90,752
Biological asset	380,544	348,553	319,341
Total Assets	4,339,961	4,110,697	4,136,809

The quarterly, parent and consolidated financial information, including explanatory notes and audit report of Pricewaterhousecoopers Auditores Independentes, are available on the [websites www.cvm.gov.br](http://www.cvm.gov.br), www.b3.com.br and www.ferbasa.com.br.



LIABILITIES AND STOCKHOLDERS' EQUITY	9M24	2023	9M23
Current	557,465	499,147	468,214
Suppliers	132,334	147,832	122,306
Advance on customers	34,113	29,419	10,129
Loans and financing	139,212	72,676	69,208
Cost of raising financing	(455)	(455)	(455)
Labor and actuarial obligations	98,793	104,064	106,755
Taxes and social contributions	33,444	24,138	24,492
CCEE reimbursement account	54,096	64,841	73,738
Proposed dividends and interest on equity	-	60	-
Rents payable	52,657	44,634	51,594
Other liabilities	13,271	11,938	10,447
Non-Current	398,560	420,063	418,694
Loans and financing	169,103	202,296	212,292
Cost of raising financing	(2,790)	(3,132)	(3,245)
Obligations with acquisition of subsidiary	4,978	4,978	4,978
Labor and actuarial obligations	62,052	58,552	53,659
Taxes and social contributions	3,587	3,587	3,587
Deferred taxes and social contributions	16,266	4,321	6,146
CCEE reimbursement account	15,407	2,254	-
Provision for contingencies	61,534	74,403	60,943
Provision for environmental liabilities	46,556	46,352	57,526
Rents payable	21,867	26,452	22,808
Total Stockholders' Equity	3,383,936	3,191,487	3,249,901
Shareholders' Equity Controlling Shareholders	3,357,464	3,190,099	3,248,512
Share Capital	1,470,396	1,470,396	1,470,396
Profit reserve	1,705,095	1,705,095	1,547,639
Equity valuation adjustments	41,927	40,362	43,094
Treasury shares	(25,754)	(25,754)	(25,754)
Accumulated profits	165,800	-	213,137
Participation of non-controlling shareholders	26,472	1,388	1,389
Total Liabilities and Equity	4,339,961	4,110,697	4,136,809

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16.2 Income Statement

	9M24		9M23		3Q24		3Q23	
	R\$ thousand	% NR	R\$ thousand	% NR	R\$ thousand	% NR	R\$ thousand	% NR
GROSS INCOME	1,838,119	100.0	2,134,753	100.0	681,925	100.0	632,469	100.0
Domestic market	1,039,458	56.6	1,234,916	57.8	417,033	61.2	421,392	66.6
Foreign market	798,661	43.4	899,837	42.2	264,892	38.8	211,077	33.4
Sales Taxes	(208,880)	(11.4)	(241,330)	(11.3)	(84,202)	(12.3)	(81,548)	(12.9)
NET REVENUE	1,629,239	100.0	1,893,423	100.0	597,723	100.0	550,921	100.0
Cost of goods sold	(1,313,546)	(80.6)	(1,433,576)	(75.7)	(498,721)	(83.4)	(478,123)	(86.8)
Variation in the FV of the biological asset	34,858	2.1	39,571	2.1	34,858	2.1	39,571	7.2
GROSS PROFIT	350,551	21.5	499,418	26.4	133,860	22.4	112,369	20.4
Operating Expenses								
With sales	(15,730)	(1.0)	(14,463)	(0.8)	(5,370)	(0.9)	(4,834)	(0.9)
Administrative	(97,044)	(6.0)	(85,977)	(4.5)	(39,178)	(6.6)	(29,676)	(5.4)
Remuneration of Adm and PLR	(61,633)	(3.8)	(69,999)	(3.7)	(23,827)	(4.0)	(19,766)	(3.6)
Other (Expense) Operating Income	(28,835)	(1.8)	(41,665)	(2.2)	(945)	(0.2)	(10,609)	(1.9)
Operating profit before financial result	147,309	9.0	287,314	15.2	64,540	10.8	47,484	8.6
Financial income	104,204	6.4	129,147	6.8	38,090	6.4	45,006	8.2
Financial expense	(37,227)	(2.3)	(40,105)	(2.1)	(15,102)	(2.5)	(11,799)	(2.1)
Net exchange rate variation	7,455	0.5	(56)	(0.0)	2,264	0.4	3,018	0.5
Financial Result	74,432	4.6	88,986	4.7	25,252	4.2	36,225	6.6
Profit before IRPJ/CSLL	221,741	13.6	376,300	19.9	89,792	15.0	83,709	15.2
IRPJ/CSLL	(20,254)	(1.2)	(48,438)	(2.6)	13,759	2.3	(9,182)	(1.7)
Net income for the period	201,487	12.4	327,862	17.3	103,551	17.3	74,527	13.5

BW Guirapá	9M24		9M23		3Q24		3Q23	
	R\$ thousand	% NR	R\$ thousand	% NR	R\$ thousand	% NR	R\$ thousand	% NR
NET REVENUE	70,066	100.0	90,932	100.0	28,693	100.0	34,017	100.0
Cost of goods sold	(73,187)	(104.5)	(61,355)	(67.5)	(23,827)	(83.0)	(22,027)	(64.8)
GROSS PROFIT (LOSS)	(3,121)	(4.5)	29,577	32.5	4,866	17.0	11,990	35.2
Operating Expenses								
General, adm. and other rec./desp. Operating	(6,404)	(9.1)	(6,081)	(6.7)	(1,880)	(6.6)	(1,892)	(5.6)
Operating profit (loss) before financial result	(9,525)	(13.6)	23,496	25.8	2,986	10.4	10,098	29.7
Financial income	11,386	16.3	12,759	14.0	3,477	12.1	4,941	14.5
Financial expense	(18,303)	(26.1)	(20,531)	(22.6)	(6,578)	(22.9)	(6,053)	(17.8)
Financial Result	(6,917)	(9.9)	(7,772)	(8.5)	(3,101)	(10.8)	(1,112)	(3.3)
Profit (Loss) before IRPJ/CSLL	(16,442)	(23.5)	15,724	17.3	(115)	(0.4)	8,986	26.4
IRPJ/CSLL	-	-	(2,182)	(2.4)	-	-	(1,092)	(3.2)
Net Income (Loss) for the Period	(16,442)	(23.5)	13,542	14.9	(115)	(0.4)	7,894	23.2

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16.3 Cash Flow Statement (Indirect)

CASH AND CASH EQUIVALENT	9M24	2023	9M23
Profit for the period/year	201,487	382,885	327,862
Net income adjustments			
Interest and net monetary and exchange rate variations	(44,698)	(54,730)	(39,790)
Depreciation, amortization and depletion	143,810	151,595	114,532
Biological asset depletion	49,695	64,425	47,433
Change in fair value of biological assets	(34,858)	(71,728)	(39,571)
Deferred taxes	11,182	24,888	25,289
Provision for profit sharing	37,394	-	50,631
Demobilization Provision (Reversal)	-	(10,627)	-
Post-employment benefit update	5,746	1,579	873
Constitution (reversal) of provision for contingencies	(13,599)	10,871	(1,924)
Other	9,201	6,568	4,483
	365,360	505,726	489,818
Reduction (increase) in asset accounts:			
Accounts receivable from customers	(31,704)	12,055	40,279
Stocks	(115,892)	64,935	71,554
Taxes to be recovered	(671)	(12,594)	9
Advance to vendors	167	2,000	1,500
Judicial deposits	(217)	31,460	31,440
Other assets	(13,953)	(3,728)	(368)
Increase (reduction) in liability accounts:			
Suppliers	(12,446)	20,086	(6,763)
Taxes and social contributions	(701)	(6,600)	(14,095)
Income tax and social contribution payable	36,195	11,796	23,098
Labor and actuarial obligations	(42,665)	(32,184)	(80,106)
CCEE reimbursement accounts	1,061	(9,756)	(3,600)
Advance on customers	4,694	(31,790)	(51,080)
Other liabilities	484	2,047	227
Income tax and social contribution paid	(26,338)	(43,537)	(40,663)
Interest paid in the year	(21,973)	(33,351)	(28,310)
Net cash generated from operating activities	141,401	476,565	432,940
Cash flow from investing activities			
Capex	(221,450)	(328,839)	(202,232)
Investment Property	-	-	(15,000)
Movement in financial investments	292,252	81,607	8,983
Sale of fixed assets	1,003	2,027	1,784
Other Equity Investments	(37,822)	-	-
Exchange variation on cash and equivalents	83	235	203
Net cash invested in investing activities	34,066	(244,970)	(206,262)
Cash flow from financing activities			
Loans and financing (ACC)	94,292	-	-
Amortization of loans and financing	(62,358)	(67,114)	(58,764)
Amortization of leases	(70,188)	(70,879)	(51,811)
Capital contribution	24,956	-	-
Dividends and interest on equity paid	(35,618)	(225,917)	(114,594)
Net cash applied in financing activities	(48,916)	(363,910)	(225,169)
Increase (decrease) in cash and cash equivalents	126,551	(132,315)	1,509
Cash and cash equivalent at the beginning of the period/financial year	341,787	474,102	474,102
Cash and cash equivalent at the end of the period/financial year	468,338	341,787	475,611
Net increase (decrease) in cash balance and cash equivalent	126,551	(132,315)	1,509
Net increase (reduction) in the balance of financial investments	(232,219)	19,810	67,153
Net increase (reduction) in the financial reserve	(105,668)	(112,505)	68,662

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CIA DE FERRO LIGAS DA BAHIA S.A. – FERBASA AND SUBSIDIARIES

Balance Sheet
In thousands of reais

ASSETS	note	Parent		Consolidated		LIABILITIES AND EQUITY	Note	Parent		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023			09/30/2024	12/31/2023	09/30/2024	12/31/2023
CURRENT						CURRENT					
Cash and cash equivalent	4	355.885	215.629	468.338	341.787	Suppliers	14	128.294	141.966	132.334	147.832
Financial Investments	5	362.294	463.299	362.294	463.299	Advances from customers	15	34.113	29.419	34.113	29.419
Accounts receivable	6	224.536	187.035	235.250	197.566	Loans and Financing	16	113.338	46.058	138.757	72.221
Inventories	7	653.358	519.147	653.358	519.147	Leases payable	17	52.042	44.010	52.657	44.634
Recoverable taxes	8	45.971	37.494	57.063	44.615	Labor and actuarial obligations	18	98.145	103.455	98.793	104.064
Prepaid expenses		5.085	6.038	5.085	6.038	Taxes and social contributions	19	32.535	23.424	33.444	24.138
Advances to suppliers		-	167	-	167	CCEE reimbursement account	23	-	-	54.096	64.841
Other assets		20.798	7.892	27.239	11.631	Proposed dividends and interest on equity		-	-	-	60
Total current assets		1.667.927	1.436.701	1.808.627	1.584.250	Other liabilities		11.197	10.116	13.271	11.938
						Total current liabilities		469.664	398.448	557.465	499.147
NON-CURRENT						NON-CURRENT					
Financial Investments	5	182.646	314.566	236.327	367.541	Taxes and social contributions - deferred	9	14.938	3.091	16.266	4.321
Inventories	7	3.396	8.051	3.396	8.051	Loans and financing	16	-	15.052	166.313	199.164
Recoverable taxes assets	8	6.018	6.932	6.018	6.932	Leases payable	17	15.639	19.584	21.867	26.452
Judicial deposits	10	8.934	8.970	9.484	9.520	Labor and actuarial obligations	18	62.052	58.552	62.052	58.552
Other credits		890	890	897	897	Taxes and social contributions	19	3.500	3.500	3.587	3.587
		201.884	339.409	256.122	392.941	Provision for environmental liabilities	21	16.994	17.729	46.556	46.352
						Provisions for contingencies	22	61.534	74.403	61.534	74.403
						CCEE reimbursement account	23	-	-	15.407	2.254
						Obligations with acquisition of subsidiary		4.978	4.978	4.978	4.978
						Total non-current liabilities		179.635	196.889	398.560	420.063
Investments	11	581.794	590.218	-	-						
Other Investments	11	39.886	78	39.932	124						
Permanent and Intangible Assets	12	1.036.544	977.265	1.738.993	1.673.511	EQUITY	25				
Right of use in leasing	12	93.822	88.018	102.496	96.952	Share capital		1.470.396	1.470.396	1.470.396	1.470.396
Intangible	12	4.362	5.194	13.247	14.366	Retained earnings		1.705.095	1.705.095	1.705.095	1.705.095
Biological Asset	13	380.544	348.553	380.544	348.553	Equity assessment adjustment		41.927	40.362	41.927	40.362
		2.136.952	2.009.326	2.275.212	2.133.506	Treasury shares		(25.754)	(25.754)	(25.754)	(25.754)
						Accumulated profit		165.800	-	165.800	-
Total non-current assets		2.338.836	2.348.735	2.531.334	2.526.447	Equity attributable to owners of the Company		3.357.464	3.190.099	3.357.464	3.190.099
						Participation of non-controlling shareholders		-	-	26.472	1.388
						Total Equity		3.357.464	3.190.099	3.383.936	3.191.487
TOTAL ASSETS		4.006.763	3.785.436	4.339.961	4.110.697	TOTAL LIABILITIES AND EQUITY		4.006.763	3.785.436	4.339.961	4.110.697

The notes are an integral part of these financial statements.

CIA DE FERRO LIGAS DA BAHIA S.A. – FERBASA AND SUBSIDIARIES

Income statements

Three-month and nine-month period ending September 30

(In thousands of Reais - R\$, except earnings per share)

	Note	Parent				Consolidated			
		01/01/2024 a	07/01/2024 a	01/01/2023 a	07/01/2023 a	01/01/2024 a	07/01/2024 a	01/01/2023 a	07/01/2023 a
		09/30/2024	09/30/2024	09/30/2023	09/30/2023	09/30/2024	09/30/2024	09/30/2023	09/30/2023
NET SALES REVENUE	27	1.559.343	569.086	1.802.661	516.960	1.629.239	597.723	1.893.423	550.921
Cost of goods sold	28	(1.242.043)	(475.455)	(1.373.864)	(456.649)	(1.313.546)	(498.721)	(1.433.576)	(478.123)
Variation in the fair value of biological assets		34.858	34.858	39.571	39.571	34.858	34.858	39.571	39.571
GROSS PROFIT		352.158	128.489	468.368	99.882	350.551	133.860	499.418	112.369
OPERATING EXPENSES	28								
Selling expenses		(15.730)	(5.370)	(14.463)	(4.834)	(15.730)	(5.370)	(14.463)	(4.834)
General and administrative expenses		(149.248)	(59.316)	(148.511)	(46.680)	(158.677)	(63.005)	(155.976)	(49.442)
Other operating income (expenses)		(25.598)	(589)	(37.522)	(9.481)	(28.835)	(945)	(41.665)	(10.609)
		(190.576)	(65.275)	(200.496)	(60.995)	(203.242)	(69.320)	(212.104)	(64.885)
Equity	11	(19.420)	(1.142)	11.604	7.137	-	-	-	-
OPERATING PROFIT		142.162	62.072	279.476	46.024	147.309	64.540	287.314	47.484
FINANCIAL RESULT	29								
Financial income		114.873	44.834	128.706	44.710	128.782	49.181	144.569	50.720
Financial costs		(36.041)	(17.348)	(35.047)	(8.440)	(54.350)	(23.929)	(55.583)	(14.495)
		78.832	27.486	93.659	36.270	74.432	25.252	88.986	36.225
PROFIT BEFORE PROFIT TAXES		220.994	89.558	373.135	82.294	221.741	89.792	376.300	83.709
INCOME TAX AND SOCIAL CONTRIBUTION	9								
Deferred		(8.611)	1.951	(20.336)	(3.063)	(9.073)	1.807	(23.149)	(4.361)
Diferidos		(11.083)	11.976	(25.115)	(4.768)	(11.181)	11.952	(25.289)	(4.821)
		(19.694)	13.927	(45.451)	(7.831)	(20.254)	13.759	(48.438)	(9.182)
NET PROFIT FOR THE PERIOD		201.300	103.485	327.684	74.463	201.487	103.551	327.862	74.527
Profit attributed to controlling shareholders						201.300	103.485	327.684	74.463
Profit attributed to non-controlling shareholders						187	66	178	64
BASIC/DILUTED PROFIT PER ON SHARE - BRL	26					0,55506	0,28535	3,61417	0,82128
BASIC/DILUTED PROFIT PER PN SHARE - BRL	26					0,61056	0,31388	3,97559	0,90341

The notes are an integral part of these financial statements.

CIA DE FERRO LIGAS DA BAHIA S.A. – FERBASA AND SUBSIDIARIES

Statements of comprehensive income

Three-month and nine-month period ending September 30

In thousands of Reais

		Parent				Consolidated			
		01/01/2024	07/01/2024	01/01/2024	07/01/2024	01/01/2024	07/01/2024	01/01/2024	07/01/2024
		to	to	to	to	to	to	to	to
Note		09/30/2024	09/30/2024	09/30/2024	09/30/2024	09/30/2024	09/30/2024	09/30/2024	09/30/2024
NET PROFIT FOR THE PERIOD		<u>201.300</u>	<u>103.485</u>	<u>327.684</u>	<u>74.463</u>	<u>201.487</u>	<u>103.551</u>	<u>327.862</u>	<u>74.527</u>
Other comprehensive results:									
Actuarial obligations	18	2.246	2.246	(6.824)	(6.824)	2.246	2.246	(6.824)	(6.824)
Effect of income tax and social contribution on actuarial obligations	18	(764)	(764)	2.320	2.320	(764)	(764)	2.320	2.320
Cumulative conversion adjustment	11	<u>83</u>	<u>7</u>	<u>203</u>	<u>(32)</u>	<u>83</u>	<u>7</u>	<u>203</u>	<u>(32)</u>
		1.565	1.489	(4.301)	(4.536)	1.565	1.489	(4.301)	(4.536)
TOTAL COMPREHENSIVE INCOME		<u>202.865</u>	<u>104.974</u>	<u>323.383</u>	<u>69.927</u>	<u>203.052</u>	<u>105.040</u>	<u>323.561</u>	<u>69.991</u>
Profit attributed to controlling shareholders						202.865	104.974	323.383	69.927
Profit attributed to non-controlling shareholders						187	66	178	64

The notes are an integral part of these financial statements.

Statement of changes in equity
In thousands of Reals

	Note	Share capital	Attributable controlling shareholders							Attributable to non-controlling shareholders	Total consolidated shareholder's equity	
			Profit reserves				Asset valuation adjustments	Treasury shares	Retained earnings			Total equity
			Legal	Tax incentive	For Investments	Profits to be realized						
BALANCES ON DECEMBER 31, 2022	25	1.225.444	205.182	542.706	995.108	49.595	47.395	(25.754)	-	3.039.676	1.211	3.040.887
Tax incentive reclassification		-	-	144	(144)	-	-	-	-	-	-	-
Capitalization of reserves		244.952	-	-	(244.275)	-	-	-	(677)	-	-	-
Other comprehensive results		-	-	-	-	-	(7.268)	-	-	(7.268)	-	(7.268)
Adjust asset valuation		-	-	-	-	-	235	-	-	235	-	235
Prescribed dividends		-	-	-	-	-	-	-	677	677	-	677
Complementary dividends/JCP		-	-	-	-	-	-	-	-	-	-	-
Net profit for the year		-	-	-	-	-	-	-	382.649	382.649	236	382.885
Profit destination:												-
Formation of reserves		-	19.133	32.836	104.810	-	-	-	(156.779)	-	-	-
Proposed dividends		-	-	-	-	-	-	-	-	-	(59)	(59)
Interest on equity		-	-	-	-	-	-	-	(225.870)	(225.870)	-	(225.870)
BALANCES ON DECEMBER 31, 2023	25	1.470.396	224.315	575.686	855.499	49.595	40.362	(25.754)	-	3.190.099	1.388	3.191.487
Adjust asset valuation		-	-	-	-	-	1.565	-	-	1.565	-	1.565
Capitalization		-	-	-	-	-	-	-	-	-	24.956	24.956
Supplementary dividends		-	-	-	-	-	-	-	-	-	(59)	(59)
Net profit for the period		-	-	-	-	-	-	-	201.300	201.300	187	201.487
Profit allocation:												
Interest on equity		-	-	-	-	-	-	-	(35.500)	(35.500)	-	(35.500)
BALANCES AS OF SEPTEMBER 30, 2024	25	1.470.396	224.315	575.686	855.499	49.595	41.927	(25.754)	165.800	3.357.464	26.472	3.383.936

The notes are an integral part of these financial statements.

CIA DE FERRO LIGAS DA BAHIA S.A. – FERBASA AND SUBSIDIARIES

Cash flow demonstrations

In thousands of Reals

		Parent		Consolidated	
	Note	09/30/2024	09/30/2023	09/30/2024	09/30/2023
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period		201.300	327.684	201.487	327.862
Adjustments to reconcile net income for the period with net cash generated by operating activities:					
Interest and net monetary and exchange variations		(57.095)	(54.435)	(44.698)	(39.790)
Depreciations, amortizations and depletions	12	110.151	81.894	143.810	114.532
Depletion of biological assets	13	49.695	47.433	49.695	47.433
Change in fair value of biological assets	18	(34.858)	(39.571)	(34.858)	(39.571)
Equity	11	19.420	(11.604)	-	-
Gain/loss on write-off/disposal		572	111	1.143	111
Deferred taxes	9	11.083	25.115	11.182	25.289
Provision for profit sharing	18	37.394	50.631	37.394	50.631
Provision (reversal) of Demobilization					
Provision (reversal) for loss in inventory	12				
Post-employment benefit update	18	5.746	873	5.746	873
Constitution (reversal) of provision for contingencies	22	(13.599)	(1.924)	(13.599)	(1.924)
Low biological asset		1.024	-	1.024	-
Others		3.296	448	7.034	4.372
Decrease (increase) in asset accounts:					
Accounts receivable		(31.520)	40.868	(31.704)	40.279
Inventories		(115.892)	71.554	(115.892)	71.554
Recoverable taxes assets		3.098	(423)	(671)	9
Advance to suppliers		167	1.500	167	1.500
Judicial deposits		(217)	31.894	(217)	31.440
Other assets		(11.774)	(717)	(13.953)	(368)
Increase (decrease) in liability accounts:					
Suppliers		(10.581)	(4.078)	(12.446)	(6.763)
Taxes and social contributions		(936)	(12.904)	(701)	(14.095)
Income tax and social contribution		35.831	20.336	36.195	23.098
Labor and actuarial obligations		(42.704)	(80.088)	(42.665)	(80.106)
CCEE reimbursement account		-	-	1.061	(3.600)
Advances from customers		4.694	(51.080)	4.694	(51.080)
Other liabilities		232	167	484	227
Income tax and social contribution paid		(25.784)	(38.279)	(26.338)	(40.663)
Interest paid in the period		(8.925)	(13.749)	(21.973)	(28.310)
Net cash generated by operating activities		129.818	391.656	141.401	432.940
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Acquisition of Permanent Assets	12	(123.515)	(135.373)	(166.670)	(147.566)
Cost of planting and maintenance of biological assets	13	(54.780)	(54.666)	(54.780)	(54.666)
Investment property		-	(15.000)	-	(15.000)
Receipt for sale of permanent assets		1.003	1.784	1.003	1.784
Financial applications and redemption		288.945	3.606	292.252	8.983
Contribution to subsidiaries		(10.974)	(2.651)	-	-
Equity investment		(37.822)	-	(37.822)	-
Dividends Received		548	141	-	-
Net cash invested in investment activities		63.405	(202.159)	33.983	(206.465)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan and financing acquisition (ACC)	16	94.292	-	94.292	-
Amortization of loans and financing	16	(42.607)	(39.239)	(62.358)	(58.764)
Lease amortization	17	(69.152)	(50.636)	(70.188)	(51.811)
Capital contribution		-	-	24.956	-
Dividends and interest on equity paid		(35.500)	(114.547)	(35.618)	(114.594)
Net cash invested in financing activities		(52.967)	(204.422)	(48.916)	(225.169)
EXCHANGE VARIATION WITHOUT CASH AND EQUIVALENTS					
		-	-	83	203
NET INCREASE (REDUCTION) IN THE BALANCE OF CASH AND CASH EQUIVALENTS					
		140.256	(14.925)	126.551	1.509
Cash and cash equivalents at the beginning of the year	4	215.629	355.370	341.787	474.102
Cash and cash equivalents at the end of the period	4	355.885	340.445	468.338	475.611
NET INCREASE (REDUCTION) IN THE BALANCE OF CASH AND CASH EQUIVALENTS					
		140.256	(14.925)	126.551	1.509

The notes are an integral part of these financial statements.

CIA DE FERRO LIGAS DA BAHIA S.A. – FERBASA AND SUBSIDIARIES

Statements of added value

In thousands of Reais

	Note	Parent		Consolidated	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023
SALES REVENUE		1.764.901	2.040.367	1.838.119	2.134.752
Other income		38.210	6.999	41.102	8.148
Provision/Reversal of Doubtful Credits		-	-	-	-
		1.803.111	2.047.366	1.879.221	2.142.900
INPUTS PURCHASED FROM THIRD PARTIES					
Cost of goods sold (includes raw materials)		(623.999)	(783.545)	(549.944)	(722.839)
Materials, energy, third-party services and others		(497.203)	(475.689)	(613.919)	(566.722)
GROSS VALUE ADDED		681.909	788.132	715.358	853.339
Depreciation, amortisation and depletion	12 e 13	(159.846)	(129.327)	(193.505)	(161.965)
Capital gain	11	-	-	(3.314)	(3.314)
NET VALUE ADDED PRODUCED BY THE COMPANY		522.063	658.805	518.539	688.060
ADDED VALUE RECEIVED IN TRANSFER					
Financial income	29	114.873	128.706	128.782	144.569
Equity	11	(19.420)	11.604	-	-
TOTAL ADDED VALUE TO DISTRIBUTE		617.516	799.115	647.321	832.629
DISTRIBUTION OF ADDED VALUE					
Employees:					
Salaries and wages		256.166	250.847	260.960	254.980
Benefits		49.688	41.057	50.161	41.454
FGTS (Service Time Guarantee Fund)		16.334	15.374	16.445	15.474
		322.188	307.278	327.566	311.908
Taxes, fees and contributions:					
Federal		81.883	116.013	86.666	123.600
State		13.522	32.421	14.244	32.640
Municipal		1.702	1.080	1.892	1.243
		97.107	149.514	102.802	157.483
Third-party capital remuneration		(3.079)	14.639	15.466	35.376
Equity remuneration					
Interest on equity/Dividends		35.500	114.547	35.500	114.547
Retained earnings		165.800	213.137	165.800	213.137
Participation of non-controlling		-	-	187	178
		201.300	327.684	201.487	327.862
DISTRIBUTED VALUE ADDED		617.516	799.115	647.321	832.629

The notes are an integral part of these financial statements.