



Ferbasa

**2024
EARNINGS**
Release





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Cia de Ferro Ligas da Bahia – **FERBASA** (B3: FESA3 and FESA4), Brazil’s main supplier of ferroalloys and the only producer of Ferrochrome in the Americas, discloses the results related to **the financial performance of the second quarter of 2024**, whose individual and consolidated quarterly interim information was prepared in accordance with 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 Brazilian Securities and Exchange Commission (henceforth **CVM**), of the Accounting Pronouncements Committee (henceforth **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 caution investors that such information is and will, 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.

STOCKS

B3: FESA3 & FESA4
PFDs in the stock market: 161,858 thousand
Market Value: R\$ 3.6 billion

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SCHEDULE

Earnings Release
August 14, 2024
3 p.m. (Brasília time)
2 p.m. (New York time)
Access: [click here](#)

1. HIGHLIGHTS OF CONSOLIDATED RESULTS

The table below shows the highlights of the quarterly and half-yearly results, using the 2Q24 as a reference and the accumulated in 1H24:

Highlights (R\$ million)	2Q24	1Q24	Δ%	2Q23	Δ%	1H24	1H23	Δ%
Average US dollar practiced	5.14	4.94	4.0%	5.02	2.4%	5.04	5.10	-1.2%
Net Revenue	522.0	509.5	2.5%	626.1	-16.6%	1,031.5	1,342.5	-23.2%
Cost of Goods Sold	402.8	412.0	-2.2%	459.6	-12.4%	814.8	955.5	-14.7%
<i>Cost over revenue</i>	77.2%	80.9%		73.4%		79.0%	71.2%	
Adjusted EBITDA	99.5	78.4	26.9%	144.4	-31.1%	177.9	331.7	-46.4%
<i>EBITDA Margin</i>	19.1%	15.4%		23.1%		17.2%	24.7%	
Net Income	56.8	41.1	38.2%	121.7	-53.3%	97.9	253.3	-61.4%
<i>Profit margin</i>	10.9%	8.1%		19.4%		9.5%	18.9%	

PRODUCTION – In 2Q24, 74.8 thousand tons of ferroalloys were produced, a decrease of 2.7% compared to 1Q24, due to the reductions of 2.4% in chromium alloys and 3.2% in silicon alloys. In the comparison between 1H23 and 1H24, there was a total increase of 5.0%. Highlighting the production of HP FeSi in 2Q24, which registered a decrease of 8.0% and a share of 41.8% in the total silicon alloys.

SALES VOLUME – A total of 63.4 thousand tons of ferroalloys were sold in the second quarter of the year. The slight increase of 0.5% compared to 1Q24 is due to the combination of a 1.7% increase in sales to the foreign market and a slight decrease of 0.8% in volumes destined for the domestic market. In 1H24, total sales volume fell by 10.6% compared to 1H23, with declines of 8.1% in exports and 13.3% in sales to the Brazilian market.

NET REVENUE – In 2Q24, net revenue totaled R\$522.0 million. The 2.5% growth compared to 1Q24 was driven by factors such as the stability in sales volume, the 4.0% increase in the average dollar price charged and the 4.5% drop in the average dollar price of alloys. In the comparison between 1H24 and 1H23, net revenue fell 23.2%, with a reduction in revenue in the domestic and foreign markets.

COST OF GOODS SOLD – Consolidated COGS reached R\$402.8 million in 2Q24, reflecting a 2.2% reduction compared to 1Q24. When considering exclusively the COGS of ferroalloys, there was a 2.4% decrease – despite the slight 0.5% increase in sales volume – reflecting lower production costs in the period. The ratio between COGS and net revenue of ferroalloys went from 71.6% in 1H23 to 79.8% in 1H24, a fluctuation explained mainly by the decrease in revenue, which neutralized the improvement in production costs.

SALES AND GENERAL/ADMINISTRATIVE EXPENSES – Sales expenses in 1H24 totaled R\$10.4 million, an increase of 8.3% compared to 1H23, while general/administrative expenses totaled R\$106.5 million, decreasing 8.1% compared to the same period.

OTHER OPERATING REVENUES/EXPENSES – In 1H24, operating expenses totaled R\$11.7 million, 62.4% lower than the R\$31.1 million recorded in 1H23. In the quarter, a gain of R\$17.8 million was obtained, originating from the constitution of tax credits for federal taxes, and R\$8.6 million from monetary restatement recorded in the financial result, totaling a benefit of R\$26.4 million in the Company's result, as a result of tax planning work.

ADJUSTED EBITDA – Operating cash generation, measured by Adjusted EBITDA, reached R\$99.5 million in 2Q24 (R\$12.2 million of which related to BWG), with an EBITDA margin of 19.1% and an increase of 26.9% compared to 1Q24. In 1H24, Adjusted EBITDA reached R\$177.9 million (R\$13.1 million of which related to BWG) and a margin of 17.2%, 46.4% lower than that achieved in 1H23.

CASH GENERATION/CONSUMPTION – Consumption of cash, cash equivalents and financial investments totaled R\$125.6 million in 1H24, ending the period with a consolidated financial reserve of R\$1.047 billion. Deducting the consolidated debt of R\$308.7 million, the net cash position was R\$738.3 million in 2Q24 compared to R\$897.6 million at the end of 4Q23.

FINANCIAL RESULT – The consolidated financial result was R\$21.5 million in 2Q24, 22.4% lower than in 1Q24, due to the 10.1% decrease in financial revenue and an increase of 32.6% in financial expenses. Comparing 1H24 with 1H23, the financial result was 6.8% lower than in the same period of the previous year, a decrease mainly explained by the decline in financial expenses is due to lower interest rates and the greater cash consumption in the first six months of 2024.

CAPEX – In 1H24, R\$114.0 million was invested, 9.2% lower than in 1H23, with emphasis on the acquisition of machinery and equipment intended, for the most part, for Metallurgy and Mining, as well as for the maintenance of biological assets in the Forest Resources area. Also noteworthy was the investment of R\$37.8 million made in equity interest in an electricity generating company.

NET INCOME – Consolidated net income reached R\$56.8 million in 2Q24, an increase of 38.2% compared to 1Q24. The 61.4% decline recorded between 1H23 and 1H24 is due to the aforementioned effects, which will be detailed in the following sections of this report.

2. CORPORATE PROFILE

A national leader in the production of ferroalloys and the only integrated producer of Ferrochrome in the Americas, **FERBASA** is among the 10 largest companies operating in Bahia, according to the Valor 1,000 ranking of 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 Ferrochrome (LC FeCr), Ferrosilicon (FeSi 75), High Purity Ferrosilicon 75 (HP FeSi75) and Ferrosilicon Chromium (FeSiCr) alloys, intended mainly for the steel industry

and the manufacture of stainless and special steels. With a solid 63-year history, the Company serves the domestic market and countries such as China, Japan, the United States and the European Union.

In the Mining segment, **FERBASA** has two chrome ore extraction units (one underground and one open-pit), two quartz mines and a plant focused on the production of quicklime, located in the Central North and Northeast regions of the state of Bahia (BA). Almost all its mineral production is directed to its metallurgical unit, located in the town of Pojuca/BA, where ferroalloys are produced in 14 electric furnaces equipped with baghouse filters designed to neutralize the release of particulate matter into the atmosphere. The Forestry area consists of 64 thousand hectares (about 158,000 acres), of which 25,000 (about 61,776 acres) are planted with renewable eucalyptus forests. The remaining extension of the forestry asset includes areas of legal reserve, firebreaks, native forests, Private Natural Heritage Reserve (PNHR – in Portuguese: RPPN – *Reserva Particular do Patrimônio Natural*), among other characteristics.

Guided by 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 7 parks in the Complex will have their clean and renewable energy available to integrate **FERBASA**'s supply mix as of 2036, either for own consumption or commercialization of the energy generated.

Located in Salvador/BA, the Company's corporate office centralizes services for all of 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 surrounding communities.

3. MARKET ENVIRONMENT

CRUDE STEEL: according to data from the World Steel Association (WSA), in 1H24 global crude steel production, a relevant driver of ferrosilicon consumption, remained stable compared to 1H23, reaching 954.6 Mt. China accounted for 56% of the total produced in the period (530.6 Mt). Among the largest global producers, the best performances came from countries such as Turkey (+ 16.9%), India (+ 7.4%), Iran (+ 5.9%), Germany (+ 4.5%) and Brazil (+ 2.4%). The worst results were recorded in China (1.1%), USA (- 2.4%), Japan (- 2.6%), Russia (- 3.0%) and South Korea (- 6.4%).

In South America, production volume in 1H24 was 20.7 Mt, a slight reduction of 1.0% compared to 1H23. Of this total, 16.4 Mt came from Brazil. According to statistics from the Brazilian Steel Institute (IABr), domestic crude steel production continues to be supported by the good level of domestic demand, despite the continued high level of imports. Between 1H23 and 1H24, domestic apparent consumption grew by 6.0%, while imports increased by 23.9% and exports fell by 25.3%.

FeSi: in China, which accounts for around 70% of the global supply of silicon alloys, 2.6 Mt were produced in 1H24, representing a 2.5% decrease compared to 1H23, according to specialized reports. During the period, there was also a slight drop in overall demand for Chinese FeSi due to lower domestic steel production (-1.1%) and stable exports (- 0.7%). In April/24, the country's silicon alloy production reached its lowest level since October/21. The recovery in the price of Chinese FeSi was again observed after 6 consecutive months of contraction, stimulating the resumption of local supply, which ended 2Q24 with the highest production level of the year.

In Europe, the average price of FeSi, in dollars, fell by 1.4% in Europe between 2Q24 and 1Q24, while in the US there was an increase of 12.8%. In the case of China, the export price remained stable (-0.1%) and the domestic price grew (+1.8%).

STAINLESS STEEL: specialized reports indicate that global production of stainless steel, a reference for FeCr consumption, totaled 31.3 Mt in 1H24, an increase of 7.5% compared to 1H23. Of this amount, China was responsible for 19.8 Mt (63% of the total in 1H24), which represents an increase of 9.4% compared to 1H23. In Europe, production was estimated at 2.9 Mt in 1H24, 10.7% below 1H23, while in the US it was estimated at 896 thousand tons and fell by 5.0%. In Brazil, the expectation is for an increase of 9% (198 thousand tons).

FeCr: Global production of HC FeCr, which remains in line with stainless steel production volumes, reached 8.3 Mt in 1H24, an increase of 8.5% compared to 1H23, according to estimates from specialized publications. China accounted for

4.4 Mt (53% of the 1H24 total) of this volume, jumping 27.6% compared to 1H23 and reaching, in 2Q24, the highest quarterly production in its history.

Driven by record consumption in 2Q24, Chinese imported HC FeCr prices grew 4.2% compared to 1Q24, after 4 consecutive quarters of contraction.

It is also worth noting that UG2 reached USD 320/t in 2Q24, its highest price level during the current bull cycle. In 2Q24, the average price of UG2 increased 7.1% compared to 1Q24, driven by the increase in HC FeCr production and the decrease in the average level of inventories. A popular category of chrome ore produced in South Africa as a byproduct of platinum mining (PGM – Platinum Group Metals), UG2 has recorded average quarterly price levels above USD 250/t since 1Q23, serving as an important support for FeCr prices in China.

We reiterate that 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. OPERATIONAL RESULTS

4.1 Production of Ferroalloys

In 2Q24, 74.8 thousand tons of ferroalloys were produced, a decrease of 2.7% compared to the previous quarter, reflecting the reductions of 2.4% in the production of chromium alloys and 3.2% in silicon alloys. HP FeSi, which accounted for 41.8% of the total silicon alloys produced in 2Q24, recorded a decrease of 8.0% compared to 1Q24.

Between 1H23 and 1H24, there was a 5.0% increase in ferroalloy production, as a result of 3.0% growth in chromium alloys and 9.1% in silicon alloys. In the same sense, HP FeSi saw a slight increase of 1.1%.

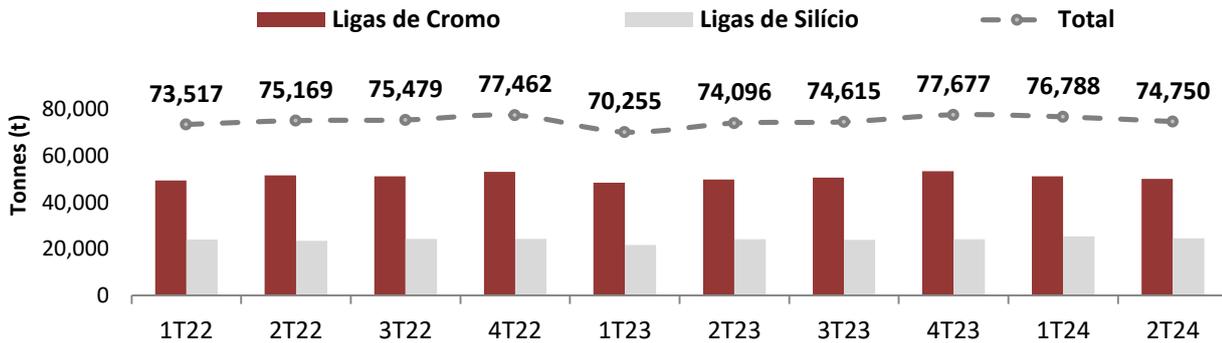
It is important to highlight that a portion of the ferroalloys manufactured is consumed internally, as an input in other production chains.

Production (tons)	2Q24	1Q24	Δ%	2Q23	Δ%	1H24	1H23	Δ%
Chromium Alloys	50,067	51,297	-2.4%	49,911	0.3%	101,364	98,373	3.0%
Silicon Alloys	24,683	25,491	-3.2%	24,185	2.1%	50,174	45,978	9.1%
Total	74,750	76,788	-2.7%	74,096	0.9%	151,538	144,351	5.0%
Use of Installed Capacity (MWh) %	82.6%	84.7%		80.2%		83.7%	78.5%	

Installed capacity, measured based on the amount of electrical energy that can be consumed in MWh, is based on the premises of daily and uninterrupted operation of furnaces at normal power (without power reduction or shutdowns of any kind) and the product mix that enables the furnaces to operate 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.

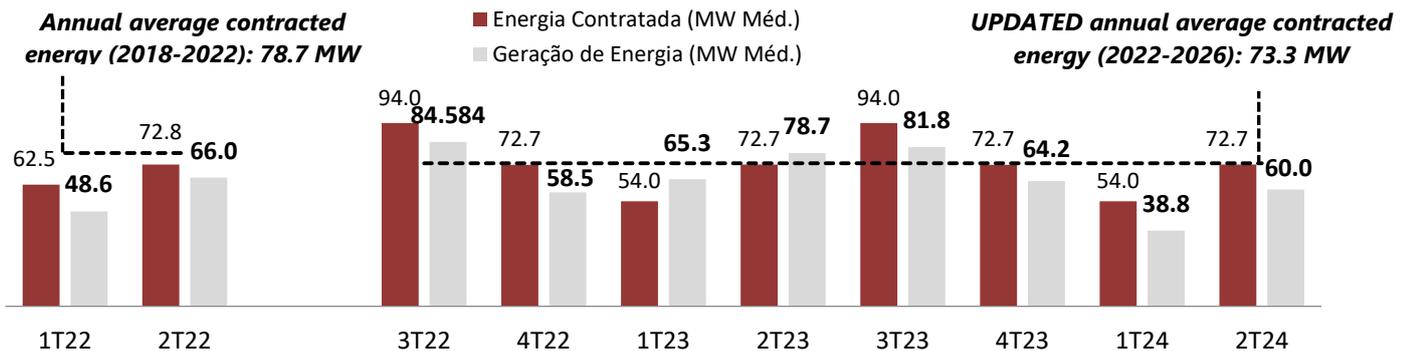
In 2Q24, **FERBASA** used 82.6% of the installed capacity of the Metallurgical Plant. The decrease of 2.1 p.p. compared to 1Q24 mainly reflected operational demands that implied shutdowns for maintenance and furnace renovations.

In the comparison between 1H24 and 1H23, an increase of 5.2 p.p. was recorded in the use of installed capacity, resulting from the end of the restriction on energy use during peak hours (6 pm to 9 pm) from August 2023.



4.2 Electric Power Generation – BW Guirapá

Net energy generation at BW Guirapá's wind farms was 60.0 MW on average in 2Q24, 23.8% lower than in 2Q23 and 17.5% below the 72.7 MW on average contracted for the quarter. The climate effect was the main driver, accounting for a 10.0 MW reduction on average in expected gross generation. In this scenario, the easing of El Niño generated a meteorological condition that directly impacted wind quality during the second quarter.



The results mentioned above should be analyzed in 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 by energy); (ii) performance of the wind turbines, measured by the association between the actual and expected generation, based on the theoretical power curve of the turbine; (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 the 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 83.2 MW average for 2Q24 and the net generation actually achieved, of 60.0 MW average, can be explained as follows:

Manageable factors (- 3.5 MW average):

- Realized availability of 97.2%, which caused an average decrease of 1.9 MW in energy generation, a result mainly related to damage to wind turbines, more specifically the generator and gearbox.
- Average performance achieved was 97.7%, which implied a decrease of 1.6 MW on average, as a result of the calibration of the equipment that guides the wind turbines.

Unmanageable factors (- 19.7 MW average):

- The weather negatively impacted the expected gross generation by an average of 10.0 MW, as the average wind speed (17.9 mph) was below that expected for the period (19.69 mph).

- The systemic restrictions imposed by the ONS for real-time management of the National Interconnected System - SIN resulted in an average reduction of 5.4MW in the Park's generation.
- Internal and external electrical losses relating, respectively, to equipment and the transmission system (external systemic losses – ONS allocation) removed an average of 4.3 MW from gross generation.

5. SALES

Sales in 2Q24 reached 63.4 thousand tons of ferroalloys, a slight increase of 0.5% compared to 1Q24, due to the 1.7% growth in sales to the foreign market and the 0.8% decline in sales in the domestic market, characterizing stability in the total volume sold.

In 1H24, traded volumes fell 10.6% compared to 1H23, in line with declines of 13.3% and 8.1% in domestic and foreign market volumes, respectively. The domestic scenario reflects a difficult time for the steel industry, which has already signaled discomfort with the growth in steel imports, especially those of Chinese origin. In the case of exports, the international scenario is significantly impacted by the protectionist actions recently intensified by the United States. In addition, logistical challenges continue to exist, such as the unavailability of containers and ships, as well as the effect of limited operations in the Suez and Panama Canals. This set of factors affected the Company's sales pace in the semester.

Sales (tons)	2Q24	1Q24	Δ%	2Q23	Δ%	1H24	1H23	Δ%
DOMESTIC MARKET (MI)								
Chromium Alloys	24.770	25.124	-1,4%	31.263	-20,8%	49.894	60.266	-17,2%
Silicon Alloys	4.788	4.677	2,4%	4.942	-3,1%	9.465	8.160	16,0%
MI Total	29.558	29.801	-0,8%	36.205	-18,4%	59.359	68.426	-13,3%
FOREIGN MARKET (ME)								
Chromium Alloys	16.176	13.053	23,9%	15.114	7,0%	29.229	37.191	-21,4%
Silicon Alloys	17.682	20.228	12,6%	16.723	5,7%	37.910	35.879	5,7%
ME Total	33.858	33.281	1,7%	31.837	6,3%	67.139	73.070	-8,1%
TOTAL (MI + ME)	63.416	63.082	0,5%	68.042	-6,8%	126.498	141.496	-10,6%

5.1 Net Revenue

Net revenue in 2Q24 totaled R\$522.0 million, an increase of 2.5% compared to 1Q24. This result reflects the combination of stable sales volume, a 4.0% increase in the average dollar price charged and a 4.5% reduction in the average price of alloys in dollars.

Compared to the same period in 2023, total net revenue in 1H24 decreased, in line with the 23.5% drop in revenue from ferroalloys. This result reflects the 10.6% decrease in the volume sold, the 12.9% slowdown in the average dollar price of ferroalloys and the 1.2% reduction in the average dollar price practiced.

Net Revenue (R\$ millions)	2T24	1T24	Δ%	2T23	Δ%	1S24	1S23	Δ%
DOMESTIC MARKET (MI)								
Ferroalloys	217,4	213,0	2,1%	294,1	-26,1%	430,4	566,2	-24,0%
Wind Power	25,7	15,7	63,7%	31,3	-17,9%	41,4	56,9	-27,2%
Other Products (*)	13,5	12,4	8,9%	16,6	-18,7%	25,9	30,6	-15,4%
Total MI	256,6	241,1	6,4%	342,0	-25,0%	497,7	653,7	-23,9%
FOREIGN MARKET (ME)								
Ferroalloys	265,4	268,4	-1,1%	284,1	-6,6%	533,8	688,8	-22,5%

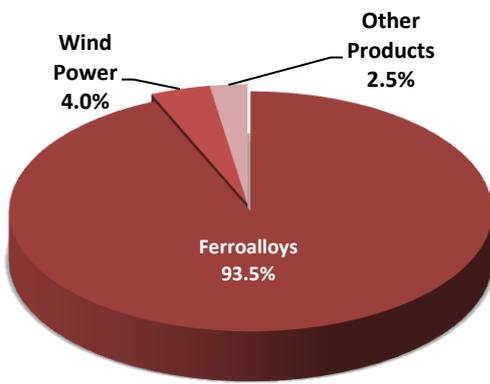
Total ME	265,4	268,4	-1,1%	284,1	-6,6%	533,8	688,8	-22,5%
TOTAL (MI+ME)	522,0	509,5	2,5%	626,1	-16,6%	1.031,5	1.342,5	-23,2%
Average US dollar practiced (R\$/USD)	5,14	4,94	4,0%	5,02	2,4%	5,04	5,10	-1,2%

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

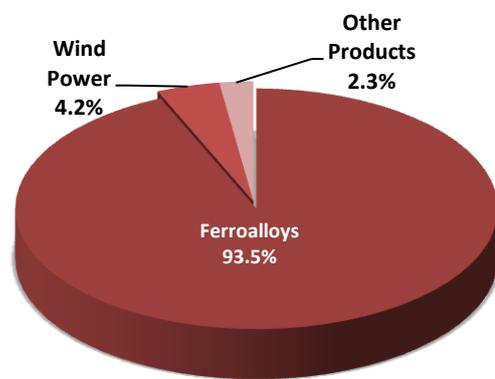
5.2 Net Revenue by Product and Market

As it follows, there is the Net Revenue by Product :

Sales Mix - 1H24

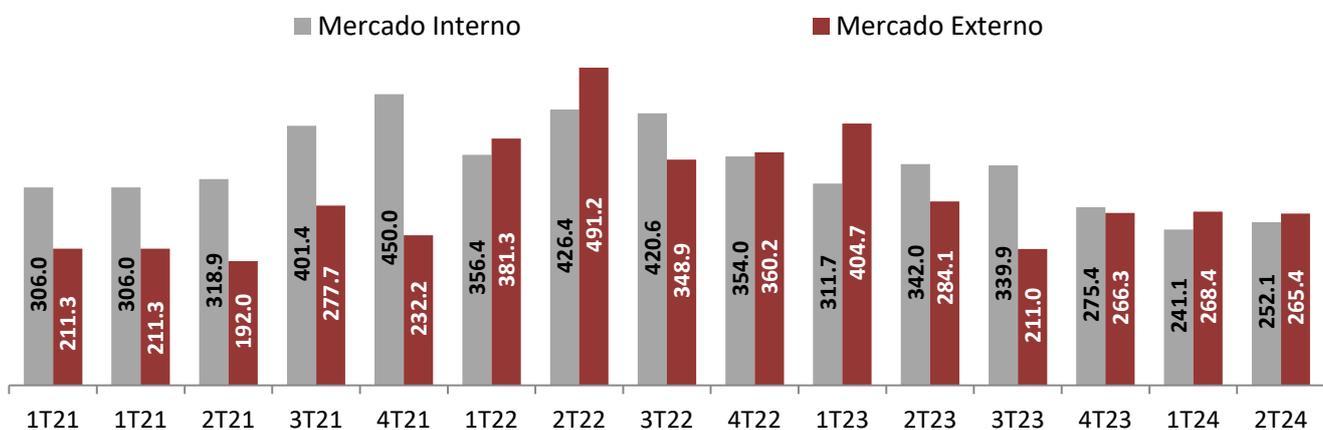


Salex Mix - 1H23



The chart below shows the trajectory of net revenue between 1Q21 and 2Q24, distributed between the domestic market and exports. In 2021, Brazil recorded the highest level of steel production in recent years, boosting the sale of **FERBASA** products. In 2022, the outbreak of the conflict in Eastern Europe caused a sharp increase in commodity prices, 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 revenue from ferroalloys throughout the year, while 2024 has been characterized by the stabilization of this trend. For the domestic market, we observed the impact of steel imports, mostly of Chinese origin, on the dynamics of the national steel sector.

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



6. COST OF GOODS SOLD

The consolidated cost of goods sold (COGS) totaled R\$ 402.8 million in 2Q24 and incorporated a decrease of 2.2% compared to 1Q24, in line with the 2.4% reduction in the COGS of ferroalloys.

Compared to 1H23, consolidated COGS in 1H24 decreased 14.7%. In the case of COGS for ferroalloys, there was a decrease of 14.4% due to the 10.6% decrease in sales volume, in addition to reflecting lower production costs with electricity and coke.

In relation to the electricity consumed in the production of ferroalloys, there was a decrease of 20.5% in the average cost between 1H23 and 1H24, because of the 32.8% drop in the average energy tariff, due to the optimization of the portfolio of contracts, which exceeded the growth of 5.0% in expenses with sectoral charges.

Regarding the lower production cost of high carbon ferrochrome, verified between 1H23 and 1H24, the most relevant factor, in addition to the reduction in electricity costs, was the cost of coke, due to the decline in the international price of coal.

As for the decrease in the cost of low-carbon ferrochrome, the expenses with the FeSi Cr reducer (produced domestically) stand out, benefiting from the lower costs of HC FeCr, consumed in its production.

The retraction in the cost of ferrosilicon production is due to the reduction in electricity expenses, in addition to the dilution of fixed costs because of the increase in production volume.

Specifically, regarding the ratio between COGS and net revenue of ferroalloys, there was an increase from 71.6% to 79.8% between 1H23 and 1H24, mainly caused by the decrease in revenue from the drop in trading prices 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 complex, which covers the main cost components associated with the operation of wind turbines, equipment maintenance, power transmission and depreciation.

COGS (R\$ millions)	2Q24	%NR(*)	1Q24	%NR(*)	2Q23	%NR(*)	1H24	%NR(*)	1H23	%NR(*)
Ferroalloys	379,9	78,7%	389,1	80,8%	431,5	74,6%	769,0	79,8%	898,8	71,6%
Wind Power	25,7	100,0%	23,7	151,0%	20,3	64,9%	49,4	119,3%	39,3	69,1%
Other Products (i)	9,4	69,6%	9,6	77,4%	10,1	61,0%	19,0	73,4%	19,4	63,5%
Subtotal products	415,0		422,4		461,9		837,4		957,5	
Idle Capacity	3,6		1,3		3,1		4,9		5,7	
Others	(15,8)		(11,7)		(5,4)		(27,5)		(7,7)	
Subtotal others	(12,2)		(10,4)		(2,3)		(22,6)		(2,0)	
Total General	402,8		412,0		459,6		814,8		955,5	
%Net Revenue	77,2%		80,9%		73,4%		79,0%		71,2%	

(*) 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\$10.4 million in 1H24, representing an increase of 8.3% compared to 1H23. In relation to net revenue, the percentage of sales expenses corresponded to 1.0% in 1H24, while in 1H23 it was recorded at 0.7%.

7.2 General and Administrative Expenses

Consolidated general and administrative expenses include amounts related to salaries, benefits, management fees, social charges, consulting services and the provision for profit sharing.

For 1H24, such expenses totaled R\$95.7 million (R\$3.9 million related to BWG), a decrease of 10.1% compared to the R\$106.5 million recorded in the first half of 2023 (R\$3.5 million related to BWG), reflecting the reduction of R\$16.8 million in the profit-sharing line, which occurred due to the drop in profit in the period.

7.3 Other Operating Expenses/Revenues

Operating expenses in 1H24 totaled R\$27.9 million, 10.3% lower than the R\$31.1 million recorded in 1H23.

The main expenses in 1H24 were related to Social and Corporate Responsibility (R\$6.5 million), other taxes and fees (R\$4.9 million), energy transfer (R\$6.1 million), and geological surveys, consulting and others (R\$10.4 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**, that is, with the purge 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)	2T24	1T24	Δ%	2T23	Δ%	1S24	1S23	Δ%
Net Profit	56.8	41.1	38.2%	121.7	-53.3%	97,9	253,3	-61,4%
(+/-) Net financial result	(21.5)	(27.7)	-22.4%	(29.5)	-27.1%	(49,2)	(52,8)	-6,8%
(+/-) IRPJ/CSLL	13.3	20.7	-35.7%	5.8	129.3%	34,0	39,3	-13,5%
(+/-) Depreciation, amortization, exhaustion, and capital gain ¹	49.1	44.2	11.1%	46.8	4.9%	93,3	92,7	0,6%
EBITDA	97.7	78.3	24.8%	144.8	-32.8%	176,0	332,5	-47,1%
(+/-) Provision for contingencies and other provisions ²	(2.2)	(1.8)		(0.4)		(4,0)	(0,8)	
(+/-) Establishment of tax credit ³	(3.4)	-		-		3,4	-	
(+/-) Effect of restriction on ONS power generation	1.9	1.9		-		3,8	-	
(+/-) Effect of actuarial liabilities (health plan, private pension and FGTS)	(1.3)	-		-		(1,3)	-	
Adjusted EBITDA	99.5	78.4	26.9%	144.4	-31.1%	177,9	331,7	-46,4%
EBITDA Margin	19.1%	15.4%		23.1%		17,2%	24,7%	

1) The capital gain refers to the effect of the realization of assets measured at their fair value, reflecting the acquisition of BWG;

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

3) Establishment of tax credits for federal taxes (does not include monetary adjustment).

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

EBITDA - BW (R\$ millions)	2Q24	1Q24	Δ%	2Q23	Δ%	1H24	1H23	Δ%
Net Profit (Loss)	(5.0)	(11.3)	-55.8%	5.4	-	(16.3)	5.6	-
(+/-) Net Financial Result	2.7	1.1	145.5%	2.5	8.0%	3.8	6.7	-43.3%
(+/-) IRPJ/CSLL	-	-	-	0.8	-	-	1.1	-
(+/-) Depreciation and Amortization	11.1	11.1	0.0%	10.8	2.8%	22.2	21.4	3.7%
EBITDA	8.8	0.9	877.8%	19.5	-54.9%	9.7	34.8	-72.1%
(+/-) Effect of restriction on ONS power generation	3.4	-	-	-	-	3.4	-	-
Adjusted EBITDA	12.2	0.9	1,255.6%	19.5	-37.4%	13.1	34.8	-62.4%
EBITDA Margin	47.5%	5.7%	-	62.3%	-	31.6%	61.2%	-

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 1H24 was (+) R\$47.1 million, mainly impacted by:

(+) R\$16.7 million of operating income generated in the period, including variations in working capital, interest payments and taxes;

(+) R\$63.8 million from investment activities, a result influenced by: i) transfer of financial investments in the amount of (+) R\$214.9 million to Cash and Cash Equivalent; ii) acquisitions for fixed assets and biological assets, which together totaled (-) R\$114.0 million; iii) equity interest in an energy generation company, in the amount of (-) R\$ 37.8 million (ref. APE – Self-production by equivalence); and (iv) others, in the amount of (+) R\$ 0.7 million;

(-) R\$33.4 million from financing activities, whose impacts were: i) amortization of loans and consolidated financing in the amount of (-) R\$26.7 million (with emphasis on the R\$13.2 million related to BWG's debt with BNDES – Brazilian Bank of Development, in Portuguese – *Banco Nacional do Desenvolvimento*); ii) payment of leases/rents totaling (-) R\$ 45.7 million; (iii) Payment of interest on equity in the amount of (-) R\$ 17.5 million; and (iv) Raising of financial resources through advances on exchange contracts (ACC – Portuguese acronym that stands for *Adiantamento de Contrato de Câmbio*) in the amount of (+) R\$56.5 million, at an average discount of 6.4% p.a., monthly maturities in 2Q25, average exchange rate of R\$/US\$5.25, with the objective of financing the growth of 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\$172.7 million, there was a total cash consumption of R\$125.6 million in 1H24. As of June 30, 2024, the consolidated financial reserve reached approximately R\$1.047 billion (including cash, cash equivalents and marketable securities, of which R\$127.6 million came from BWG) and consolidated debt of R\$308.7 million (of which R\$201.1 million referred to BWG's debt with BNDES). Thus, the Company ended the quarter with a net cash position of R\$ 738.3 million.

Net Cash - Consolidated (R\$ million)	06/30/2024	12/31/2023	Δ
Cash and cash equivalents	388.9	341.8	47.1
Financial investments	658.1	830.8	(172.7)
Total Financial Reserve	1,047.0	1,172.6	(125.6)
Loans and financing*	(308.7)	(275.0)	(33.7)
Net Cash	738.3	897.6	(159.3)

(*) The IOF value on the collection is R\$ 3.4 and R\$ 3.6 million for 06/30/24 and 12/31/23, respectively.

9.2 Net Financial Result

In 2Q24, the financial result totaled R\$ 21.5 million, 22.4% lower than the R\$ 27.7 million recorded in 1Q24. This decrease was due to the combination of the 10.1% decrease in financial revenue, mainly justified by the monetary adjustment of R\$8.6 million related to the constitution of federal tax credits, and the 32.6% increase in financial expenses, influenced by the raising of financial resources through exchange contracts (ACC).

The analysis of 1H24 points to an 6.8% reduction in the financial result compared to 1H23. Financial revenue fell 21.4% due to the lower interest rate for financial investments and cash consumption in 1H24. On the other hand, financial expenses decreased by 21.6% due to the amortization of financing contracts and the drop-in interest rates. There was also a positive effect of the exchange rate variation in the period analyzed.

Financial Results (R\$ million)	2Q24	1Q24	Δ%	2Q23	Δ%	1H24	1H23	Δ%
Financial performance								
Financial revenue	31,3	34,8	-10,1%	46,7	-33,0%	66,1	84,1	-21,4%
Financial expense	(12,6)	(9,5)	32,6%	(14,4)	-12,5%	(22,1)	(28,2)	-21,6%
Net Exchange variation	2,8	2,4	16,7%	(2,8)	-200,0%	5,2	(3,1)	-267,7%
Total	21,5	27,7	-22,4%	29,5	-27,1%	49,2	52,8	-6,8%

Additionally, we inform that the Company has US\$ 2.7 million in export restrictions, at an average exchange rate of R\$/US\$ 5.31 and with maturity dates of up to 120 days from the respective contracting.

10. CAPEX

10.1 Operacional

In 1H24, CAPEX totaled R\$114.0 million, representing a decrease of 9.2% compared to the total amount spent in 1H23. The amounts broken down by business unit are shown in the table below:

CAPEX (R\$ millions)	Metallurgy	Mining	Forestry	Wind Power	1H24	1H23
Machinery and Equipment	15.9	21.3	6.6	4.3	48.1	56.0
Biological Asset	-	-	36.1	-	36.1	32.9
Land slots	-	-	-	-	-	15.9
Mines	-	9.7	-	-	9.7	8.6
Buildings	1.0	7.6	7.7	-	16.3	7.3
Vehicles and Tractors	-	0.2	-	-	0.2	-
Furniture and utensils	0.2	-	-	-	0.2	0.1
Others (i)	1.4	0.5	1.5	-	3.4	4.8
Total	18.5	39.3	51.9	4.3	114.0	125.6

(i) Including: advances, IT, intangible and others.

The most significant investments in the period were related to the acquisition of machinery and equipment (42.2%), mostly for the Metallurgy and Mining units, as well as maintenance of biological assets (31.7%) for the Forest Resources area. Such expenses represented 73.9% of the total CAPEX carried out in 1H24.

10.2 Corporate Interest

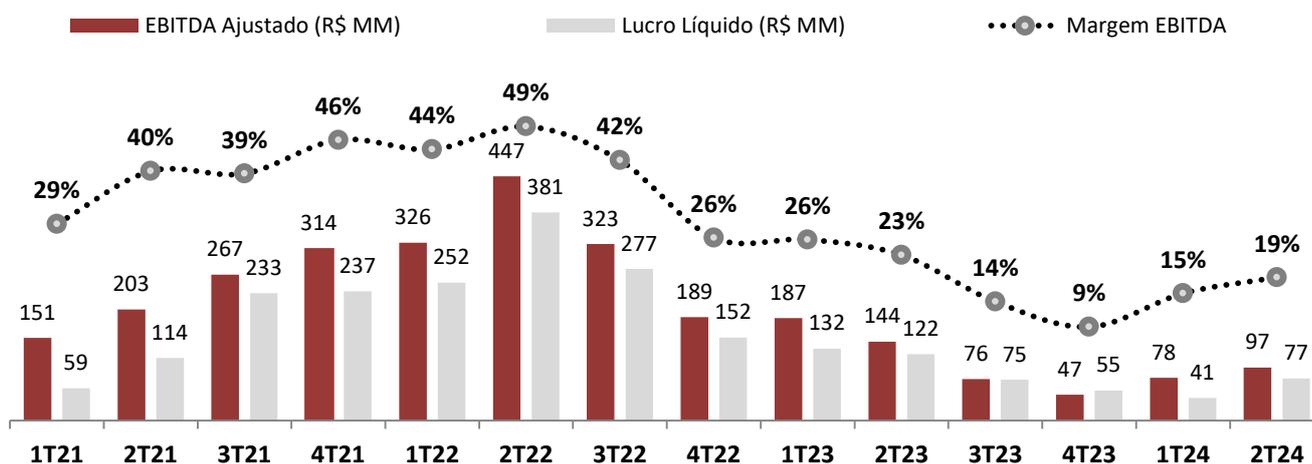
In 1H24, R\$37.8 million was disbursed for the acquisition of a 45% stake in *Sociedade NK232* (a company of the *Auren Energia S.A. group*) with the objective of operating the *Ventos de São Ciro* (located in the Brazilian state of Piauí) and *Ventos de São Bernardo* (located in the Brazilian state of Pernambuco) wind farms, which will allow the Company to supply an average of 35MW of electricity for 20 years, under the self-production by equalization (APE – Portuguese acronym that stands for *Autoprodução por Equiparação*) regime, as disclosed to the market on February 9, 2024.

11. NET PROFIT AND RESULTS

As a result of the effects mentioned in this report, consolidated net income in 2Q24 was R\$76.9 million (net margin of 14.7%). As a cumulative result in 1H24, net income reached R\$118.0 million (margin of 11.4% on net revenue). The main elements that influenced the result of 1H24, in relation to the same period of the previous year, were:

- (i) 12.9% drop in the average dollar-weighted price of ferroalloys;
- (ii) 10.6% reduction in total sales of ferroalloys;
- (iii) 1.2% devaluation in the average dollar rate;
- (iv) 14.4% drop in cost of goods sold (COGS) for ferroalloys;
- (v) BW Guirapá suffers R\$16.3 million loss;
- (vi) Consolidated cash consumption of R\$125.6 million in 1H24.

The following graph shows the evolution of EBITDA, EBITDA margin and net profit since 1Q21.



12. STATEMENT OF ADDED VALUE

The table below shows the wealth generated by the Company and its respective distribution. In 1H24, **FERBASA** generated R\$384.4 million.

DVA (Statement of Added Value) (R\$ millions)	1H24	1H23	Δ%
Employees	206,2	207,1	-0,4%
Government	75,6	123,2	-38,6%
Others (1)	4,7	27,7	-83,0%
Net Profit (2)	97,9	253,3	-61,4%
Total	384,4	611,3	-37,1%

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

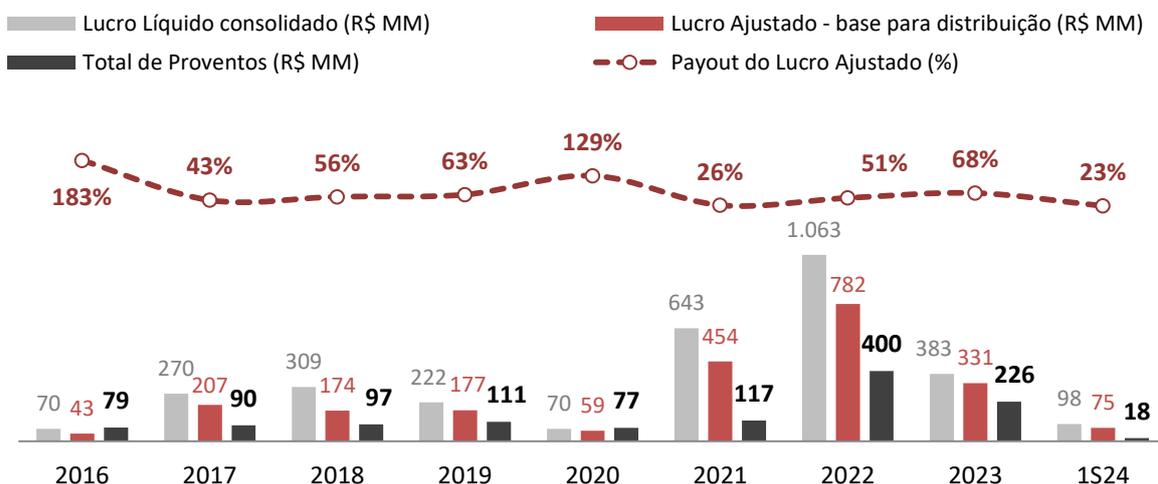
(2) Shareholders and retained earnings.

13. CAPITAL MARKETS AND INVESTOR RELATIONS

FERBASA maintains strict transparency standards to preserve the trust of its stakeholders, prioritizing the timely disclosure of information, providing an institutional website and other direct communication channels with the Investor Relations area. In addition, the Company holds quarterly results release conferences and an annual public meeting. Below, we present a summary of relevant information for our investors and the market in general.

13.1 Earnings

Remaining a regular payer of dividends, **FERBASA** presents below a historical series of its profit distribution. In June 2024, the Company credited the payment of R\$ 17.5 million in dividends in the form of JCP (Interest on Equity), reaching a payout of 23% in relation to the adjusted profit of 1H24.



13.2 FESA4 performance on B3

The table below presents some indicators on the behavior of **FERBASA** preferred shares in 2Q24.

	2T24	1T24	Δ%
Volume of shares traded (thousand)	52.363	31.946	63,9%

Transacted value (R\$ thousand)	426.473	387.123	10,2%
Market value (R\$ thousand) ⁽¹⁾	3.551.642	3.921.408	-9,4%
Shares in <i>Free Float</i> Circulation (thousand) ⁽²⁾	161.858	161.830	0,02%
Weighted average price during the period (R\$ PN)	8,14	12,12	-32,8%
Last quotation of the period (R\$ PN)	8,07	8,67	-6,9%
Equity value per share (R\$)	9,67	9,49	1,9%

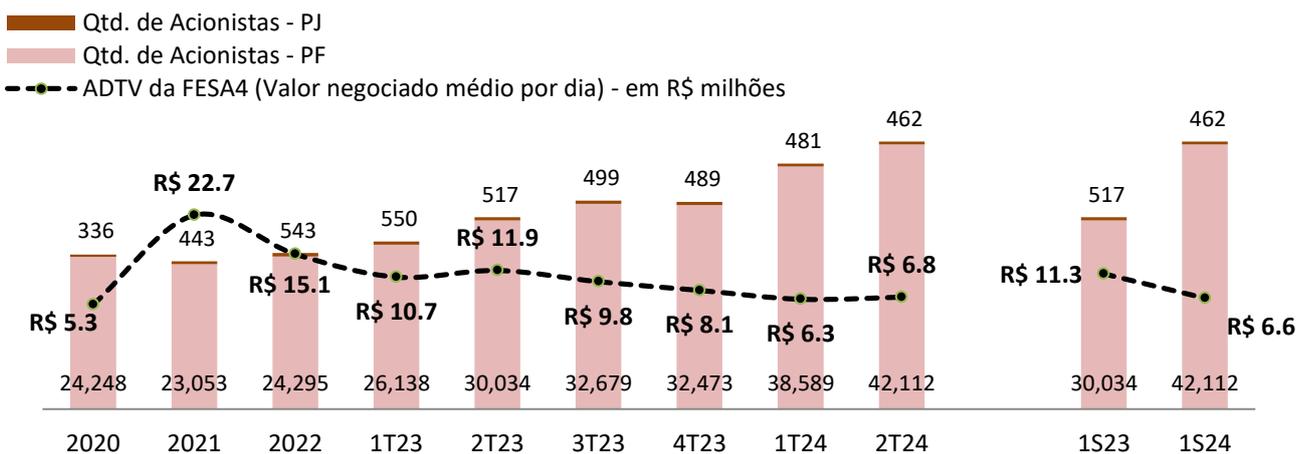
Notes:

(1) Number of shares (by ON and PN class) multiplied by their respective stock prices on 06/31/2024 and 03/31/2024;

(2) Total volume of Company shares, excluding the shares of the treasury (ON: 160,000; PN: 12,733.2 thousand), of the Controlling Shareholder (ON: 116,346,800 thousand; PN: 62,045.6 thousand) and of the Management (ON: 312; PN: 136.5 thousand).

The Company's ADTV (Average Daily Trading Volume) in 2Q24 reached R\$6.8 million, up 6.7% compared to 1Q24. In 1H24, ADTV fell 41.9% compared to 1H23, due to the 25,9% drop in the average price of FESA4, which outweighed the effect of the growth in the average volume of PNs traded. Furthermore, 2024 has been marked by a reduction in stock market volume associated with the outflow of foreign capital and worsened by the uncertain scenario in the steel sector.

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



13.3 Investor Profile

The shareholding profile of FERBASA's preferred shares (FESA4), taking as reference the shareholding base of 06/30/2024, is configured as follows:



14. GLOSSÁRIO

High Carbon Ferrochrome (HC FeCr) – An alloy of iron and chromium with a high 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 and petroleum industries, as well as in the so-called "white goods", household appliances, construction and other products.

Low Carbon Ferrochrome (LC FeCr) – Iron and chromium alloy that presents carbon with a maximum content of 0.15%, used during the production of steels to correct chromium contents without causing undesirable variations in carbon content. Industrially, it has the same purpose as ferrochrome high carbon, 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 Ferrochrome and steels, for the addition of chromium and silicon.

Ferrosilicon 75 (FeSi75) – In steel production, Standard Ferrosilicon 75 is used as a deoxidant and alloying element; in the casting industry serves as a graphite agent. High Purity Ferrosilicon (HP) makes up the manufacture of steels intended for the manufacture of transformers, hydroelectric plants, freezers, airtight compressors for refrigerators and others.

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

15. MAIN CONSOLIDATED FINANCIAL STATEMENTS (in R\$ thousand)

15.1 Balance Sheet

ASSETS	1H24	2023	1H23
Current Assets	1,641,313	1,584,250	1,768,903
Cash and cash equivalents	388,908	341,787	558,524
Financial Investments	366,703	463,299	473,098
Receivables from customers	175,475	197,566	195,583
Inventories	603,802	519,147	509,435
Taxes to be recovered	84,004	44,615	19,023
Prepaid expenses	5,162	6,038	1,272
Advances to suppliers – electric power	-	167	1,167
Other assets	17,259	11,631	10,801
Non-current Assets	2,558,394	2,526,447	2,362,629
Financial investments	291,374	367,541	366,345
Inventories	8,051	8,051	8,738
Taxes to be Recovered	6,039	6,932	7,093
Judicial Deposits	9,323	9,520	8,741
Other credits	897	897	826
Investments	39,251	124	7,624
Fixed and Intangible	1,698,086	1,687,877	1,576,798
Right of use on lease	139,009	96,952	90,781
Biological Asset	366,364	348,553	295,683
Total Assets	4,199,707	4,110,697	4,131,532

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



LIABILITIES AND EQUITY	1H24	2023	1H23
Current Liabilities	459,682	499,147	421,105
Suppliers	124,279	147,832	123,305
Advances from customers	12,024	29,419	3,683
Loans and financing	132,512	72,676	67,210
Cost of funding	(455)	(455)	(455)
Labor and actuarial obligations	78,224	104,064	85,517
Taxes and social contributions	20,849	24,138	29,965
CCEE reimbursement account	22,466	64,841	55,928
Proposed dividends and JCP	60	60	47
Leases to pay	57,628	44,634	45,952
Other liabilities	12,095	11,938	9,953
Non-current Liabilities	448,000	420,063	488,722
Loans and financing	176,190	202,296	253,653
Cost of funding	(2,904)	(3,132)	(3,359)
Obligations with acquisition of subsidiaries	4,978	4,978	4,978
Labor and actuarial obligations	62,382	58,552	49,204
Taxes and social contributions	3,587	3,587	3,587
Taxes and deferred social contributions	26,710	4,321	3,645
CCEE reimbursement account	42,653	2,254	21,807
Provision for contingencies	62,557	74,403	60,831
Provision for environmental liabilities	46,298	46,352	58,079
Leases to pay	25,549	26,452	36,297
Total Equity	3,292,025	3,191,487	3,221,705
Controlling Shareholders' Equity	3,290,516	3,190,099	3,220,380
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	47,630
Treasury shares	(25,754)	(25,754)	(25,754)
Retained earnings	100,341	-	180,469
Participation of non-controlling shareholders	1,509	1,388	1,325
Total Liabilities and Shareholders' Equity	4,199,707	4,110,697	4,131,532

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

15.2 Results report

	1H24		1H23		2Q24		2Q23	
	R\$ thousand	%NR	R\$ thousand	%NR	R\$ thousand	%NR	R\$ thousand	%NR
GROSS REVENUE	1,156,194	100.0	1,502,284	100.0	585,450	100.0	710,586	100.0
Domestic Market	622,425	53.8	813,524	53.8	320,045	54.7	426,547	59.6
Foreign Market	533,769	46.2	688,760	45.5	265,405	45.3	284,039	39.7
Sales Taxes	(124,678)	(10.8)	(159,782)	(10.6)	(63,423)	(10.8)	(84,458)	(11.8)
NET REVENUE	1,031,516	100.0	1,342,502	100.0	522,027	100.0	626,128	100.0
Cost of Goods Sold	(814,825)	(79.0)	(955,453)	(71.2)	(402,764)	(77.2)	(459,592)	(73.4)
GROSS PROFIT	216,691	21.0	387,049	28.8	119,263	22.8	166,536	26.6
Operating expenses								
With sales	(10,360)	(1.0)	(9,629)	(0.7)	(5,438)	(1.0)	(4,377)	(0.7)
Administrative	(57,866)	(5.6)	(56,301)	(4.2)	(26,621)	(5.1)	(29,107)	(4.6)
Adm's payment and Profit Sharing	(39,994)	(3.9)	(50,233)	(3.7)	(23,775)	(4.6)	(25,165)	(4.0)
Other (expenses) operating income	(11,749)	(1.1)	(31,056)	(2.3)	(901)	(0.2)	(9,907)	(1.6)
Operating Income Before Financial Result	96,722	9.4	239,830	17.9	62,528	12.0	97,980	15.6
Financial Revenue	74,323	7.2	84,141	6.3	39,509	7.6	46,769	7.5
Financial Expense	(22,124)	(2.1)	(28,306)	(2.1)	(12,652)	(2.4)	(14,456)	(2.3)
Net Exchange variation	5,191	0.5	(3,074)	(0.2)	2,827	0.5	(2,808)	(0.4)
Financial result	57,390	5.6	52,761	3.9	29,684	5.7	29,505	4.7
Profit before IRPJ/CSLL	154,112	14.9	292,591	21.8	92,212	17.7	127,485	20.4
IRPJ/CSLL	(36,150)	(3.5)	(39,256)	(2.9)	(15,455)	(3.0)	(5,710)	(0.9)
Profit for the period	117,962	11.4	253,335	18.9	76,757	14.7	121,775	19.4

BW Guirapá	1H24		1H23		2Q24		2Q23	
	R\$ thousand	%NR	R\$ thousand	%NR	R\$ thousand	%NR	R\$ thousand	%NR
NET REVENUE	41,373	100.0	56,915	100.0	25,715	100.0	31,362	100.0
Cost of Goods Sold	(49,360)	(119.3)	(39,328)	(69.1)	(25,615)	(99.6)	(20,342)	(64.9)
GROSS PROFIT (LOSS)	(7,987)	(19.3)	17,587	30.9	100	0.4	11,020	35.1
Operating Expenses								
General, administrative, and Other operating revenues/expenses	(4,524)	(10.9)	(4,189)	(7.4)	(2,400)	(9.3)	(2,298)	(7.3)
Operating profit before financial result	(12,511)	(30.2)	13,398	23.5	(2,300)	(8.9)	8,722	27.8
Financial Revenue	7,909	19.1	7,818	13.7	3,286	12.8	4,539	14.5
Financial Expense	(11,725)	(28.3)	(14,478)	(25.4)	(6,039)	(23.5)	(7,018)	(22.4)
Financial Result	(3,816)	(9.2)	(6,660)	(11.7)	(2,753)	(10.7)	(2,479)	(7.9)
Profit (Loss) before IRPJ/CSLL	(16,327)	(39.5)	6,738	11.8	(5,053)	(19.7)	6,243	19.9
IRPJ/CSLL	-	-	(1,090)	(1.9)	-	-	(797)	(2.5)
Profit (Loss) for the term	(16,327)	(39.5)	5,648	9.9	(5,053)	(19.7)	5,446	17.4

The consolidated financial statements, including explanatory notes and the audit report of Pricewaterhousecoopers Auditores Independentes, are available on the websites www.cvm.gov.br, www.b3.com.br e www.ferbasa.com.br

15.3 Cash Flow Statement (Indirect)

CASH AND CASH EQUIVALENTS	1H24	2023	1H23
Profit for the period	117,962	382,885	253,335
Net profit adjustments			
Interest and monetary and exchange variations	(39,734)	(54,730)	(22,823)
Depreciation, amortization, and depletion	73,884	151,595	76,994
Depletion of biological asset	17,235	64,425	13,451
Change in fair value of biological assets	-	(71,728)	-
Deferred taxes	22,389	24,888	20,468
Provision for profit holdings	23,064	-	37,589
Demobilization (Reversal) Provision	-	(10,627)	-
Lease payable update	(979)	1,967	1,156
Post-employment benefit update	3,830	1,579	3,242
Constitution (reversal) of provision for contingencies	(12,122)	10,871	(829)
Others	3,665	4,601	2,548
	209,194	505,726	385,131
Reduction (increase) in asset accounts:			
Accounts to receive from customers	30,153	12,055	14,236
Inventories	(83,568)	64,935	68,287
Taxes to be recovered	(26,580)	(12,594)	5,594
Advance to suppliers	167	2,000	1,000
Judicial Deposits	217	31,460	31,848
Other Assets	(5,377)	(3,728)	2,286
Increase (decrease) in liabilities accounts:			
Suppliers	(21,240)	20,086	(6,520)
Taxes and social contributions	(5,518)	(6,600)	(8,811)
Income tax and social contribution to pay	13,701	11,796	18,788
Labor and actuarial obligations	(48,903)	(32,184)	(88,252)
CCEE reimbursement accounts	(1,988)	(9,756)	2,707
Advances from customers	(17,395)	(31,790)	(57,526)
Other liabilities	(447)	2,047	(64)
Income tax and social contribution paid	(11,595)	(43,537)	(36,111)
Interest paid in the year	(14,171)	(33,351)	(15,293)
Net cash generated by operating activities	16,650	476,565	317,300
Cash flow from investment activities			
Capex	(113,960)	(328,839)	(125,584)
Other Equity Investments	(37,822)	-	-
Movement in financial applications	214,880	81,607	21,553
Sale of fixed assets	673	2,027	1,611
Exchange rate variation on cash and cash equivalents	76	235	235
Net cash invested in investment activities	63,847	(244,970)	(102,185)
Cash flow from financing activities			
Loans and financing (ACC)	56,566	-	-
Amortization of loans and financing	(26,702)	(67,114)	(24,026)
Amortization of leases	(45,740)	(70,879)	(33,915)
Dividends and JCP paid	(17,500)	(225,917)	(72,752)
Net cash invested in financing activities	(33,376)	(363,910)	(130,693)
Increase (reduction) in cash and cash equivalents	47,121	(132,315)	84,422
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	388,908	341,787	558,524
Net increase (decrease) in cash and cash equivalent balance	47,121	(132,315)	84,422
Net increase (reduction) in the balance of financial investments	(172,763)	19,810	28,413
Net increase (decrease) in financial reserve	(125,642)	(112,505)	112,835

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