



1Q25 Results Conference

FESA

B3 LISTED N1

Notice

Cia de Ferro Ligas da Bahia – FERBASA (B3: FESA3 and FESA4), the main supplier of ferroalloys in Brazil and the only producer of ferrochrome in the Americas, discloses the results related to the **financial performance of the first quarter of 2025**, containing quarterly interim information of the individual and consolidated prepared in accordance with the accounting practices adopted in Brazil, based on the *Lei das Sociedades por Ações* (a Model Business Corporation Act – MBCA-like law), in the rules and pronouncements of the *Comissão de Valores Mobiliários – CVM* (*Securities and Exchange Commission of Brazil*), and the *Comitê de Pronunciamentos Contábeis – CPC* (*Accounting Announcements Committee*) 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, as the case may 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.





AGENDA

1. Institutional Vision
2. 1Q25 Highlights
3. Operational and Financial Performance
4. Capital Markets
5. Market Overview
6. Strategic Projects

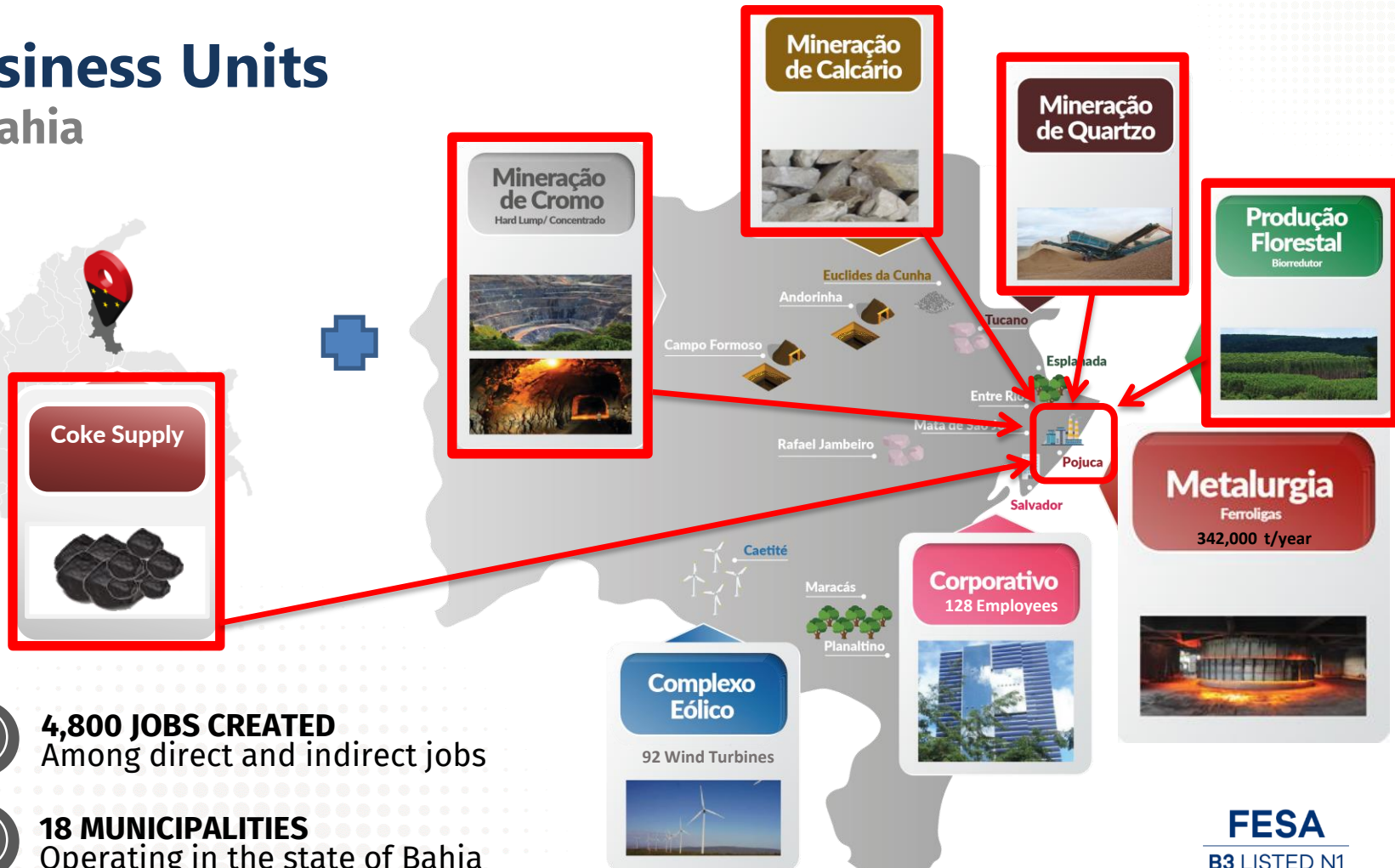


Institutional Video



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Business Units in Bahia



Verticalization of Operations

Safetu and quality in the production of Cr and Si alloys

Production of chromium ore



Chromite – **510,000 t/year**



Quicklime Productions



Quicklime – **22,000 t/year**



Production of Bioreducer



Bioreducer – **135,000 t/year**



Production of Quartz



Quartz – **100,000 t/year**



Power Generation



Wind – **92 Wind Turbines**

Metallurgy - FeCr



Ferrochrome in 8 furnaces
229 thousand t/year



HC Ferrochrome



Ferrosilicon
Chrome



LC Ferrochrome

Metallurgy - FeSi



Ferrosilicon in 6 furnaces
113 thousand t/year



Ferrosilicon STD and HP

7 Wind Farms

Installed Power: **170.2 MW**
Physical Guarantee: **average**
81.MW
PPA (PPA – Multi-Annual Plan)
with CCEE – **up to 2036**

METALLURGICAL Capacity
342,000 t/year

1Q25 x 4Q24 Highlights



- **Adjusted EBITDA reached R\$ 61.1 million** and grew 30%.
- **Consolidated net income reached R\$ 24,2 million** and decreased 80,8%.
- **Cash generation of R\$ 8,2 million in 1Q25.**



- **47.3% decrease in financial results** due to the 59.6% reduction in financial revenue, which, in 4Q24, was impacted by R\$ 56.8 million due to the monetary adjustment of recovered tax credits.



- **5.8% reduction in sales volume**, with a decrease of 20.5% in exports and an increase of 10.5% in remittances to the domestic market.
- **Appreciation of 3.1% in the average dollar** practiced.
- **Drop of 6.6% in the average selling price**, in dollars, of ferroalloys.



- **1.9% decrease in COGS** of ferroalloys, due to the decrease in sales volume and the increase in production costs, especially electricity and chrome ore.



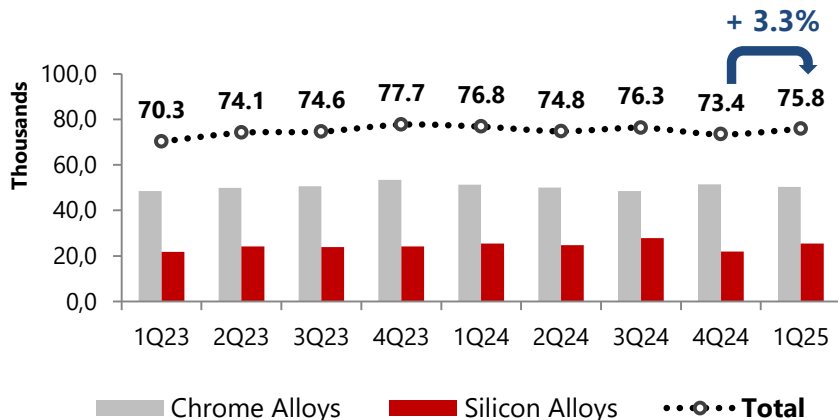
- **3.3% increase in ferroalloy production**, with an increase of 16.4% in the manufacture of silicon alloys and a decrease of 2.2% in chromium alloys. In the case of HP FeSi, there was an increase of 6.2%.



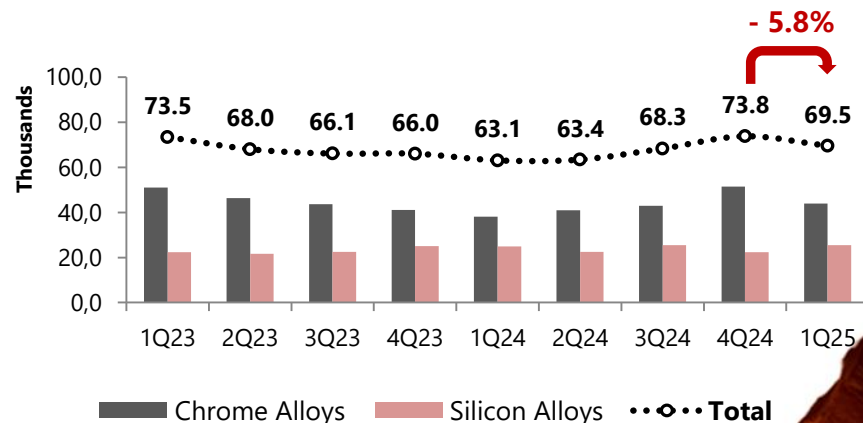
- **CAPEX paid R\$ 42.5 million** and decreased 61.9% compared to 4Q24.

Operational Performance

Production of Ferroalloys (t)

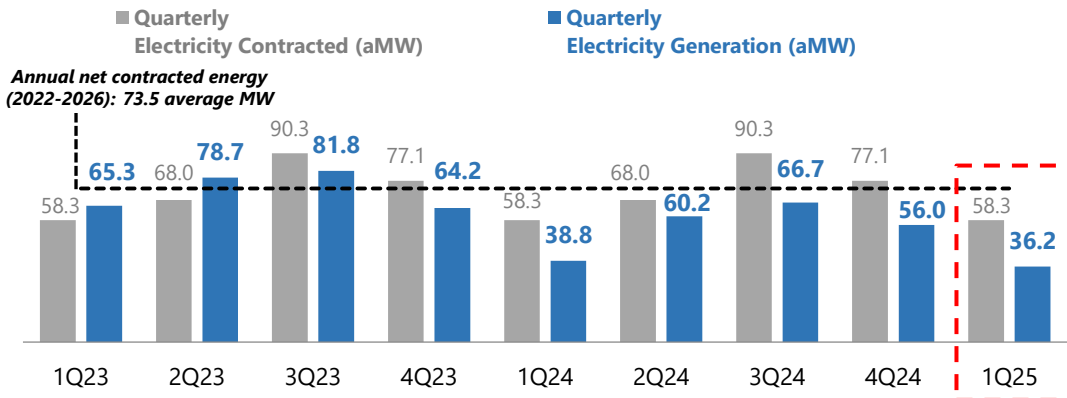


Sales of Ferroalloys (t)



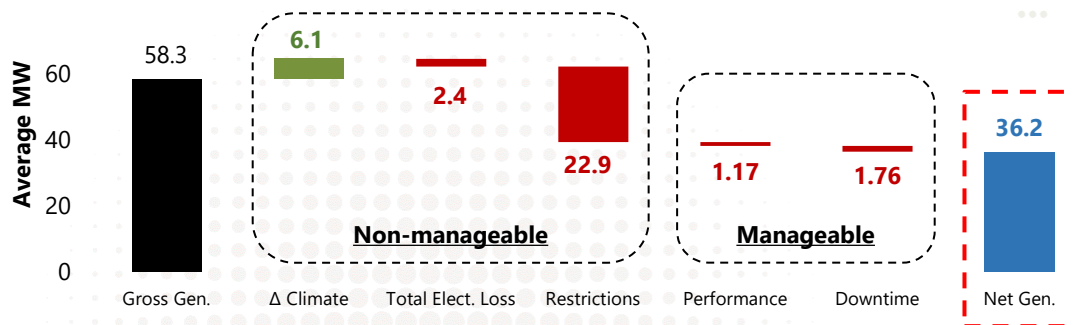
- **3.3% increase in ferroalloy production** compared to 4Q24, with an increase of 16.4% in silicon alloys and a reduction of 2.2% in chromium. The production of **HP FeSi** increased 6.2% in 1Q25, reaching 34.0% of the total silicon alloys produced.
- **Decrease of 5.8% in the sale of ferroalloys in 1Q25**, compared to 4Q24, with the following configuration:
 - An increase of 10.5% in MI**, mainly driven by the reestablishment of inventories in the national steel sector.
 - 20.5% reduction in the ME** due to the numerous challenges of international logistics and protectionist actions by the USA.

Evolution of Contracted Energy x Net Generation



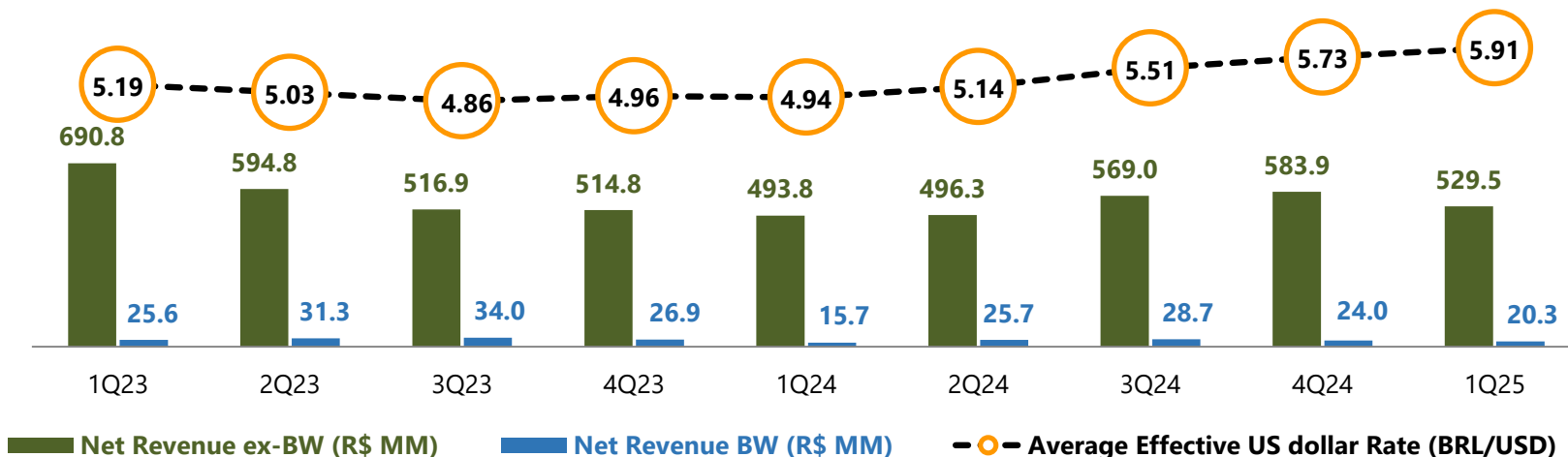
- In 1Q25, BWG's net electricity generation reached 36.2 average MW, a level 37.9% lower than the 58.3 average MW contracted for the period.

Gross contracted generation x Net generation - 1Q25



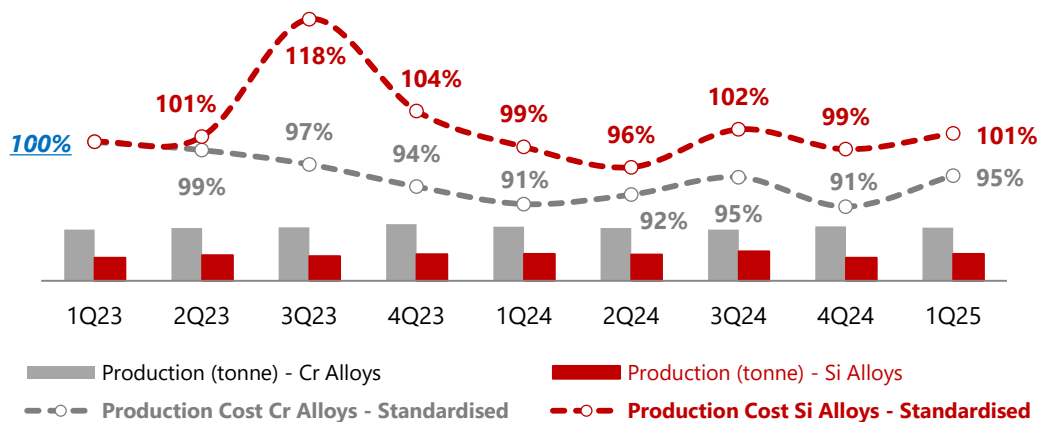
- The deviations recorded in non-manageable factors (-19.2 MW average) were decisive in the energy generation observed in 1Q25, with a negative highlight for the restrictions imposed by the ONS and positive for the climate.
- Manageable factors** (-2.9 average MW) were influenced by the performance of the equipment and by damage to wind turbines, especially gearboxes.

Net Revenue and Exchange Rate Variation

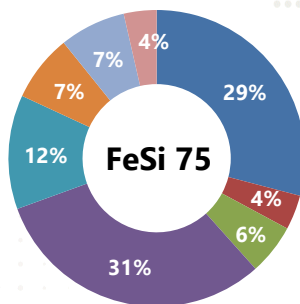
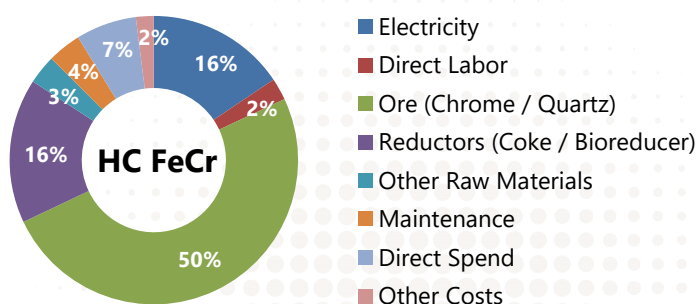


- Consolidated net revenue for 1Q25** totaled R\$ 549.8 million and **decreased 9.5% compared to 4Q24**, in line with the 9.3% decline in ferroalloy revenue. This variation expresses the combination between the **6.6% decreases in the average price of alloys in dollars** and **5.8% in sales volume**, partially offset by the **3.1% increase in the average dollar practiced**.
- In 1Q25, the **Foreign Market** represented **44%** and the Domestic Market 56% of consolidated net revenue.

Evolution of production costs



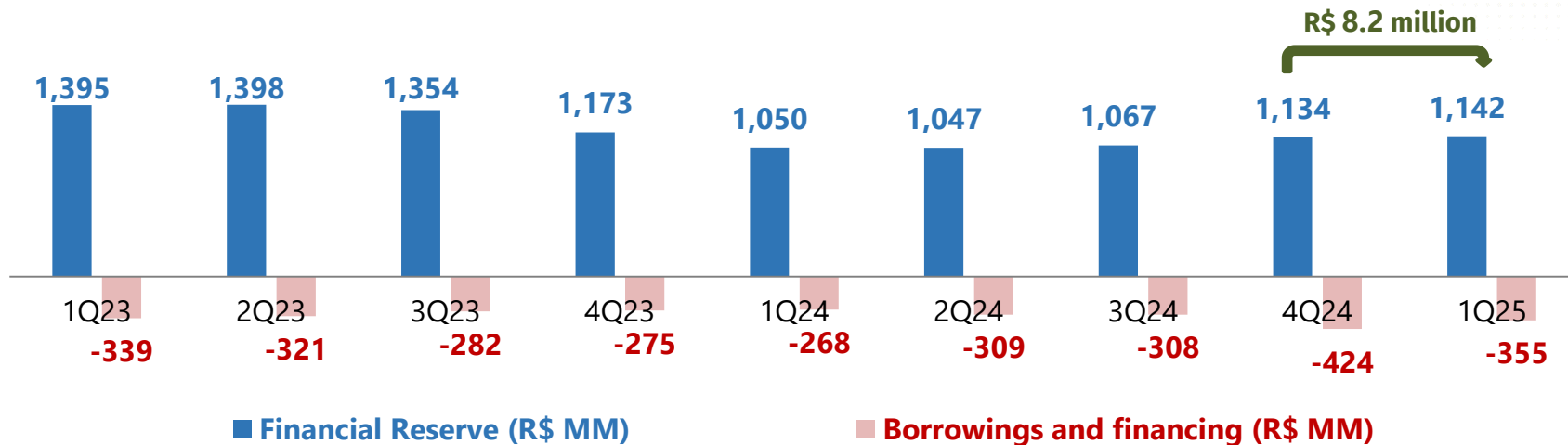
Composition of Production Costs – 1Q25



1Q25 x 1Q24 PRODUCTION COST HIGHLIGHTS

- **Increase of 11.2% in the COGS of ferroalloys**, justified by the 10.2% increase in sales volume, in addition to the higher costs of electricity and chromium ore.
- **12.2% increase in the cost of electricity** consumed due to the return of the CHESF contract tariff to the usual levels and the start of supply from Auren (APE), in addition to the favorable fluctuations in sectoral charges.
- **HC FeCr: Increase in energy and chromium ore costs** influenced directly the production cost of the alloy.
- **LC FeCr: Progress in energy and quicklime expenses**, the latter, due to the need for adjustments in the new calcination plant.
- **FeSi 75: stability in production costs** due to the combination of high electricity expenses and low expenditures on all other relevant inputs.

Financial Reserve and Indebtedness



HIGHLIGHTS OF CASH GENERATION OF R\$ 8.2 MILLION IN 1Q25:

- ✓ **Operating Result** of R\$ 113.3 million, considering the receipt of tax credit of R\$ 59 million;
- ✓ **Amortization of loans and financing** in the amount of R\$ 49.6 million;
- ✓ Realization of R\$ 42.5 million in **CAPEX** and R\$ 25.3 in contribution to **Equity Interest**, of which R\$ 16.3 million the Bahia Minas Bioenergia company and R\$ 9.0 million in BW Guirapá;

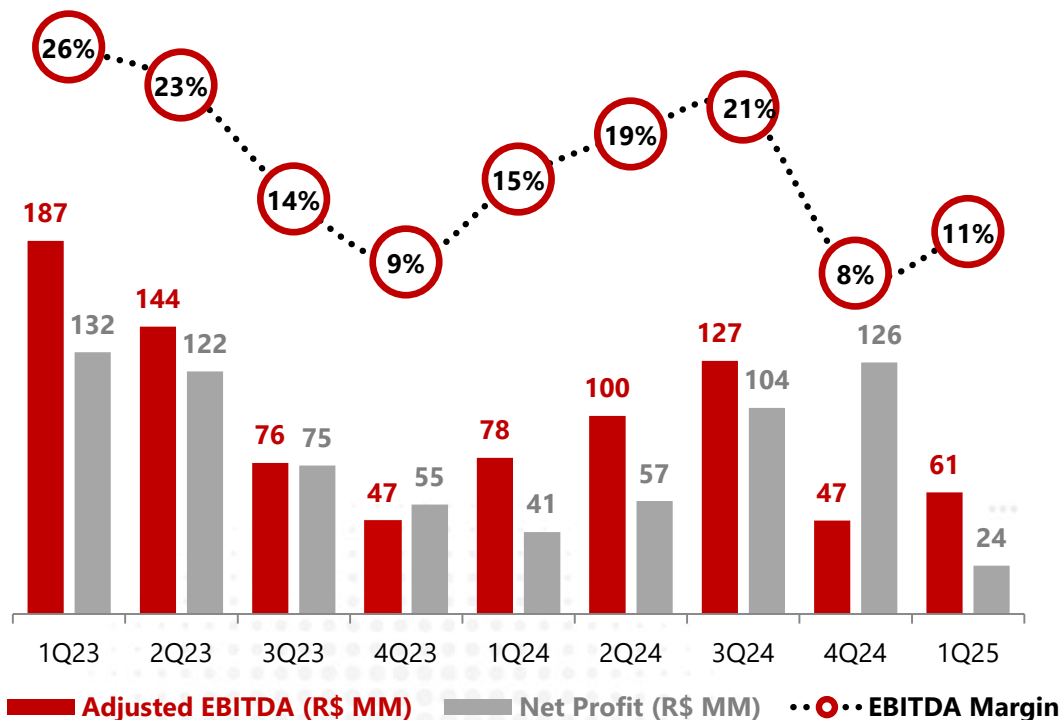
Financial Result

Financial result (R\$ million)	1Q25	4Q24	Δ%	1Q24	Δ%
Financial performance					
Financial income	41.6	102.9	-59.6%	34.8	19.5%
Financial expense	(16.0)	(17.0)	-5.9%	(9.5)	68.4%
Net exchange rate variation	13.1	(12.4)	-	2.4	445.8%
Total	38.7	73.5	-47.3%	27.7	39.7%

HIGHLIGHTS OF THE FINANCIAL RESULTS 1Q25 x 4Q24

- **Financial revenue of R\$ 41.6 million** decreased 59.6% compared to 4Q24, a quarter in which revenue had been boosted by R\$56.8 million by the monetary adjustment of recovered tax credits.
- **Financial expense of R\$ 16.0 million** reduced 5.9% compared to 4Q24 mainly due to debt amortization.
- **Net exchange variation of R\$ 13.1 million**, in 1Q25, it represented a positive oscillation of R\$ 25.5 million compared to 4Q24.

Profit and Adjusted EBITDA - Consolidated

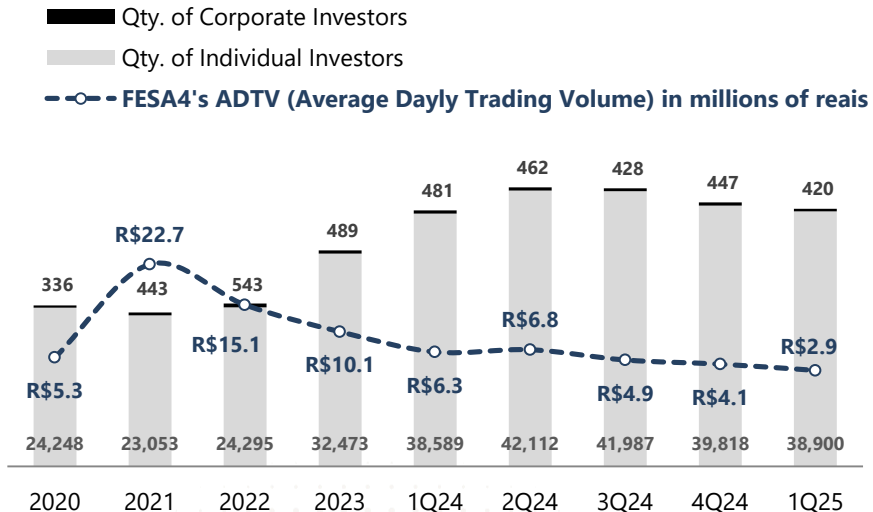


1Q25 x 4Q24 PROFIT HIGHLIGHTS

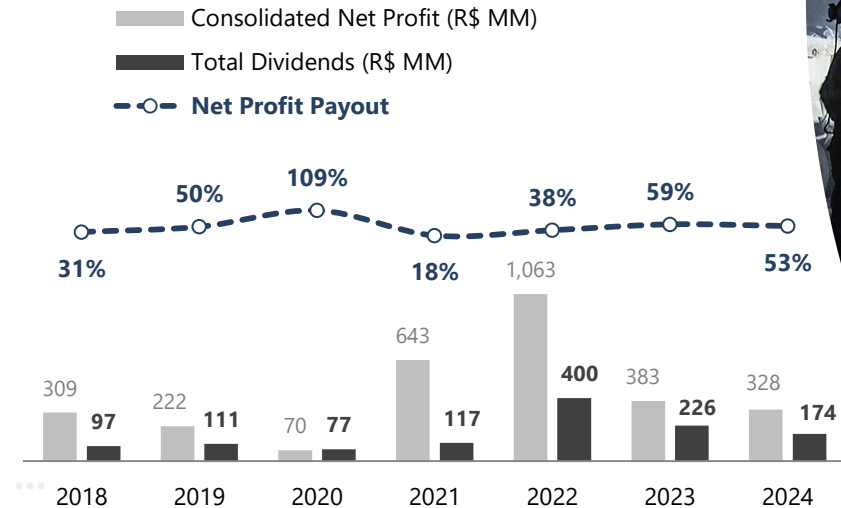
- **Appreciation of 3.1% in the average dollar** practiced.
- **Drop of 6.6% in the average price** of ferroalloys in dollars.
- **Reduction of 5.8%** in the total sales volume of ferroalloys.
- **Drop of 1.9% in COGS** of ferroalloys.
- **BWG's loss of R\$ 9.3 million.**
- **Revenue of R\$ 2.4 million, related to the recovery of tax credits.**

Equity Liquidity (ADTV) – FESA4

(ref. 03/31/2025)



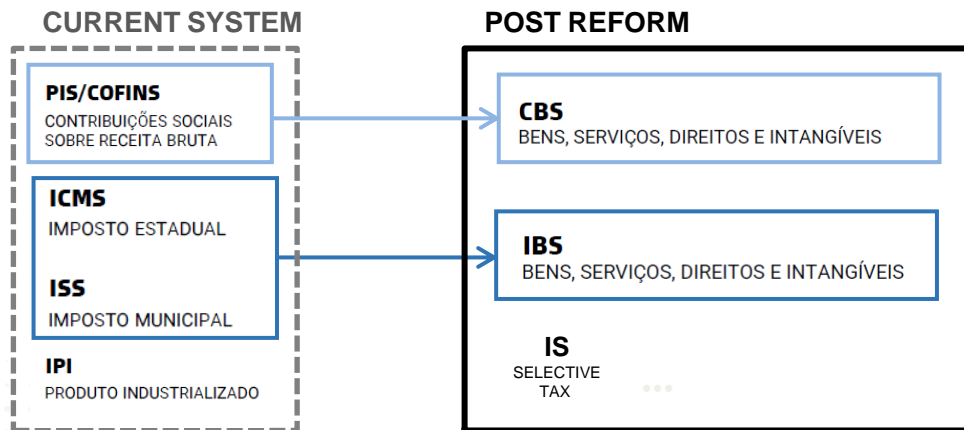
Dividends distributed by fiscal year– FESA4



- **ADTV, in 1Q25, reached R\$ 2.9 million and decreased 28.5%** compared to 4Q24, mainly influenced by the 27.5% reduction in the average volume traded. This result reflects the level of uncertainty in the market in relation to the Brazilian steel segment, regarding the scenario imposed by protectionist measures around the world.

Preparation for Tax Reform

The transition period of the Tax Reform will begin in 2026 and is expected to be completed in 2033. The new taxation model, sanctioned in January 2025, will be the Value Added Tax (Dual VAT) — one contemplating federal taxes (CBS), another state/municipal (IBS) and the Selective Tax.

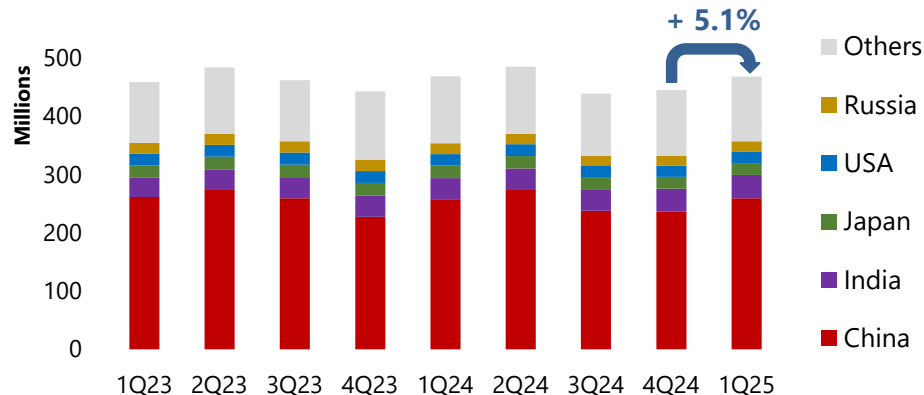


Adequacy plan:

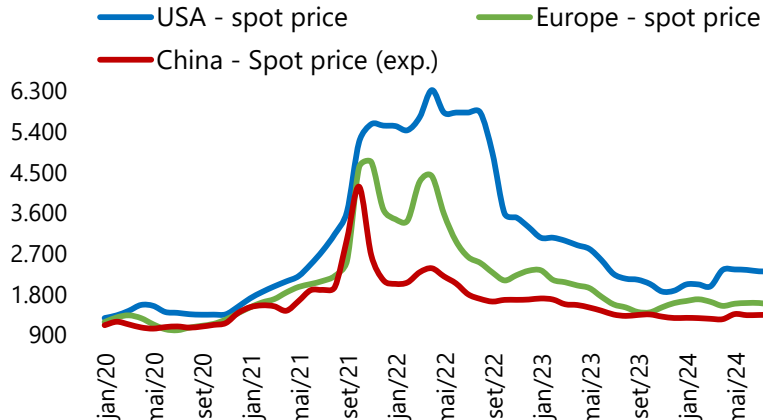
- **1st semester 2025** – hiring a consultancy for final diagnosis of the need for adjustments in the systems and processes of the tax area.
- **2nd semester 2025** – Improvements and tests, and effective implementation.

Market Overview - Crude Steels and FeSi

World crude steel production (t)



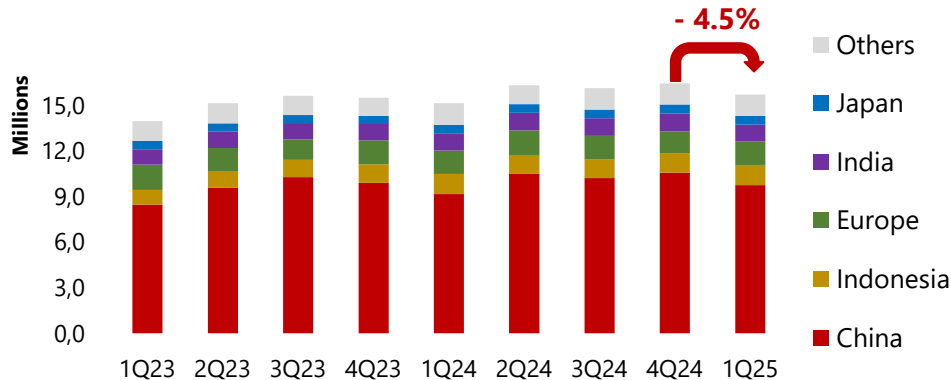
FeSi 75 price Evolution (USD/t)



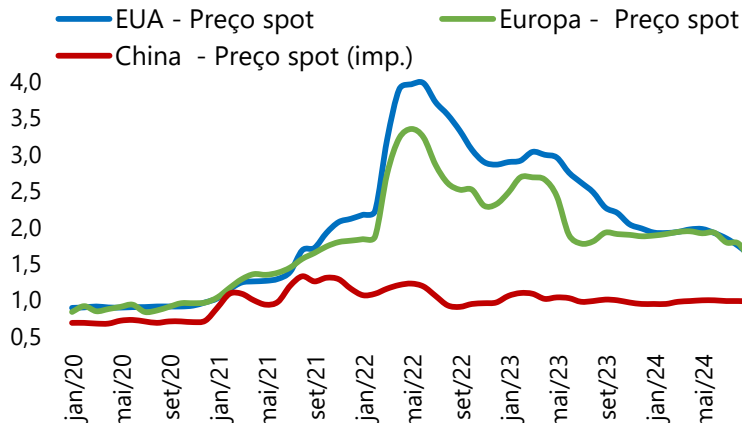
- **According to IABr, in 1Q25 Brazilian crude steel production was stable (+0.6%) compared to 4Q24**, stimulated by the improvement in domestic consumption (+4.7%) and exports (+37.3%), being contained by the 26.6% jump in imports. Compared to 1Q24, production in 1Q25 grew 2.8%, basically reflecting the 13.3% increase in demand and 29.6% in imports.
- **FeSi 75 prices decreased in the US and China** between 4Q24 and 1Q25 due to the excess supply from previous quarters and the reduction in production costs linked to coal. **In Europe, there was an increase in the price of FeSi 75** associated with the increase in natural gas prices and, consequently, in energy tariffs.

Market Overview - Stainless Steel and FeCr

Worldwide production of stainless steels (t)



HC FeCr price evolution(USD/lb)



- According to estimates from specialized reports, **in 1Q25, Brazilian production of stainless steel decreased 5.9%** compared to 4Q24. Compared to the first quarter of the previous year, the production of stainless steel in Brazil advanced 6.0% in 1Q25.
- The average price of the Chinese HC FeCr declined between 4Q24 and 1Q25**, influenced by the reduction in the price of chromium ore and the oversupply of HC FeCr from previous quarters. **Prices of Ore and HC FeCr returned to rise after the Chinese New Year**, both benefited from the resumption of FeCr consumption, the restriction of supply and the increase in production costs.
- The average price of HC FeCr also regressed in Europe and the US between 4Q24 and 1Q25.**

Strategic projects



Production of Ferroalloys



Bioreducer Supply



Quicklime



Chromium Ore



Coke



Competitive Energy



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Heron Albergaria de Melo
CFO & Investor Relations Officer

Carlos Henrique Temporal
Investor Relation Manager

+55 71 3404 3065 / 3066 / 3023

www.ferbasa.com.br/ri
dri@ferbasa.com.br

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