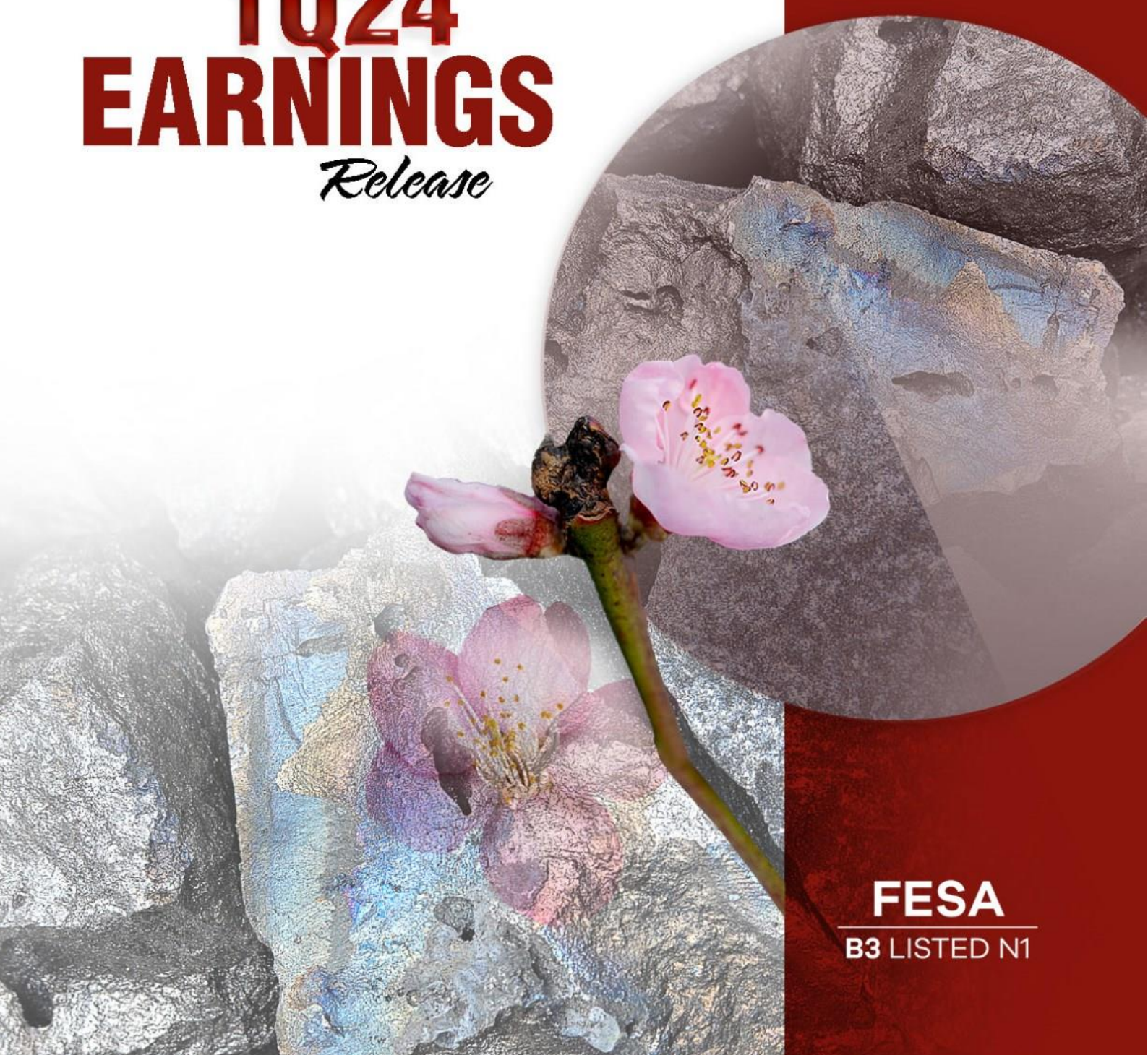




**Ferbasa**

# 1Q24 EARNINGS

*Release*



**FESA**  
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 producer of Ferrochrome in the Americas, discloses the results regarding the **economic and financial performance of the first quarter of 2024**, whose quarterly interim information, from the parent company and consolidated, was prepared in accordance with the accounting practices adopted in Brazil, based on the Brazilian Corporation Law, the rules and pronouncements of the Brazilian Securities and Exchange Commission (**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 regarding **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 warn 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, expressed 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  
PN+ON in the stock market: 161.830 thsnd.  
Market value: R\$ 3.9 billion

## INVESTOR RELATIONS

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## AGENDA

Results Conference  
May 15, 2024  
3:00 p.m. (Brasilia time)  
2:00 p.m. (NY time)  
Access: [click here](#)

## 1. HIGHLIGHTS OF CONSOLIDATED RESULTS

The table below shows the highlights of 1Q24 compared to 4Q23 and 1Q23.

Highlights (in R\$ million)	1Q24	4Q23	Index	1Q23	Δ%
Average US dollar practiced	4.94	4.96	-0.4%	5.19	-4.8%
Net Revenue	509.5	541.7	-5.9%	716.4	-28.9%
Cost of Goods Sold	412.0	467.6	-11.9%	495.9	-16.9%
<i>Cost over revenue</i>	80.9%	86.3%		69.2%	
Adjusted EBITDA	78.4	47.0	66.8%	187.3	-58.1%
<i>EBITDA Margin</i>	15.4%	8.7%		26.1%	
Net Income	41.1	55.0	-25.3%	131.6	-68.8%
<i>Profit margin</i>	8.1%	10,2%		18,4%	

**PRODUCTION** – In 1Q24, 76.8 thousand tons of ferroalloys were produced, a slight decrease of 1.1% compared to 4Q23, due to the combination of the 4.0% reduction in the production of chromium alloys and the 5.2% increase in silicon alloys. In the case of HP FeSi, production maintained its share of 43.9% of the total silicon alloys recorded in the previous quarter.

**SALES VOLUME** – 63.1 thousand tons of ferroalloys were sold in the first quarter of the year, 4.5% less than in 4Q23. This change was influenced by the 5.1% reduction in sales to the foreign market (ME) and the 13.3% increase in volumes destined for the domestic market (MI).

**NET REVENUE** – In 1Q24, net revenue totaled R\$509.5 million, a decrease of 5.9% when compared to 4Q23. This result was mainly driven by the 4.5% decline in the volume of ferroalloy sales, despite the stability in the average dollar and the slight increase of 1.1% in the average dollar price of alloys.

**COST OF GOODS SOLD** – Consolidated COGS reached R\$412.0 million in 1Q24, down 11.9% from 4Q23. When considering exclusively the COGS of ferroalloys, there was a decrease of 8.4%, which accompanied the decrease in sales volume. The ratio between COGS and net revenue from ferroalloys increased from 84.8% in 4Q23 to 80.8% in 1Q24, an oscillation mainly explained by the reduction in production costs.

**EXPENSES WITH SELLING AND GENERAL/ADMINISTRATIVE** – Sales expenses in 1Q24 totaled R\$4.9 million, the same amount as in 4Q23, while general/administrative expenses totaled R\$47.4 million, down 12.2% from the same period analyzed.

**OTHER REVENUES/OPERATING EXPENSES**– In 1Q24, operating expenses totaled R\$10.8 million, 64.9% lower than in 4Q23.

**ADJUSTED EBITDA** – Operating cash generation, measured by Adjusted EBITDA, reached R\$ 78.4 million in 1Q24 (of which R\$ 0.9 million related to BWG) with an EBITDA margin of 15.4% and an increase of 66.8% compared to 4Q23.

**CASH CONSUMPTION** – Cash Consumption, cash equivalents and financial investments totaled R\$122.9 million in 1Q24, ending the quarter with a consolidated financial reserve of R\$1.050 billion. Deducting consolidated indebtedness of R\$268.3 million, the net cash position was R\$781.4 million in 1Q24 compared to R\$897.6 million at the end of 4Q23.

**FINANCIAL RESULT** – The consolidated financial result was R\$27.7 million in 1Q24, 3.0% higher than in 4Q23, explained by the decline in financial expenses, added to the positive effect of the exchange rate variation, and by the reduction in financial revenue, justified by the effect of the decrease in interest rates on financial investments and cash consumption in the period.

**CAPEX** – In 1Q24, R\$ 42.0 million was invested, 62.4% less than in 4Q23, with emphasis on the acquisition of machinery and equipment for Metallurgy and Mining, as well as for the maintenance of the biological asset in the Forest Resources area.

**NET PROFIT** – Consolidated net profit reached R\$41.1 million in 1Q24, a reduction of 25.3% compared to 4Q23. This result derives from the above-mentioned effects, which will be detailed in the following sections of this report.

**STOCK SPLIT** – On 01/25/2024, the additional shares of the Company were credited, in favor of the shareholders, resulting from the split operation, in the ratio of 01 (one) to 04 (four) of the same type, approved at the EGM on 12/20/2023.

## 2. CORPORATE PROFILE

**FERBASA** is the national leader in the production of ferroalloys and the only producer of ferrochrome in the Americas, ranking among the 10 largest companies operating in Bahia, according to a ranking released by the magazine *Valor 1,000* in 2023. 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 consists of High Carbon Ferrochrome (HC FeCr), Low Carbon Ferrochromium (LC FeCr), Ferrosilicon (FeSi75), High Purity Ferrosilicon 75 (HP FeSi75) and Chromium Ferrosilicon (FeSiCr) alloys, mainly intended for the steel industry and the manufacture of stainless and special steels. With a history of 63 years, the Company serves countries such as China, Japan, the United States and the European Union.

In the mining sector, **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. Practically all ore production is directed to its metallurgical unit, located in Pojuca/BA, where ferroalloys are produced in its 14 electric furnaces equipped with baghouse filters designed to neutralize the release of particulate matter into the atmosphere. The forest area consists of 64,000 hectares (about 158,000 acres), of which 25,000 (about 61,776 acres) are planted with renewable eucalyptus forests. The remaining extension of the forest asset encompasses



legal reserve areas, firebreaks, native forests, Private Natural Heritage Reserve (RPPN – Portuguese acronym that stands for *Reserva Particular do Patrimônio Natural*), among other characteristics.

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

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

Noted for its civic 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 1Q24 the world production of crude steel, a relevant driver of ferrosilicon consumption, reached 469.1 Mt, a growth of 5.7% compared to 4Q23. China accounted for 55% of the total produced in the period (256.6 Mt), an increase of 14.6% compared to 4Q23. Among the world's largest producers, other good performances came from countries such as Germany (+18.3%), Brazil (+5.1%), India (+3.3%) and Turkey (+3.3%). The worst results were those of Iran (-15.6%), the USA (-1.0%), South Korea (-0.6%) and Japan (-0.5%). Russia maintained the same level of production between the quarters.

In South America, the volume produced in 1Q24 was 10.6 Mt, the same volume as in 4Q23, of which Brazil contributed with 8.3 Mt, an increase of 5.1%. According to statistics from the Brazil Steel Institute (IABr – Portuguese acronym that stands for *Instituto Aço Brasil*), the national production of crude steel continues to be supported by the good level of domestic demand, despite the maintenance of the high level of imports. Between 4Q23 and 1Q24, domestic apparent consumption grew 1.1%, with imports following the movement and registering 0.7%, while exports decreased 11.3%.

**FeSi:** In China, which accounts for about 70% of the world's supply of silicon alloys, production volumes reached 1.3 Mt in 1Q24, retreating 11.7% from 4Q23, according to specialized reports. There was also an increase in demand for Chinese FeSi between 4Q23 and 1Q24, influenced by the increase of 14.6% in domestic steel production and 30.2% in exports. This situation points towards a consumption of FeSi inventories in China during 1Q24, after two consecutive quarters of oversupply, which tends to alleviate the downward pressure on Chinese FeSi prices.

Between 4Q23 and 1Q24, the average price of FeSi, in U.S. dollars, grew 11.0% in Europe and 2.1% in the U.S. In China, however, there was a reduction in the export price (-2.9%) and in the domestic price (-5.3%), in yuan.

**STAINLESS STEELS:** Specialized reports indicate that the world production of stainless steels totaled 14.5 Mt in 1Q24, a decrease of 4.7% compared to 4Q23. Of this amount, China accounted for 8.7 Mt (60% of the total in 1Q24), which means a decrease of 9.8% compared to 4Q23. In Europe, stainless steel production was estimated at 1.6 Mt in 1Q24, 2.3% below 4Q23, while in the US it was estimated at 448 thousand tonnes, up 4.9%. In Brazil, an increase of 2% (98 thousand tons) is estimated.

**FeCr:** global HC FeCr production, which remains in line with the volumes produced of stainless steel, registered 4.2 Mt in 1Q24, an increase of 5.3% compared to 4Q23, according to estimates by specialized publications. Of this volume, China accounted for 1.98 Mt (47% of the total in 1Q24), retreating only 1.6% from 1Q23 and representing the second highest quarterly production in its history.

Regarding the Chinese HC FeCr, the price remained stable between August/23 and February/24, due to the oversupply of this material in the local market, which showed a reduction in demand (-21.8%) and maintenance of supply (-2.2%). From March onwards, we began to observe a recovery in these prices.

It is also worth noting the stability in the price of UG2 ore between 4Q23 and 1Q24, even with the 21% jump in the average level of Chinese inventories. A popular category of chrome ore produced in South Africa as a by-product of

platinum mining activity (PGM – *Platinum Group Metals*), UG2 has been recording average price levels above USD 200/t, serving as an important support for FeCr prices in China. Between 4Q23 and 1Q24, the average price of UG2 was stable, even with the 21% jump in the average level of Chinese inventories.

Also, in 1Q24, the World Bank's analysis pointed to the continuation of the downward movement in global coal and natural gas prices, which began in 2023, both being crucial inputs in the generation of electricity in many countries. There is, therefore, a trend of relief in energy costs in important ferroalloy-producing regions such as China, South Africa, India, and Europe.

We reiterate that the prices charged by **FERBASA** are based on a "basket" of international prices, including those charged by the European, American, and especially Asian markets.

## 4. OPERATING RESULTS

In 1Q24, 76.8 thousand tons of ferroalloys were produced, a decrease of 1.1% compared to the previous quarter. The result reflects the combination of the 4.0% reduction in the production of chromium alloys and the 5.2% increase in silicon alloys. HP FeSi production reached 43.9% of the total silicon alloys produced, with a volume identical to that of 4Q23.

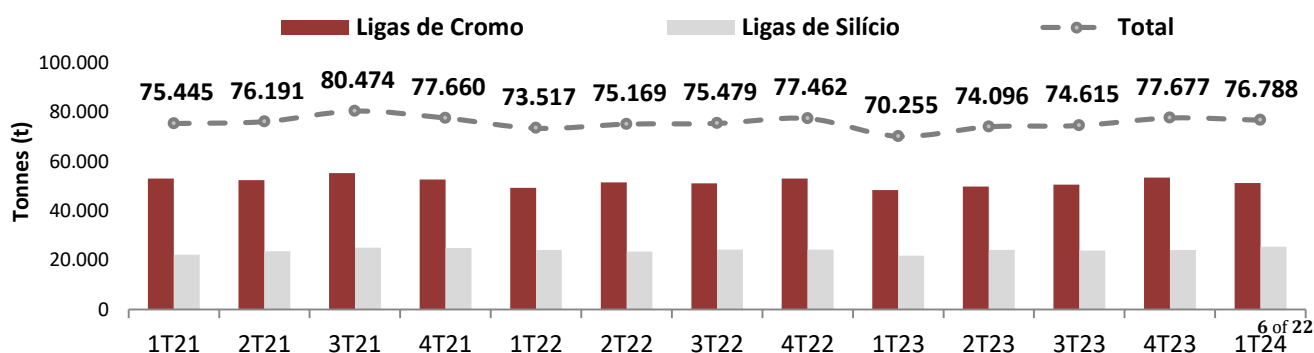
Between 1Q23 and 1Q24, there was an increase of 9.3% in the production of ferroalloys, a performance that results from the advances of 5.8% in chromium alloys and 17.0% in silicon alloys. In the case of FeSi HP, it was an increase of 9.0%.

Production variations are aligned with the condition of the stocks and the marketing plan. It is worth mentioning that a portion of the ferroalloys manufactured is consumed internally, as an input in the other production chains.

Production (tonnes)	1Q24	4Q23	Δ%	1Q23	Δ%
Chromium Alloys	51,297	53,456	-4.0%	48,462	5.8%
Silicon Alloys	25,491	24,221	5.2%	21,793	17.0%
<b>Total</b>	<b>76,788</b>	<b>77,677</b>	<b>-1.1%</b>	<b>70,255</b>	<b>9.3%</b>
<b>Use of Installed Capacity (MWh) %</b>	<b>84.7%</b>	<b>81.6%</b>		<b>76.7%</b>	

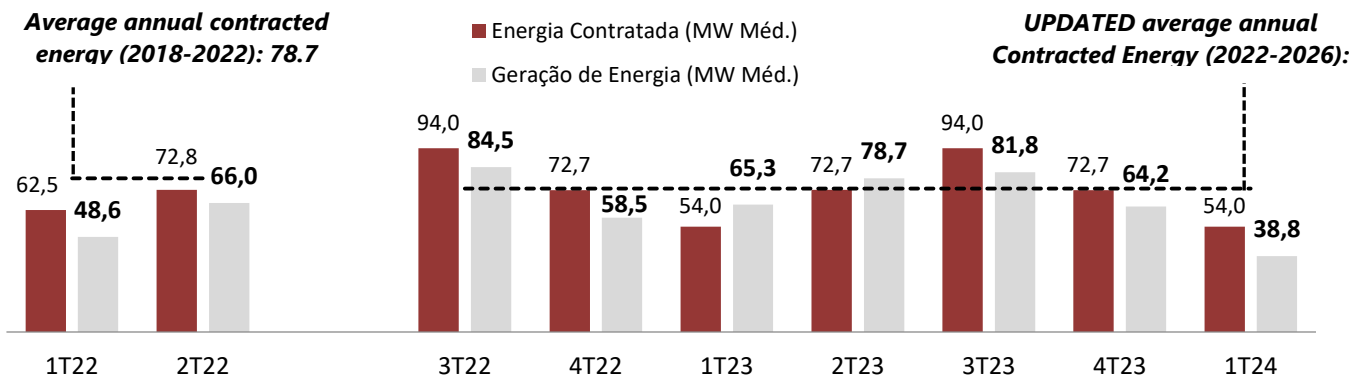
The installed capacity, measured based on the amount of electricity that can be consumed in MWh, is based on the daily and uninterrupted operation of the furnaces at normal power (without power reduction or shutdowns of any kind) and the product mix that enables the operation of the furnaces at maximum power. The use of installed capacity, in turn, may be affected by (i) furnace shutdown or power reduction for maintenance, refurbishment or operational intervention; (ii) production of alloys that require power reduction in a furnace; and (iii) commercialization of part of the energy contracted in the Free Market. The use of installed capacity was also impacted by the reduction of power or shutdown of furnaces during peak hours (6 pm to 9 pm), which has not happened since 08/01/2023, when this restriction was eliminated in the contract with CHESF, which has allowed the Company to operate its metallurgical unit uninterruptedly.

In 1Q24, **FERBASA** used 84.7% of the installed capacity of Metallurgy. The increase of 3.1% compared to 4Q23 was mainly due to the increase in the share of silicon alloys, more electro-intensive, in total production.



## 4.1 Electric Power Generation – BW Guirapá

In 1Q24, net power generation at BW Guirapá's wind farms was 38.8 average MW, 40.6% lower than in 1Q23 and 28.2% below the 54.0 average MW contracted for the quarter. The climate effect was the main negative highlight, being responsible for the suppression of 13.2 average MW of expected gross generation. In this scenario, the warming of the South Tropical Atlantic was the most relevant factor for causing an increase in rainfall volumes in the Northeast and directly harming the quality of the winds during 1Q24.



The results mentioned above should be analyzed in the light of the main factors that influence the power 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 of 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.

In relation to the expected gross generation (best expectation), of 61.8 average MW for 1Q24, the actual net generation of 38.8 average MW can be explained as follows:

### Manageable factors (-3.0 average MW):

- Realized availability of 97.5%, which caused a decrease of 1.1 average MW in power generation, a result mainly related to damage to wind turbines, especially *gearboxes*.
- Average performance of 95.8%, which implied a decrease of 1.9 average MW, due to the calibration of the equipment that guides the wind turbines.

### Unmanageable factors (-20.0 average MW):

- The weather negatively impacted the expected gross generation of 14.6 average MW, as the average wind speed (136 mph) was lower than expected for the period.
- The internal and external electrical losses referring, respectively, to the equipment and the transmission system (External systemic losses – ONS apportionment) suppressed 2.8 average MW from gross generation.
- The systemic restrictions imposed by the ONS for real-time management of the National Interconnected System (SIN) impacted the Park's generation by 2.6 average MW.

## 5. SALES

Sales in 1Q24 reached 63.1 tons of ferroalloys, a decrease of 4.5% compared to 4Q23. This result is mainly due to the 13.3% decrease in sales volume in the domestic market (MI), reflecting the increase in scrap consumption, to the detriment of the use of ferroalloys, in steel production campaigns in 1Q24.

Sales (tonnes)	1Q4	4Q23	Δ%	1Q23	Δ%
<b>DOMESTIC MARKET (MI)</b>					
Chromium Alloys	25,124	29,428	-14.6%	29,003	-13.4%
Silicon Alloys	4,677	4,942	-5.4%	3,218	45.3%
<b>MI Total</b>	<b>29,801</b>	<b>34,370</b>	<b>-13.3%</b>	<b>32,221</b>	<b>-7.5%</b>
<b>FOREIGN MARKET (ME)</b>					
Chromium Alloys	13,053	11,624	12.3%	22,077	-40.9%
Silicon Alloys	20,228	20,055	0.9%	19,156	5.6%
<b>ME Total</b>	<b>33,281</b>	<b>31,679</b>	<b>5.1%</b>	<b>41,233</b>	<b>-19.3%</b>
<b>TOTAL (MI + ME)</b>	<b>63,082</b>	<b>66,049</b>	<b>-4.5%</b>	<b>73,454</b>	<b>-14.1%</b>

### 5.1 Net Revenue

Net revenue in 1Q24 totaled R\$509.5 million, a retreat of 5.9% from 4Q23, reflecting the 3.9% decline in total revenue from ferroalloys. This decrease is due to the 4.5% reduction in sales volume, despite the stability in the average dollar and the increase of only 1.1% in the average price of alloys in dollars.

Compared to the same period in 2023, net revenue in 1Q24 decreased by 28.9%, following the decline of the same percentage in revenue from ferroalloys. This result also reflected the decreases in the volume traded (-14.1%), in the average price in dollars (-13.0%) and in the average dollar (-4.8%).

Net Revenue (R\$ millions)	1Q24	4Q23	Δ%	1Q23	Δ%
<b>DOMESTIC MARKET (MI)</b>					
Ferroalloys	213.0	234.7	-9.2%	272.1	-21.7%
Wind Power	15.7	26.9	-41.6%	25.6	-38.7%
Other Products (*)	12.4	13.8	-10.1%	14.0	-11.4%
<b>Total MI</b>	<b>241.1</b>	<b>275.4</b>	<b>-12.5%</b>	<b>311.7</b>	<b>-22.6%</b>
<b>FOREIGN MARKET (ME)</b>					
Ferroalloys	268.4	266.3	0.8%	404.7	-33.7%
<b>Total ME</b>	<b>268.4</b>	<b>266.3</b>	<b>0.8%</b>	<b>404.7</b>	<b>-33.7%</b>
<b>TOTAL (MI+ME)</b>	<b>509.5</b>	<b>541.7</b>	<b>-5.9%</b>	<b>716.4</b>	<b>-28.9%</b>
<b>Average US dollar practiced (R\$/USD)</b>	<b>4.94</b>	<b>4.96</b>	<b>-0.4%</b>	<b>5.19</b>	<b>-4.8%</b>

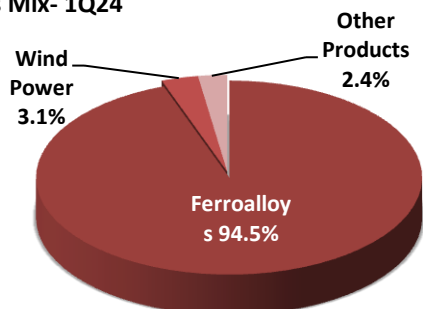
(\*) Includes revenue with chromite sand, lime, microsilica, wood and slag.

### 5.2 Net Revenue by Product and Market

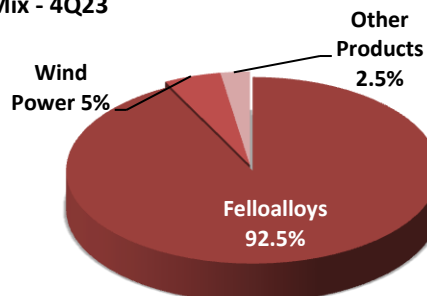
The following is the net revenue by product:



Sales Mix- 1Q24

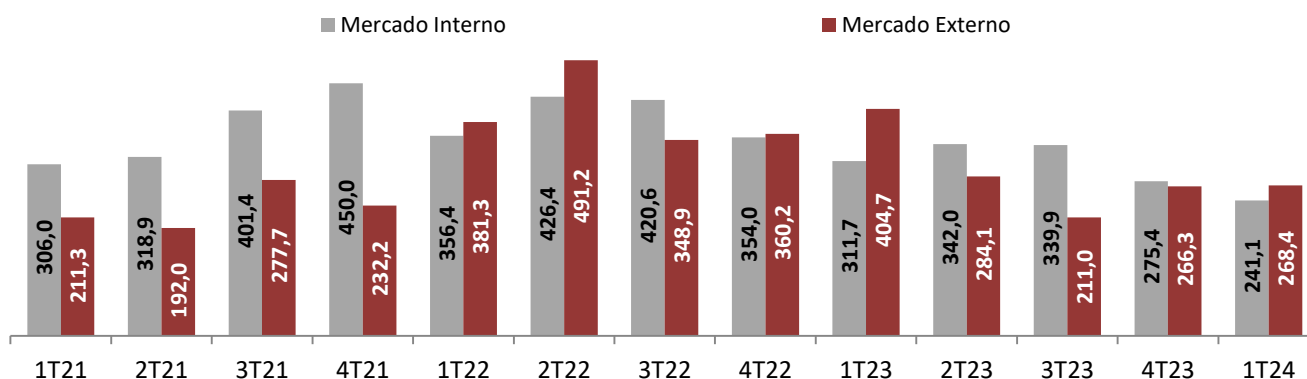


Sales Mix - 4Q23



The chart below shows the trajectory of net revenue between 1Q21 and 1Q24, 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 onset of the conflict in Eastern Europe caused a sharp increase in commodity prices, also reflecting the increase in revenue in both markets, resulting in a record profit in the period. The reorganization of supply chains between 1Q23 and 1Q24 led to stability in ferroalloy prices.

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



## 6. COST OF GOODS SOLD

Consolidated cost of goods sold (COGS) totaled R\$412.0 million in 1Q24 and had a decrease of 11.9% from 4Q23.

Compared to 1Q23, consolidated COGS in 1Q24 decreased by 16.9%, while in the case of ferroalloys, the decrease was 16.7%. The decline, for the most part, is justified by the 14.1% retraction in sales volume, in addition to reflecting lower production costs, specifically with inputs such as electricity and coke.

In relation to the electricity consumed in the production of ferroalloys, there was a reduction of 16.4% in the average cost between 1Q23 and 1Q24, as a result of the 28.9% drop in the average tariff due to the optimization of the portfolio of energy contracts, which exceeded the 6.8% growth in expenses with sectoral charges.

Regarding the lower production cost of high carbon ferrochrome, observed between 1Q23 and 1Q24, the decrease in coke costs was the most relevant factor, due to the decline in the international price of coal.

As for the decrease in the cost to produce low-carbon ferrochrome, the decrease in expenses with the FeSi Cr reducer (produced in-house) stood out, benefiting from lower expenses with the HC FeCr consumed in its production.

The stability in the cost of ferrosilicon production was due, on the one hand, to the reductions in the costs of electricity, electrode pulp and dilution in fixed costs due to the increase in production volume. On the other hand, there was a higher consumption of third-party bioreducer, with a higher acquisition cost.

Specifically, regarding the ratio between COGS and net revenue, both from ferroalloys, there was an increase from 69.0% to 80.8% between 1Q23 and 1Q24, mainly caused by the decrease in revenue, due to the reduction in trading prices denominated in dollars and in the exchange rate, which neutralized the improvement in production costs.

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

COGS (R\$ millions)	1Q24	%NR(*)	4Q23	%NR(*)	1Q23	%NR(*)
Ferroalloys	389.1	80.8%	424.7	84.8%	467.3	69.0%
Wind Power	23.7	151.0%	23.7	88.1%	19.0	74.2%
Other Products (i)	9.6	77.4%	9.4	68.1%	9.3	66.4%
<b>Subtotal products</b>	<b>422.4</b>		<b>457.8</b>		<b>495.6</b>	
Exhaustion of the fair value of the biological asset	-		7.7		-	
Idle Capacity	1.3		4.0		2.6	
Others	(11.7)		(1.9)		(2.3)	
<b>Subtotal others</b>	<b>(10.4)</b>		<b>9.8</b>		<b>0.3</b>	
<b>Total General</b>	<b>412.0</b>		<b>467.6</b>		<b>495.9</b>	
%Net Revenue	<b>80.9%</b>		<b>86.3%</b>		<b>69.2%</b>	

(\*) Considers the percentages of COG by the Net Revenue of each product.

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

## 7. EXPENSES

### 7.1 Sales Expenses

Sales expenses totaled R\$4.9 million in 1Q24, the same amount recorded in 4Q23. Stability is also observed in relation to Net Revenue, in which the percentages of sales expenses corresponded to 1.0% in 1Q24, compared to 0.9% in 4Q23.

### 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 1Q24, such expenses totaled R\$47.4 million (R\$1.1 million referring to BWG), a decrease of 12.2% compared to the previous quarter (R\$1.3 million referring to BWG). In addition to the decrease of R\$ 3.2 million in IT services, consulting and advisory services and the reduction of R\$ 2.1 million in other administrative items, it is worth mentioning the decrease of R\$ 1.3 million in the provision for profit sharing, reflecting the drop in profit in 1Q24.

### 7.3 Other Expenses/Operating Revenue

Operating expenses in 1Q24 reached R\$ 10.8 million, value 64.9% lower than in 4Q23, which was R\$ 30.8 million. The main expenses in 1Q24 occurred in the lines related to Social and Corporate Responsibility (R\$ 3.2 million), other taxes and fees (R\$ 2.9 million), as well as geological surveys, consulting and others (R\$ 4.7 million).

## 8. ADJUSTED EBITDA

EBITDA is not a measure defined by Brazilian and international accounting standards, representing the profit for the period 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 removal 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\$ millions)	1Q24	4Q23	Δ%	1Q23	Δ%
Net Profit	41.1	55.0	-25.3%	131.6	-68.8%
(+/-) Net financial result	(27.7)	(26.9)	3.0%	(23.3)	18.9%
(+/-) IRPJ/CSLL	20.7	(11.6)	-	33.5	-38.2%
(+/-) Depreciation, amortization, exhaustion, and capital gain <sup>1</sup>	44.2	47.4	-6.8%	45.9	-3.7%
<b>EBITDA</b>	<b>78.3</b>	<b>63.9</b>	<b>22.5%</b>	<b>187.7</b>	<b>-58.3%</b>
(+/-) Provision for contingencies and other provisions <sup>2</sup>	(1.8)	13.0		(0.4)	
(+/-) Net effect of fair value of biological assets <sup>3</sup>	-	(24.4)		-	
(+/-) Reversal of provision for demobilization of BWG (CPC 25) <sup>4</sup>	-	(10.6)		-	
(+/-) Effect of actuarial liabilities (health plan, private pension and FGTS <sup>5</sup> )	1.9	5.1		-	
<b>Adjusted EBITDA</b>	<b>78.4</b>	<b>47.0</b>	<b>66.8%</b>	<b>187.3</b>	<b>-58.1%</b>
<b>EBITDA Margin</b>	<b>15.4%</b>	<b>8.7%</b>		<b>26.1%</b>	

- 1) Capital gains 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 for the period (Note 27 of the 2023 Financial Statements);
- 3) Positive adjustment of R\$ 24.4 million related to the calculation of the fair value of the biological asset, of which (+) R\$ 71.7 million referred, mainly, to the additional volume of forests over two years old and (-) R\$ 32.5 million to the consumption and sale of wood;
- 4) Revaluation of the provision for demobilization (CPC-25) of wind farms, considering the costs of dismantling equipment and civil works (Note 26 of the 2023 Financial Statements).
- 5) FGTS – Portuguese acronym that stands for *Service Time Guarantee Fund*.

Additionally, we present below the EBITDA table of the subsidiary BW Guirapá.

EBITDA - BW (R\$ millions)	1Q24	4Q23	Δ%	1Q23	Δ%
Net Profit (Loss)	(11.3)	10.9	-	0.2	-
(+/-) Net Financial Result	1.1	1.5	-26.7%	4.2	-73.8%
(+/-) IRPJ/CSLL	-	(0.6)	-	0.3	-
(+/-) Depreciation and Amortization	11.1	11.1	0.0%	10.6	4.7%
<b>EBITDA</b>	<b>0.9</b>	<b>22.9</b>	<b>-96.1%</b>	<b>15.3</b>	<b>-94.1%</b>
(+/-) Reversal of wind farm demobilization provision (CPC 25)	-	(10.6)		-	
<b>Adjusted EBITDA</b>	<b>0.9</b>	<b>12.3</b>	<b>-92.7%</b>	<b>15.3</b>	<b>-94.1%</b>
<b>EBITDA Margin</b>	<b>5.7%</b>	<b>45.7%</b>		<b>59.8%</b>	

## 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 consumed by operating, investing, and financing activities in 1Q24 was (-) R\$50.8 million, mainly impacted by:

(-) R\$42.5 million in operating income generated in the period, including variations in working capital, interest payments and taxes;

(+) R\$15.9 million from investment activities, a result influenced by: i) transfer of financial investments in the amount of (+) R\$95.0 million to Cash and Cash Equivalents; ii) acquisitions for property, plant and equipment and biological assets, which together totaled (-) R\$42.0 million; (iii) investments in equity interests in the amount of (-) 37.8 million; and (iv) others, in the amount of (+) R\$ 0.7 million;

(-) R\$24.2 million from financing activities, the impacts of which were: i) amortization of consolidated loans and financing in the amount of (-) R\$8.4 million (with emphasis on R\$6.6 million referring to BWG's debt with BNDES) and ii) payment of leases/rents in the amount of (-) R\$15.8 million.

Also considering the "Financial Investments" account, whose change was negative by R\$72.1 million, there was a total cash consumption of R\$122.9 million in 1Q24. As of March 31, 2024, the consolidated financial reserve reached approximately R\$1.050 billion (including cash, cash equivalents and financial investments, of which R\$135.3 million from BWG) and the consolidated debt of R\$268.3 million (of which R\$207.5 million refers to BWG's debt with BNDES). Thus, the Company ended the quarter with a net cash position of R\$781.4 million.

Net Cash - Consolidated (R\$ millions)	03/31/2024	12/31/2023	Δ
Cash and cash equivalents	291.0	341.8	(50.8)
Financial investments	758.7	830.8	(72.1)
<b>Total Financial Reserve</b>	<b>1,049.7</b>	<b>1,172.6</b>	<b>(122.9)</b>
Loans and financing*	(268.3)	(275.0)	6.7
<b>Net Cash</b>	<b>781.4</b>	<b>897.6</b>	<b>(116.2)</b>

(\*) The amount of the IOF on the funding is R\$ 3.5 and R\$ 3.6 million for 03/31/24 and 12/31/23, respectively.

## 9.2 Net Financial Result

In 1Q24, the financial result totaled R\$ 27.7 million, 3.0% higher than the R\$ 26.9 million recorded in 4Q23. This increase is due to the decline in financial expenses, justified by the amortization of financing contracts, in addition to the positive effect of exchange rate variation. On the other hand, there was a reduction in financial revenue, explained by the decrease in the interest rate on financial investments and cash consumption in the period.

Financial Results (R\$ million)	1Q24	4Q23	Δ%	1Q23	Δ%
Financial performance					
Financial revenue	34.8	40.4	-13.9%	37.4	-7.0%
Financial expense	(9.5)	(11.3)	-15.9%	(13.8)	-31.2%
Net Exchange variation	2.4	(2.2)	-	(0.3)	-
<b>Total</b>	<b>27.7</b>	<b>26.9</b>	<b>3.0%</b>	<b>23.3</b>	<b>18.9%</b>

## 10. PROPERTY, PLANT AND EQUIPMENT AND BIOLOGICAL ASSETS

### 12.1 CAPEX

In 1Q24, CAPEX totaled R\$42.0 million, representing a decrease of 62.4% compared to the total realized in 4Q23. The following are the segregated values by business unit:

CAPEX (R\$ millions)	Metallurgy	Mining	Forestry	Wind Power	1Q24	4Q23	1Q23
Machinery and Equipment	2.4	11.2	2.3	1.4	17.3	69.0	28.2
Biological Asset	-	-	12.4	-	12.4	17.0	12.8
Mines	-	5.2	-	-	5.2	9.0	3.4
Buildings	-	2.0	3.3	-	5.3	13.7	2.4
Furniture and utensils	-	-	-	-	-	1.6	0.1
Others (i)	0.5	0.1	1.2	-	1.8	1.3	10.1
<b>Total</b>	<b>2.9</b>	<b>18.5</b>	<b>19.2</b>	<b>1.4</b>	<b>42.0</b>	<b>111.6</b>	<b>57.0</b>

(i) They include: advances, IT, intangibles and others.

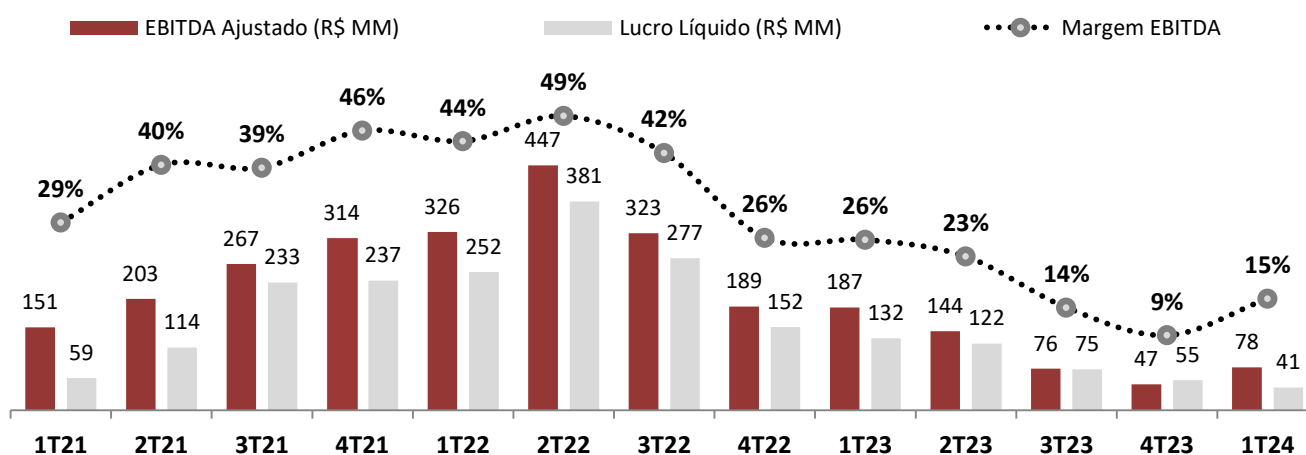
The most significant investments in the period were related to the acquisition of machinery and equipment (42.2%) for Metallurgy and Mining, and maintenance of biological assets (29.5%) for the Forest Resources area. Such expenses accounted for 70.7% of the total CAPEX realized in 1Q24.

## 11. NET INCOME AND RESULTS

As a result of the effects mentioned in this report, consolidated net income in 1Q24 was R\$41.1 million (net margin of 8.1%). Thus, the main elements that influenced this result, in relation to 4Q23, were:

- (i) Reduction of 4.5% in the total sale of ferroalloys;
- (ii) Stability in the average dollar, with a slight devaluation of 0.4%;
- (iii) Increase of 1.1% in the dollar-weighted average price of ferroalloys;
- (iv) 8.4% decrease in the cost of goods sold (COGS) of ferroalloys;
- (v) Loss of R\$ 11.3 million at BW Guirapá;
- (vi) Consolidated cash consumption of R\$122.9 million in 1Q24.

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



## 12. STATEMENT OF VALUE ADDED

The following table shows the wealth generated by the Company and its respective distribution. In 1Q24, FERBASA generated R\$ 190.8 million, 10.2% higher than in 4Q23:

DVA (Statement of Added Value) (R\$ millions)	1Q24	4Q23	Δ%	1Q23	Δ%
Employees	102.5	104.8	-2.2%	102.4	0.1%
Government	40.4	2.2	1,736.4%	68.4	-40.9%
Others (1)	6.7	11.2	-40.2%	15.1	-55.6%
Net Profit (2)	41.2	55.0	-25.1%	131.6	-68.7%
<b>Total</b>	<b>190.8</b>	<b>173.2</b>	<b>10.2%</b>	<b>317.5</b>	<b>-39.9%</b>

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

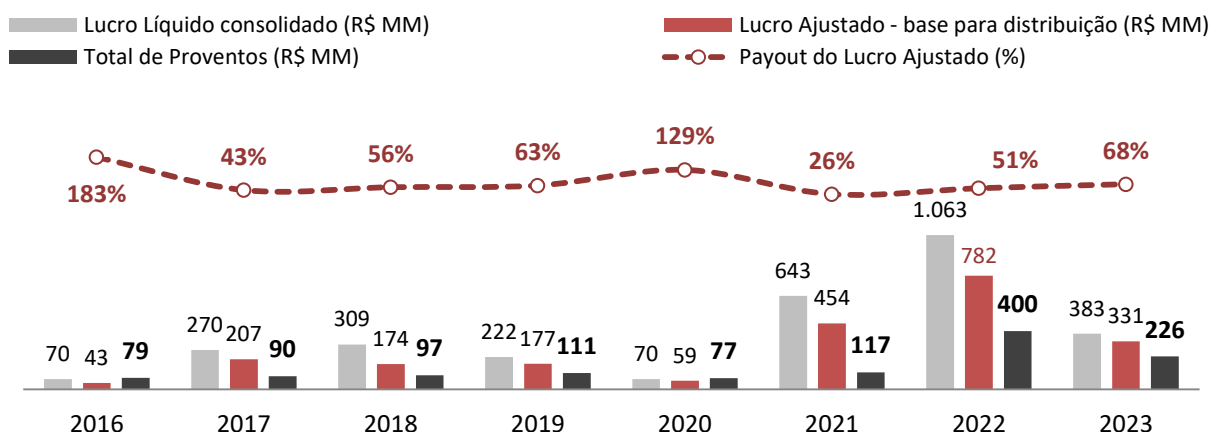
(2) Shareholders and retained earnings.

## 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 direct communication channels with the Investor Relations area, in which its public data are published. In addition, the Company holds conference calls to disclose quarterly results and an annual public meeting. The following is a summary of information relevant to our investors and the market in general.

### 13.1 Earnings

A regular payer of dividends, Ferbasa presents below a history of its distribution.



### 13.2 FESA4 performance at B3

The table below shows some indicators on the behavior of FERBASA's shares in 1Q24.

	1Q24	4Q23*	Δ%
Volume of shares traded (thousand)	31,946	10,365	208,2%
Transacted value (R\$ thousand)	387,123	484,552	-20.1%
Market value (R\$ thousand) (1)	3,921,408	4,569,971	-14.2%
Shares in <i>Free Float</i> Circulation (thousand) (2)	161,830	40,666	297,9%
Weighted average price in the period (R\$ PN)	12.12	46.75	-74,1%

Last quotation of the period (R\$ PN)	8.67	11.62	-25.4%
Book value per share (R\$)	9.49	9.37	1.7%

Notes:

(\*) Values unfolded in the 1:4 ratio when necessary for comparative purposes;

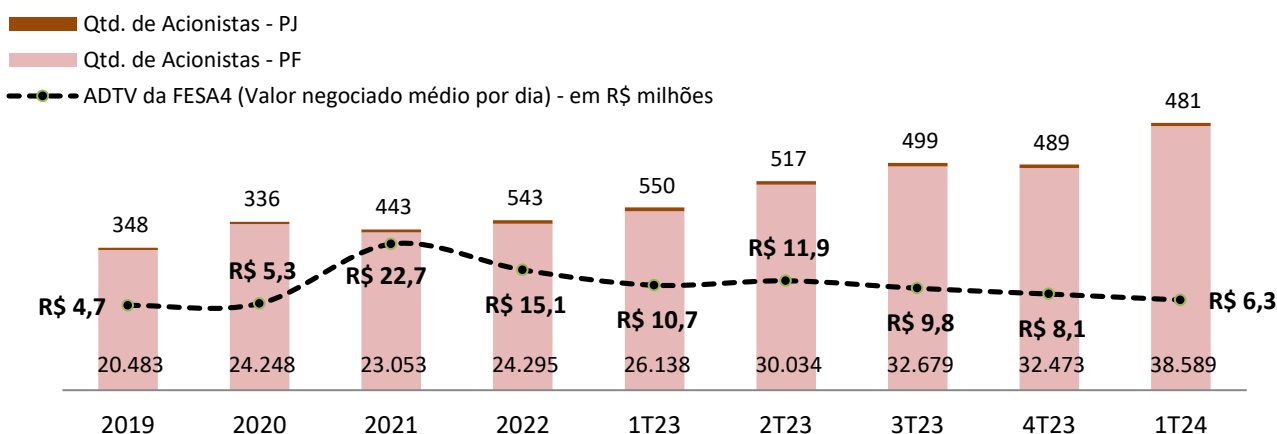
(1) Number of shares (by ON and PN class) multiplied by the respective quotations on the dates of 03/31/2024 and 12/31/2023;

(2) Total volume of the Company's shares, excluding treasury shares (ON: 160 thousand; PN: 12,733.2 thousand), the Controller (ON: 116,346.8 thousand; PN: 62,036.6 thousand) and Administrators (ON: 392; PN: 172.9 thousand).

FERBASA's shareholder base ended 1Q24 with an increase of 18.5% in the total number of investors, reaching a record of around 40 thousand shareholders, composed mainly of individuals.

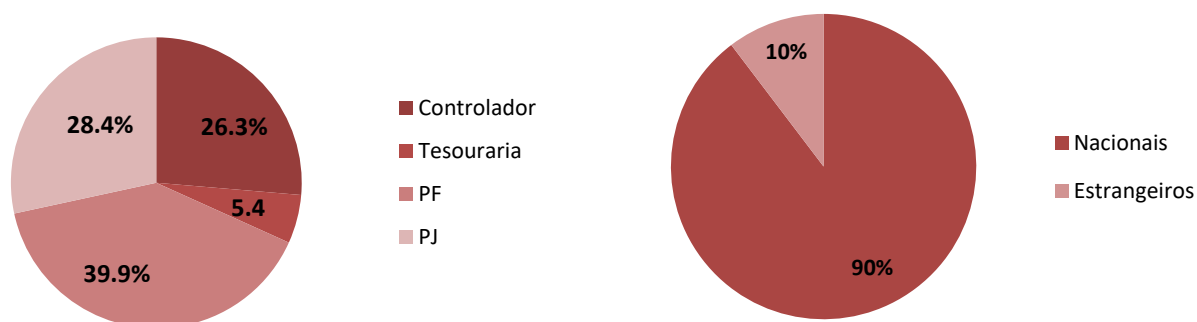
The stock split carried out in January/24 caused an increase of more than 200% in the average volume of PNs traded. This movement did not have an impact on ADTV (*Average Daily Trading Volume*), which registered a reduction of 21.4% compared to the last quarter of 2023, due to the drop in the average price of FESA4 (-74.1%) in the period analyzed.

In the chart below, 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 03/31/2024, is as follows:



## 14. STOCK SPLIT

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Held on 12/20/2023, the Extraordinary General Meeting resolved the split of the Company's shares, in the ratio of 01 (one) to 04 (four) of the same type. **FERBASA** established, at the time, the date of the shareholder base, a reference for the stock split, on 01/23/2024 (end of the trading session); while the shares issued by the Company began to be traded "ex-split" on 01/24/2024. The additional shares, resulting from the split operation, were credited in favor of the Company's shareholders on 01/25/2024.



## 15. GLOSSARY

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

**Low Carbon Ferrochromium (LC FeCr)** - An iron-chromium alloy with a maximum carbon content of 0.15%, used during the production of steels to correct chromium levels without causing undesirable variations in carbon content. Industrially, it has the same purpose as high carbon ferrochrome, 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 in steels, for the addition of chromium and silicon.

**Ferrosilicon 75 (FeSi75)** - In steel production, Ferrosilicon 75 Standard is used as a deoxidant and alloying element; in the foundry industry it serves as a graphite agent. High Purity Ferrosilicon (HP) is used in the manufacture of steels for the manufacture of transformers, hydroelectric power 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 one can adopt the abbreviation Mt. (conversion: 1 Mt = 1,000,000 t).

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

### 16.1 Balance Sheet

ASSETS	1Q24	2023	1T23
<b>Current Assets</b>	1,516,468	1,584,250	1,823,177
Cash and cash equivalents	290,972	341,787	580,246
Financial Investments	408,252	463,299	441,555
Receivables from customers	184,444	197,566	239,805
Inventories	558,588	519,147	525,668
Taxes to be recovered	55,334	44,615	15,550
Prepaid expenses	5,089	6,038	4,571
Advances to suppliers – electric power	-	167	1,667
Other assets	13,789	11,631	14,115
<b>Non-current Assets</b>	2,574,375	2,526,447	2,304,564
Financial investments	350,478	367,541	373,009
Inventories	8,051	8,051	8,738
Taxes to be Recovered	6,396	6,932	6,692
Judicial Deposits	9,696	9,520	8,484
Other credits	897	897	826
Investments	37,946	124	124
Fixed and Intangible	1,685,612	1,687,877	1,563,491
Right of use on lease	123,542	96,952	61,346
Biological Asset	351,757	348,553	281,854
Judicial Deposits			
<b>Total Assets</b>	4,090,843	4,110,697	4,127,741

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

LIABILITIES AND EQUITY	1Q24	2023	1Q23
<b>Current Liabilities</b>	397,416	499,147	437,323
Suppliers	111,982	147,832	122,903
Advances from customers	10,586	29,419	52,513
Loans and financing	73,056	72,676	71,943
Cost of funding	(455)	(455)	(455)
Labor and actuarial obligations	72,998	104,064	80,289
Taxes and social contributions	24,672	24,138	34,361
CCEE reimbursement account	47,506	64,841	29,480
Proposed dividends and JCP	60	60	47
Leases to pay	45,130	44,634	35,093
Other liabilities	11,881	11,938	11,149
<b>Non-current Liabilities</b>	460,659	420,063	517,971
Loans and financing	195,253	202,296	266,947
Cost of funding	(3,018)	(3,132)	(3,473)
Obligations with acquisition of subsidiaries	4,978	4,978	4,978
Labor and actuarial obligations	60,467	58,552	47,583
Taxes and social contributions	3,587	3,587	3,587
Taxes and deferred social contributions	20,967	4,321	7,505
CCEE reimbursement account	17,868	2,254	49,208
Provision for contingencies	72,430	74,403	60,774
Provision for environmental liabilities	46,058	46,352	56,704
Leases to pay	42,069	26,452	24,158
<b>Total Equity</b>	3,232,768	3,191,487	3,172,447
<b>Controlling Shareholders' Equity</b>	3,231,321	3,190,099	3,171,180
Share capital	1,470,396	1,470,396	1,225,444
Profit reserve	1,705,095	1,705,095	1,792,591
Equity valuation adjustments	40,438	40,362	47,395
Treasury shares	(25,754)	(25,754)	(25,754)
Retained earnings	41,146	-	131,504
<b>Participation of non-controlling shareholders</b>	1,447	1,388	1,267
<b>Total Liabilities and Shareholders' Equity</b>	4,090,843	4,110,697	4,127,741

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

## 16.2 Income Statement

	1Q24		4Q23		2023		1Q23	
	R\$ thousand	%NR	R\$ thousand	%NR	R\$ thousand	%NR	R\$ thousand	%NR
<b>GROSS REVENUE</b>	570,744	100.0	607,722	100.0	2,742,475	100.0	797,004	100.0
Domestic Market	302,380	53.0	341,462	56.2	1,576,378	57.5	386,977	48.6
Foreign Market	268,364	47.0	266,260	43.8	1,166,097	42.5	404,721	104.6
Sales tax, returns and rebates.	(61,255)	(10.7)	(66,010)	(10.9)	(307,340)	(11.2)	(75,324)	(9.5)
<b>NET REVENUE</b>	509,489	100.0	541,712	100.0	2,435,135	100.0	716,374	100.0
Cost of Goods Sold	(412,061)	(80.9)	(467,630)	(86.3)	(1,901,206)	(78.1)	(495,861)	(69.2)
Variation in the fair value of the biological asset	-	-	32,157	5.9	71,728	2.9	-	-
<b>GROSS PROFIT</b>	97,428	19.1	106,239	19.6	605,657	24.9	220,513	30.8
Operating expenses								
With sales	(4,922)	(1.0)	(4,908)	(0.9)	(19,371)	(0.8)	(5,252)	(0.7)
Administrative	(31,245)	(6.1)	(34,363)	(6.3)	(120,340)	(4.9)	(27,194)	(3.8)
Adm's payment, Profit Sharing and Employee Allowance	(16,219)	(3.2)	(19,692)	(3.6)	(89,691)	(3.7)	(25,068)	(3.5)
Other (expenses) operating income	(10,848)	(2.1)	(30,859)	(5.7)	(72,524)	(3.0)	(21,149)	(3.0)
<b>Operating Income Before Financial Result</b>	34,194	6.7	16,417	3.0	303,731	12.5	141,850	19.8
Financial Revenue	34,814	6.8	40,419	7.5	169,566	7.0	37,372	5.2
Financial Expense	(9,472)	(1.9)	(11,255)	(2.1)	(51,360)	(2.1)	(13,850)	(1.9)
Net Exchange variation	2,364	0.5	(2,244)	(0.4)	(2,300)	(0.1)	(266)	(0.0)
<b>Financial result</b>	27,706	5.4	26,920	5.0	115,906	4.8	23,256	3.2
<b>Profit before IRPJ/CSLL</b>	61,900	12.1	43,337	8.0	419,637	17.2	165,106	23.0
<b>IRPJ/CSLL</b>	(20,695)	(4.1)	11,686	2.2	(36,752)	(1.5)	(33,546)	(4.7)
<b>Profit for the period</b>	41,205	8.1	55,023	10.2	382,885	15.7	131,560	18.4

	1Q24		4Q23		2023		1TQ23	
	R\$ thousand	%NR	R\$ thousand	%NR	R\$ thousand	%NR	R\$ thousand	%NR
<b>NET REVENUE</b>	15,658	100.0	26,875	100.0	117,807	100.0	25,553'	100.0
Cost of Goods Sold	(23,745)	(151.6)	(23,699)	(88.2)	(85,054)	(72.2)	(18,986)	(74.3)
<b>GROSS PROFIT</b>	(8,087)	(51.6)	3,176	11.8	32,753	27.8	6,567	25.7
Operating Expenses								
General, administrative, and Other operating revenues/expenses	(2,124)	(13.6)	8,646	32.2	2,565	2.2	(1,891)	(7.4)
<b>Operating profit before financial result</b>	(10,211)	(65.2)	11,822	44.0	35,318	30.0	4,676	18.3
Financial Revenue	4,623	29.5	4,367	16.2	17,126	14.5	3,279	12.8
Financial Expense	(5,686)	(36.3)	(5,775)	(21.5)	(26,306)	(22.3)	(7,460)	(29.2)
<b>Financial Result</b>	(1,063)	(6.8)	(1,408)	(5.2)	(9,180)	(7.8)	(4,181)	(16.4)
<b>Profit (Loss) before IRPJ/CSLL</b>	(11,274)	(72.0)	10,414	38.7	26,138	22.2	495	1.9
<b>IRPJ/CSLL</b>	-	-	526	2.0	(1,656)	(1.4)	(293)	(1.1)
<b>Profit (Loss) for the term</b>	(11,274)	(72.0)	10,940	40.7	24,482	20.8	202	0.8

As informações financeiras trimestrais, controladora e consolidado, incluindo notas explicativas e relatório de auditoria da Pricewaterhousecoopers Auditores Independentes, estão disponíveis nos sites [www.cvm.gov.br](http://www.cvm.gov.br), [www.b3.com.br](http://www.b3.com.br) e [www.ferbasa.com.br](http://www.ferbasa.com.br).

## 16.3 Cash Flow Statement (Indirect)

CASH AND CASH EQUIVALENT	1Q24	2023	1Q23
Profit for the period	41,205	382,885	131,560
Net profit adjustments			
Interest and monetary and exchange variations	(18,345)	(54,730)	(4,616)
Depreciation, amortization, and depletion	34,898	151,595	37,601
Depletion of biological asset	8,193	64,425	7,240
Change in fair value of biological assets	-	(71,728)	-
Deferred taxes	16,646	24,888	24,328
Demobilization Provision (Reversal)	9,504	(10,627)	19,153
Rent Payable Update	(507)	1,967	(172)
Post-Employment Benefit Update	1,915	1,579	1,621
Constitution (reversal) of provision for contingencies	(1,823)	10,871	(414)
Others	2,446	4,601	1,329
	94,132	505,726	217,630
Reduction (increase) in asset accounts:			
Accounts to receive from customers	14,443	12,055	(28,240)
Inventories	(39,925)	64,935	54,251
Taxes to be recovered	(4,124)	(12,594)	9,891
Advance to suppliers	167	2,000	500
Judicial Deposits	-	31,460	31,893
Other Assets	(1,835)	(3,728)	(3,921)
Increase (decrease) in liabilities accounts:			
Suppliers	(34,000)	20,086	(6,216)
Taxes and social contributions	522	(6,600)	(1,750)
Income tax and social contribution to pay	4,021	11,796	9,218
Labor and actuarial obligations	(40,569)	(32,184)	(75,045)
CCEE reimbursement accounts	(1,416)	(9,756)	558
Advances from customers	(18,833)	(31,790)	(8,696)
Other liabilities	(360)	2,047	1,370
Income tax and social contribution paid	(10,041)	(43,537)	(29,380)
Interest paid in the year	(4,740)	(33,351)	(5,314)
Net cash generated by operating activities	(42,558)	476,565	166,749
Cash flow from investment activities			
Capex	(42,038)	(328,839)	(57,048)
Investment in equity interests	(37,822)	-	-
Movement in financial investments	95,048	81,607	17,501
Sale of property, plant and equipment	673	2,027	1,200
Exchange variation on cash and equivalents	76	235	-
Net cash invested in investment activities	15,937	(244,970)	(38,347)
Cash flow from financing activities			
Amortization of loans and financing	(8,355)	(67,114)	(7,080)
Amortization of leases	(15,839)	(70,879)	(15,178)
Dividends and JCP paid	-	(225,917)	-
Net cash invested in financing activities	(24,194)	(363,910)	(22,258)
Increase (reduction) in cash and cash equivalents	(50,815)	(132,315)	106,144
Cash and cash equivalent at the beginning of the year	341,787	474,102	474,102
Cash and cash equivalent at the end of the term	290,972	341,787	580,246
Net Increase (reduction) of the cash balance and cash equivalent	(50,815)	(132,315)	106,144
Net increase in the balance of financial investments	(72,110)	19,810	3,534
Net increase (reduction) in financial reserve	(122,925)	(112,505)	109,678

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