1. OPERATIONAL CONTEXT

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

This interim accounting information, both individual and consolidated, contained in the Quarterly Information Form – ITR (Portuguese acronym that stands for *Formulário de Informações Trimestrais*) for the semester ended June 30, 2024, was approved by the Company's Board of Directors on August 9, 2024.

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

In addition to the relief from tensions resulting from the pandemic, which led to a drop in commodity prices, more recently, the intensification of protectionist actions in many countries and the conflicts between Russia and Ukraine, and between Israel and Hamas, have brought new challenges to international trade. More specifically, protectionism has been generating a pent-up trade of products in some regions and an oversupply in others, while the bottleneck of maritime traffic in the Suez Canal and in many important commercial logistics circuits is hampering the availability and attendance of ships and containers.

The national 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 panorama has been significantly impacted by the protectionist actions recently intensified by the United States. This set of factors affected the Company's sales pace in the semester.

1.2 Accounting impacts related to climate change and ESG agenda

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

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

The Company understands that there is no significant impact on the individual and consolidated interim accounting information resulting from the ESG or climate change issue as of June 30, 2024.

1.3 Consumption Tax Reform

On December 20, 2023, Constitutional Amendment (EC – Portuguese acronym that stands for

Emenda Constitucional) No. 132 was enacted, establishing the Tax Reform (“Reform”) on consumption. Several issues, including the rates of the new taxes, are still pending regulation by Complementary Laws (LC – Portuguese acronym that stands for *Leis Complementares*), which must be forwarded for evaluation by the National Congress within 180 days. The Reform model is based on VAT divided (“dual VAT”) into two jurisdictions, one federal (Contribution on Goods and Services - CBS – Portuguese acronym that stands for *Contribuições sobre Bens e Serviços*) and one subnational (Tax on Goods and Services – IBS – Portuguese acronym that stands for *Imposto sobre Bens e Serviços*), which will replace the PIS, COFINS, ICMS and ISS taxes. A Selective Tax (IS – Portuguese acronym that stands for *Imposto Seletivo*) was also created - under federal jurisdiction, which will be levied on the production, extraction, marketing or import of goods and services that are harmful to health and the environment, under the terms of the LC. On July 10, 2024, the regulation of the Tax Reform was approved by the Chamber of Deputies and the text will now be analyzed by the Federal Senate.

There will be a transition period from 2025 to 2033, during which the two tax systems - old and new - will coexist. The impacts of the Reform on the calculation of the aforementioned taxes, from the beginning of the transition period, will only be fully known when the process of regulating the pending issues by LC is completed. Consequently, there is no effect of the Reform on the individual and consolidated interim accounting information, as of June 30, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1. Basis of Preparation

This interim accounting information should be read along with the Company's audited financial statements from December 31, 2023, which were prepared and presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee - CPC and in accordance with International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB, currently referred to by the IFRS Foundation as “IFRS® Accounting Standards”, including the interpretations issued by the IFRS Interpretations Committee (IFRIC® Interpretations) or by its predecessor agency, Standing Interpretations Committee (SIC® Interpretations), evidencing all relevant information specific to the financial statements, and only such information, which is consistent with that used by Management.

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

(ii) Interim financial information

The Company's individual and consolidated interim accounting information was prepared and is being presented in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Statements and international standard IAS 34 - “Interim Financial Reporting”, which aim to establish the minimum content of an interim financial statement.

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

In thousands of dollars, unless otherwise indicated

The material accounting policies applied in the preparation of this quarterly interim financial information are consistent with those disclosed in note No. 6 to the Company's financial statements from December 31, 2023, filed with the CVM on March 6, 2024 and, therefore, should be read in conjunction with this interim financial information.

3. FINANCIAL INSTRUMENTS

3.1. Classification of financial instruments and fair value hierarchy

The main financial instruments assets and liabilities are shown below:

		Parent		Consolidated	
	Accounting Measurement	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Assets					
Cash and cash equivalents	Amortized cost	280,696	215,629	388,908	341,787
Current financial applications	Fair value through profit or loss	366,703	463,299	366,703	463,299
Non-current financial investments	Fair value through profit or loss	238,573	314,566	291,374	367,541
Accounts receivable from Costmers	Amortized cost	163,776	187,035	175,475	197,566
Judicial deposits	Amortized cost	8,773	8,970	9,323	9,520
Liabilities					
Suppliers	Amortized cost	118,175	141,966	124,279	147,832
Advance payment of Costmers	Amortized cost	12,024	29,419	12,024	29,419
Advance on current exchange contract	Amortized cost	60,133	-	60,133	-
Current loans and financing	Amortized cost	46,417	46,058	72,379	72,676
Funding cost	Amortized cost	-	-	(455)	(455)
Current loans and financing		106,550	46,058	132,057	72,221
Non-current loans and financing	Amortized cost	1,043	15,052	176,190	202,296
Funding cost	Amortized cost	-	-	(2,904)	(3,132)
Non-current loans and financing	Amortized cost	1,043	15,052	173,286	199,164
Current CCEE reimbursement account	Amortized cost	-	-	22,466	64,841
Non-current CCEE reimbursement account	Amortized cost	-	-	42,653	2,254
Current rents payable	Amortized cost	57,000	44,010	57,628	44,634
Non-current rents payable	Amortized cost	18,876	19,584	25,549	26,452

3.2. Risk Management

The Company's activities expose it to various financial risks, such as: (i) exchange rate risk, (ii) interest rate risk, (iii) credit risk, (iv) liquidity risk, (v) concentration risk, (vi) commodity price risk and (vii) other non-financial risk factors.

Risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

3.2.1. Currency Risk

Exchange rate risk arises from the mismatch between the functional currency (Real) and transactions in foreign currency (US Dollar), including Accounts receivable from Costmers, Advances on Exchange Contracts (ACC – Portuguese acronym that stands for *Adiantamentos sobre Contratos de Câmbio*) and export exchange rate lock contracts.

For sensitivity analysis purposes, the Company adopted as scenario I (probable) the expected average exchange rate for the year 2024, as per the Focus Report of July 15, 2024.

		06/30/2024		Scenario I	
					Gain/ (Loss)
	Due date	US$	R$	Rate	R$
Parent and Consolidated					

Accounts receivable from clients (net PECLD)	-	10,000	55,583	5.2200	(3,383)
Advance Exchange Contract (ACC)	2Q of 2025	10,770	59,869	5.2200	3,650

For sensitivity analysis purposes, the Company adopted as scenario I (probable) the expected average exchange rate for the year 2024, as per the Focus Report of July 15, 2024.

		06/30/2024 - Contracted			Scenario I	
	Due date	US$	R$	Weighted average rate (R$)	Rate US$	Gain/ (Loss) R$
Parent and Consolidated						
Export hedges	3Q of 2024	2,656	14,099	5.3084	5.2200	235

3.2.2. Interest rate risk

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

For the balance applied on June 30, 2024, the Company and its subsidiaries consider as scenario I (probable) the basic interest rate for the end of 2024 of 10.50% per year, as per Focus Report of July 15, 2024.

Interest Rate Risks	Closing rate 06/30/2024 – p.a.	Scenario I Probable
Average basic interest rate – (% p.a.)	10.50%	10.50%
Parent		
Balance of Financial Investments (Notes 4 and 5)	877,796	926,088
Net Effect		48,292
Consolidated		
Balance of Financial Investments (Notes 4 and 5)	1,033,082	1,089,584
Net Effect		56,502

For the balance of loans and financing on June 30, 2024, the Company and its subsidiaries consider as scenario I (probable) the TJLP for the end of the year of 6.91% per year, and for the CDI (Interbank Deposit Certificate) of 10.40% per year.

Interest rate risks (note 16)	Closing Rate 06/30/2024 - p.a.	Scenario I Probable
Interest rate - TJLP - (% p.a.)	6.67%	6.91%
Parent:		
Balance of loans and financing	7,309	7,556
Net Effect		(247)
Interest rate - TJLP - (% p.a.)		
Consolidated:		
Balance of loans and financing	208,418	215,498
Net Effect		(7,080)

In thousands of dollars, unless otherwise indicated

Interest rate risks (note 16)	Closing Rate 06/30/2024 - p.a.	Scenario I Probable
Interest rate - CDI - (% p.a.)	10.40%	10.40%
Parent and Consolidated:		
Balance of loans and financing	40,014	42,042
Net Effect		(2,028)

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

4. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Cash & Banks	8,176	5,964	13,903	11,972
Short-term financial investments in CDB (i)	-	3,952	15,616	64,653
Investment Funds (ii)	272,520	205,713	359,389	265,162
	280,696	215,629	388,908	341,787

(i) Operations in Bank Deposit Certificate (CDB – Portuguese acronym that stands for *Certificado de Depósito Bancário*) and Commercial Lease Letter (LAM – Portuguese acronym that stands for *Letra de Arrendamento Mercantil*), whose weighted average remuneration rate was 101.29% of the CDI (101.3% on December 31, 2023), whose redemption has daily liquidity without relevant change in the nominal value.

(ii) Transactions in securities through investment funds, whose redemption has liquidity on D+1 without relevant change in the nominal value. The weighted average monthly profitability, marked to market, was 107.4% of the CDI (97.0% on December 31, 2023).

5. FINANCIAL INVESTMENTS

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Circulating:				
Financial Bills (i)	171,713	170,114	171,713	170,114
Investment Funds (ii)	139,642	166,033	139,642	166,033
CBD (iii)	15,666	76,448	15,666	76,448
Other (iv)	39,682	50,704	39,682	50,704
	366,703	463,299	366,703	463,299
Non-current:				
Financial Bills (i)	151,859	232,806	174,609	255,917
CBD (iii)	80,549	75,901	80,549	75,901
Investment Funds (ii)	-	-	30,051	29,864
Deposit for reinvestment (v)	6,165	5,859	6,165	5,859
	238,573	314,566	291,374	367,541

In thousands of dollars, unless otherwise indicated

	605,276	777,865	658,077	830,840

(i) Financial bills with a weighted average monthly remuneration, marked to market, of 110.8% of the CDI (99.7% on December 31, 2023).

(ii) Transactions in securities with maturities exceeding 90 days and the weighted average monthly remuneration, marked to market, was 103.7% of the CDI (100.0% on December 31, 2023). Although the Company and its subsidiaries select securities with liquidity in the secondary market, the uncertainty regarding market conditions and prices in the event of a liquidity event suggests that these investments are not considered cash equivalents.

(iii) Operations in Bank Deposit Certificates (“CDB”), whose average monthly remuneration rates were 111.7% of the CDI (108.9% on December 31, 2023).

(iv) Agribusiness Receivables Certificate (CRA), Debentures and Treasury bonds with weighted average monthly remuneration, marked to market, of 92.3% of the CDI (81.1% on December 31, 2023).

(v) Regarding the subsidy for the reinvestment of IRPJ (Corporate Income Tax), in *Banco do Nordeste do Brasil* (BNB), with a yield of 100% of the CDI.

6. ACCOUNTS RECEIVABLE FROM COSTMERS

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Domestic market	108,414	134,743	120,113	145,274
Foreign market	55,584	52,514	55,584	52,514
Expected losses on doubtful accounts (PECLD)	(222)	(222)	(222)	(222)
	163,776	187,035	175,475	197,566

Accounts receivable from foreign markets are denominated in US dollars (US$), converted to reais on the date of preparation of the interim financial information. On June 30, 2024 and December 31, 2023, the Company did not have any transactions that would generate a significant effect of adjustment to present value.

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

Accounts receivable by maturity date are shown below:

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
To expire	156,944	176,371	168,643	186,902
Expire from 0-30 days	6,225	10,664	6,225	10,664
Expire for more than 60 days	829	222	829	222
PECLD	(222)	(222)	(222)	(222)
	163,776	187,035	175,475	197,566

In thousands of dollars, unless otherwise indicated

7. INVENTORIES (PARENT COMPANY AND CONSOLIDATED)

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

	06/30/2024	12/31/2023
Circulating:		
Finished goods	257,848	220,587
Raw supplies	162,502	139,833
Chromium ore	52,650	47,843
Maintenance supplies (i)	130,802	110,884
	603,802	519,147
Non-Current:		
Maintenance supplies (i)	14,627	14,627
Provision for obsolescence (ii)	(6,576)	(6,576)
	8,051	8,051
	611,853	527,198

(i) Inventories of maintenance supplies are classified in current or non-current assets, taking into account the history of consumption.

(ii) The Company maintains a provision for obsolescence related to low turnover items, when there is no forecast of use in the coming periods. For this group, the Company performs an annual assessment.

8. RECOVERABLE TAXES

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current:				
Income tax and social contribution (IRPJ and CSLL)	33,087	25,754	43,987	32,834
Recoverable taxes on revenue (PIS and COFINS) (i)	11,344	8,134	11,345	8,135
Recoverable VAT (ICMS)	4,883	3,606	4,883	3,606
Other	1	-	49	40
	49,315	37,494	60,264	44,615
Non-current:				
Recoverable VAT (ICMS)	5,728	6,621	5,728	6,621
Other	311	311	311	311
	6,039	6,932	6,039	6,932
	55,354	44,426	66,303	51,547

In thousands of dollars, unless otherwise indicated

9. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Deferred tax assets				
Provision for contingencies	(62,557)	(74,403)	(62,557)	(74,403)
Provision for losses on inventories (i)	(6,576)	(6,576)	(6,576)	(6,576)
Provision for employee profit sharing and bonus (ii)	(20,876)	(61,381)	(20,876)	(61,381)
Provision for environmental liabilities	(16,948)	(17,729)	(16,948)	(17,729)
Labor and actuarial obligations	(62,382)	(58,552)	(62,382)	(58,552)
Realization of capital gain	(27,613)	(25,404)	(27,613)	(25,404)
PECLD Provision	(222)	(222)	(222)	(222)
Taxes of suspended chargeability (PIS/COFINS)	(4,358)	(4,358)	(4,358)	(4,358)
Tax Losses	-	-	(738)	(955)
Other temporary provisions	(15,279)	(16,141)	(15,279)	(16,141)
Calculation Basis	(216,811)	(264,766)	(217,549)	(265,721)
IRPJ deferred at the rate of 25%	51,944	61,916	52,129	62,155
CSLL deferred at the rate of 9%	19,513	23,829	19,579	23,915
Deferred IRPJ/CSLL assets (A)	71,457	85,745	71,708	86,070

(i) Provision for obsolescence related to low-turnover maintenance items and provision for inventories.

(ii) The profit sharing of the Directors in the amount of R$ 9,035 (R$ 17,100 on December 31, 2023) is only the basis for calculating the deferred CSLL. In the case of IRPJ, this is a permanent difference.

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Deferred taxes liabilities				
Fixed assets - deemed *cost*	58,811	58,811	63,385	63,385
Biological assets - "*fair value*"	104,997	104,997	104,997	104,997
Advantageous Purchase	75,143	75,143	75,143	75,143
Leases IFRS 16	42,359	16,562	42,359	16,562
Accelerated depreciation	5,770	5,770	5,770	5,770
Calculation Basis	287,080	261,283	291,654	265,857
IRPJ deferred at the rate of 25%	(71,770)	(65,321)	(72,914)	(66,464)
CSLL deferred at the rate of 9%	(25,837)	(23,515)	(26,248)	(23,927)
Deferred IRPJ/CSLL liabilities (B)	(97,607)	(88,836)	(99,162)	(90,391)
Liquid deferred IRPJ/CSLL (A+B)	(26,150)	(3,091)	(27,454)	(4,321)

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

In thousands of dollars, unless otherwise indicated

	Parent		Consolidated	
	IRPJ/CSLL - deferred		IRPJ/CSLL - deferred	
Calendar year	Asset	Liability	Calendar year	Asset
2024	9,119	27,092	9,119	27,092
2025	5,181	12,548	5,432	12,548
2026	282	1,624	282	1,624
2027	224	9,948	224	9,948
2028	163	272	163	272
2029 onwards	56,488	46,123	56,488	47,678
	71,457	97,607	71,708	99,162

The values of IRPJ and CSLL that affected the results of the respective exercises are shown below:

	Parent		Consolidated	
	06/30/2024	30/06/2023	06/30/2024	30/06/2023
Profit before IRPJ/CSLL	131,436	290,841	131,949	292,591
Combined IRPJ/CSLL rate	34%	34%	34%	34%
IRPJ/CSLL at the rates of the legislation	(44,688)	(98,886)	(44,863)	(99,481)
Interest on equity	5,950	24,736	5,950	24,736
Equity	(6,214)	1,519	-	-
Donations	(275)	(690)	(275)	(704)
Other	(6,220)	(5,845)	(12,651)	(6,749)
Fiscal incentive SUDENE (i)	17,826	41,546	17,826	42,942
	(33,621)	(37,620)	(34,013)	(39,256)
IRPJ and CSLL Result				
SUDENE tax incentive (i)	17,826	41,546	17,826	42,942
Current	(28,388)	(58,819)	(28,706)	(61,730)
Deferred	(23,059)	(20,347)	(23,133)	(20,468)
IRPJ and CSLL expenses	(33,621)	(37,620)	(34,013)	(39,256)

(i) Due to the industrial enterprise installed in the area covered by the Superintendence of Development of the Northeast (SUDENE), the Company seizes the tax benefit of reducing income tax, with a percentage reduction of 75% on income tax and non-refundable surcharges, revenue incident:

- From the manufacture of ferroalloys and their by-products, from January 1st, 2015 to December 31st, 2024, according to Constitutive Report of No. 0200/2015.
- From the exploration and processing of Chromium ore and its by-products, from January 1st, 2016 to December 31st, 2025, according to Constitutive Report No. 0131/2016.
- From the generation of electricity, from January 1st, 2018 to December 31st, 2027, according to Constitutive Reports of No. 487, 488, 489, 490, 491, 492 and 428/2018, replaced by the 291, 292, 293, 300, 301, 302, and 303/2019 ones.
- Arising from the manufacture of crushed quicklime and crushed lime, in the period from January 1, 2023 to December 31, 2032, according to Constitutive Report No. 0021/2023.

In thousands of dollars, unless otherwise indicated

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

The movement of deferred taxes during the first halves of 2024 and 2023 are presented below:

	Parent	Consolidated
Balances on 31/12/2022 – Deferred Taxes Asset	17,845	16,823
Recognized in the result	(20,347)	(20,468)
Balances on 30/06/2023 – Deferred Tax Liabilities	(2,502)	(3,645)
Balances on 12/31/2023 – Deferred Tax Liabilities	(3,091)	(4,321)
Recognized in the result	(23,059)	(23,133)
Balances on 06/30/2024 – Deferred Tax Liabilities	(26,150)	(27,454)

10. JUDICIAL DEPOSITS

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Labor	497	507	506	516
Tax (i)	8,276	8,463	8,817	9,004
	8,773	8,970	9,323	9,520

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

11. INVESTMENTS

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

	Participation %	Assets	Liabilities	Net Worth	Revenues	Expenses	Profit (losses)	Participation in the shareholders' equity of subsidiaries	Company's Interest (equity equivalence)	
June 30, 2023										
Silbasa	51.26	2,858	132	2,726	483	(248)	235	1,397	121	
Jacurici	100.00	28,014	1,114	26,900	2,314	(1,521)	793	26,900	793	
Reflora	99.98	3,869	56	3,813	220	(67)	153	3,813	153	
Damacal	100.00	2,946	306	2,640	135	(34)	101	2,640	101	
Ferbasa & CO	100.00	2,690	7	2,683	-	(140)	(140)	2,683	(140)	
BW Guirapá	100.00	821,255	355,653	465,602	65,166	(59,518)	5,648	522,445	3,439	(i)
								559,878	4,467	
June 30, 2024										
Silbasa	51.26	3,265	163	3,102	494	(247)	247	1,590	127	
Jacurici	100.00	29,215	1,548	27,667	1,953	(1,465)	488	27,667	488	
Reflora	99.98	4,131	84	4,047	201	(53)	148	4,047	148	
Damacal	100.00	3,106	310	2,796	123	(25)	98	2,796	98	
Ferbasa & CO	100.00	1,927	1,545	382	-	(603)	(603)	382	(603)	
Bahia Minas	51.00	15,000	-	15,000	-	-	-	15,000	-	
BW Guirapá	100.00	775,279	307,170	468,019	49,995	(66,322)	(16,327)	520,534	(18,536)	(i)
								572,016	(18,278)	

In thousands of dollars, unless otherwise indicated

(i) Adjusted for assets measured at their fair value upon acquisition of BW Guirapá and their respective realization of the net amount of R$52,425 and R$2,209 (R$56,843 and R$2,209 on June 30, 2023).

The movement of investments is demonstrated below:

	BW Guirapá	Silbasa	Jacurici	Reflora	Damacal	Ferbasa & CO	Bahia Minas	Outros	Total
Balances on December 31, 2022	519,006	1,276	26,107	3,660	2,539	(63)	-	78	552,603
Investiments (ii)	-	-	-	-	-	2,651	-	7,500	10,151
Equity:									
Result of the period	5,648	121	793	153	101	(140)	-	-	6,676
Adjustment of asset valuation	-	-	-	-	-	235	-	-	235
Realization of assets (fair value)	(2,209)	-	-	-	-	-	-	-	(2,209)
Balances on June 30, 2023	522,445	1,397	26,900	3,813	2,640	2,683	-	7,578	567,456
Balances on December 31, 2023	539,070	1,463	27,179	3,899	2,698	909	15,000	78	590,296
Investiments (iii)	-	-	-	-	-	-	-	39,127	39,127
Equity:									
Result of the period	(16,327)	127	488	148	98	(603)	-	-	(16,069)
Adjustment of asset valuation	-	-	-	-	-	76	-	-	76
Realization of assets (fair value)	(2,209)	-	-	-	-	-		-	(2,209)
Balances on June 30, 2024	520,534	1,590	27,667	4,047	2,796	382	15,000	39,205	611,221

(ii) Refers to the full payment of the share capital of the subsidiary Ferbasa & CO and advance payment for the purchase of land for investment, in the amounts of R$2,651 and R$7,500, respectively..

(iii) On February 9, 2024, the Company signed the closing term of the share purchase and sale agreement, for the acquisition of a 45% interest in *Sociedade NK 232 Empreendimentos e Participações S.A.* (a company of the Auren Energia S.A group). The total acquisition price was R$37,822, the amount of which was initially recognized as fair value and subsequently measured at amortized cost using the effective rate, with a value updated on June 30, 2024 at R$39,127, classified as other interests. This company's objective is to operate the *Ventos de São Ciro* (located in the Brazilian state of Piauí) and *Ventos de São Bernardo* (located in the Brazilian state of Pernambuco) wind farms, and will enable **FERBASA** to consume, under the self-production by equalization (APE – Portuguese acronym that stands for *Autoprodução por Equiparação*) regime, the electricity generated in said farms. Additionally, we simultaneously signed the Power Purchase and Sale Agreements (PPA) with the aforementioned Wind Farms, which will provide **FERBASA** with the supply of an average of 35MW of electricity for 20 years, with supply starting in 2025. There is an option to repurchase the aforementioned asset at the end of the contractual term.

12. FIXED ASSETS, INTANGIBLE AND RIGHT OF USE IN LEASE

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Land for planting	124,454	124,454	124,454	124,454
Land	29,617	29,367	50,539	50,289
Buildings	211,101	153,463	234,273	177,882
Machinery and equipment	401,154	351,642	998,393	961,353
Vehicles & Tractors	16,077	14,969	16,077	14,969
Furniture & Utensils	3,217	3,062	3,414	3,250
Computing	7,053	7,317	7,279	7,550
Mine development	101,005	94,641	101,005	94,641
Ongoing and others	114,562	198,350	149,097	239,123

In thousands of dollars, unless otherwise indicated

Fixed Assets (12.1)	1,008,240	977,265	1,684,531	1,673,511
Right of use - lease (12.2)	130,108	88,018	139,009	96,952
Total fixed assets	1,138,348	1,065,283	1,823,540	1,770,463
Intangible (12.3)	4,624	5,194	13,555	14,366

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

	Average service lifespan (years)
Fixed	
Machinery and equipment	21
Vehicles & Tractors	5
Buildings	25
Furniture & Utensils	10
Computing & Others	5
Right of use on lease	
Right to use machinery and equipment	4
Right of land use	29
Right to use buildings	5

In thousands of dollars, unless otherwise indicated

12.1. Fixed

	Parent									
	Land for planting	Land	Buildings	Machinery and equipment	Vehicles & Tractors	Furniture & Utensils	Computing	Mines	Other fixed assets	Total
Cost										
Balance on 31/12/2022	115,419	26,357	235,817	720,755	71,967	13,356	17,108	136,087	214,777	1,551,643
Additions and transfers	8,883	3,222	7,044	69,815	3,097	423	4,055	8,493	(33,002)	72,030
Write-offs	-	(65)	(52)	(86)	(205)	-	-	-	-	(408)
Reclassifications	-	-	838	-	-	-	-	-	(949)	(111)
Balance on 30/06/2023	124,302	29,514	243,647	790,484	74,859	13,779	21,163	144,580	180,826	1,623,154
Balance on 12/31/2023	124,454	29,367	250,427	855,256	87,019	14,820	22,575	160,198	235,091	1,779,207
Additions and transfers	-	250	31,993	74,902	3,384	540	760	9,674	(48,033)	73,470
Write-offs	-	-	-	(2,107)	(2,486)	(1)	(24)	-	-	(4,618)
Reclassifications	-	-	30,997	-	-	-	2	-	(34,130)	(3,131)
Balance on 06/30/2024	124,454	29,617	313,417	928,051	87,917	15,359	23,313	169,872	152,928	1,844,928
Depreciation e exaustão acumuladas										
Balance on 31/12/2022			(87,628)	(461,466)	(71,144)	(11,072)	(13,129)	(59,759)	(23,410)	(727,608)
Depreciation and depletion expense			(4,607)	(19,839)	(392)	(315)	(940)	(2,849)	(1,519)	(30,461)
Write-offs			32	60	205	-	-	-	-	297
Reclassifications			-	-	-	-	-	-	(229)	(229)
Balance on 30/06/2023			(92,203)	(481,245)	(71,331)	(11,387)	(14,069)	(62,608)	(25,158)	(758,001)
Balance on 12/31/2023			(96,964)	(503,614)	(72,050)	(11,758)	(15,258)	(65,557)	(36,741)	(801,942)
Depreciation and depletion expense			(5,352)	(25,391)	(2,230)	(384)	(1,025)	(3,310)	(1,625)	(39,317)
Write-offs e Reclassifications			-	2,108	2,440	-	23	-	-	4,571
Balance on 06/30/2024			(102,316)	(526,897)	(71,840)	(12,142)	(16,260)	(68,867)	(38,366)	(836,688)
Net balances on										
30/06/2023	124,302	29,514	151,444	309,239	3,528	2,392	7,094	81,972	155,668	865,153
12/31/2023	124,454	29,367	153,463	351,642	14,969	3,062	7,317	94,641	198,350	977,265
06/30/2024	124,454	29,617	211,101	401,154	16,077	3,217	7,053	101,005	114,562	1,008,240

In thousands of dollars, unless otherwise indicated

	Consolidated									
	Land for planting	Land	Buildings	Machinery and equipment	Vehicles & Tractors	Furniture & Utensils	Computing	Mines	Other fixed assets	Total
Cost										
Balance on 31/12/2022	115,571	32,127	394,544	1,449,975	80,754	13,630	17,500	136,087	254,923	2,495,111
Additions and transfers	8,883	3,222	7,044	83,360	3,097	444	4,102	8,493	(28,459)	90,186
Write-offs	-	(65)	(52)	(86)	(205)	-	-	-	-	(408)
Reclassifications	-	-	838	-	-	-	-	-	(949)	(111)
Balance on 30/06/2023	124,454	35,284	402,374	1,533,249	83,646	14,074	21,602	144,580	225,515	2,584,778
Balance on 12/31/2023	124,454	50,289	319,962	1,777,778	95,767	15,172	23,072	160,198	278,488	2,845,180
Additions and transfers	-	250	31,993	84,728	3,384	560	789	9,674	(53,602)	77,776
Write-offs	-	-	-	(2,366)	(2,486)	(1)	(24)	-	-	(4,877)
Reclassifications	-	-	30,997	-	-	-	2	-	(34,178)	(3,179)
Balance on 06/30/2024	124,454	50,539	382,952	1,860,140	96,665	15,731	23,839	169,872	190,708	2,914,900
Accumulated depreciation and depletion										
Balance on 31/12/2022			(107,652)	(663,753)	(79,931)	(11,171)	(13,426)	(59,759)	(23,355)	(959,047)
Depreciation and depletion expense			(6,092)	(38,748)	(392)	(325)	(961)	(2,849)	(2,169)	(51,536)
Write-offs			32	60	205	-	-	-	-	297
Reclassifications			-	-	-	-	-	-	(229)	(229)
Realization of capital gain			207	(2,416)	-	-	-	-	-	(2,209)
Balance on 30/06/2023			(113,505)	(704,857)	(80,118)	(11,496)	(14,387)	(62,608)	(25,753)	(1,012,724)
Balance on 12/31/2023			(142,080)	(816,425)	(80,798)	(11,922)	(15,522)	(65,557)	(39,365)	(1,171,669)
Depreciation and depletion expense			(6,806)	(45,115)	(2,230)	(395)	(1,061)	(3,310)	(2,246)	(61,163)
Write-offs e Reclassifications			-	2,209	2,440	-	23	-	-	4,672
Realization of capital gain			207	(2,416)	-	-	-	-	-	(2,209)
Balance on 06/30/2024			(148,679)	(861,747)	(80,588)	(12,317)	(16,560)	(68,867)	(41,611)	(1,230,369)
Net balances on										
30/06/2023	124,454	35,284	288,869	828,392	3,528	2,578	7,215	81,972	199,762	1,572,054
12/31/2023	124,454	50,289	177,882	961,353	14,969	3,250	7,550	94,641	239,123	1,673,511
06/30/2024	124,454	50,539	234,273	998,393	16,077	3,414	7,279	101,005	149,097	1,684,531

In thousands of dollars, unless otherwise indicated

Other fixed assets

They include construction in progress in the Subsidiary in the amount of R$ 108,516 (R$ 191,687 on December 31, 2023), and in the Consolidated in the amount of R$ 111,247 (R$ 200,034 on December 31, 2023), in addition to other construction in progress corresponding to wind farm decommissioning, mine closure, road maintenance, among others.

Additions and transfers

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

Goods offered under warranty

In the period ended June 30, 2024, property, plant and equipment items offered as collateral for loan transactions and legal proceedings totaled R$3,788 (R$6,326 on December 31, 2023).

12.2. Right of use on lease

The movement of the right of use, during the semester ended June 30, 2024, was as follows:

	Parent	Consolidated			
	Machinery and equipment	Machinery and equipment	Land	Buildings	Total
Cost					
Cost on 31/12/2022	127,397	127,397	13,151	176	140,724
Additions/Remeasurement	64,128	64,128	(1,786)	-	62,342
Cost on 30/06/2023	191,525	191,525	11,365	176	203,066
Cost on 12/31/2023	213,994	213,994	11,246	176	225,416
Additions/Remeasurement	54,740	54,740	198	-	54,938
Cost on 06/30/2024	268,734	268,734	11,444	176	280,354
Depreciation					
Depreciation on 31/12/2022	(86,780)	(86,780)	(1,857)	(141)	(88,778)
Additions	(23,244)	(23,244)	(228)	(35)	(23,507)
Depreciation on 30/06/2023	(110,024)	(110,024)	(2,085)	(176)	(112,285)
Depreciation on 12/31/2023	(125,976)	(125,976)	(2,312)	(176)	(128,464)
Additions	(12,650)	12,650)	(231)	-	(12,881)
Depreciation on 06/30/2024	(138,626)	(138,626)	(2,543)	(176)	(141,345)
Net balance on 30/06/2023	81,501	81,501	9,280	-	90,781
Net balance on 12/31/2023	88,018	88,018	8,934	-	96,952
Net balance on 06/30/2024	130,108	130,108	8,901	-	139,009

The amounts recognized in the additions and remeasurement lines, in Parent of R$54,740 (R$64,128 at June 30, 2023) and in Consolidated of R$54,938 (R$62,342 at June 30, 2023) did not affect the statements of cash flows, and part of the depreciation of the right of use in lease in the amount of R$1,087 (R$1,439 at June 30, 2023) was appropriated in the cost of inventory.

In thousands of dollars, unless otherwise indicated

12.3. Intangible

	Parent	Consolidated		
	Software	Right of use	Software	Total
Cost				
Balance on 31/12/2022	9,426	13,863	298	23,587
Additions and transfers	4,055	-	74	4,129
Reclassifications	642	-	-	642
Balance on 30/06/2023	14,123	13,863	372	28,358
Balance on 12/31/2023	15,571	13,863	373	29,807
Additions and transfers	113	-	-	113
Balance on 06/30/2024	15,684	13,863	373	29,920
Accumulated amortization				
Balance on 31/12/2022	(9,337)	(4,421)	(155)	(13,913)
Amortization expense	(285)	(195)	(34)	(514)
Reclassifications	(104)	-	-	(104)
Balance on 30/06/2023	(9,726)	(4,616)	(189)	(14,531)
Balance on 12/31/2023	(10,377)	(4,810)	(254)	(15,441)
Amortization expense	(683)	(194)	(47)	(924)
Balance on 06/30/2024	(11,060)	(5,004)	(301)	(16,365)
Net balance on30/06/2023	4,397	9,247	183	13,827
Net balance on12/31/2023	5,194	9,053	119	14,366
Net balance on06/30/2024	4,624	8,859	72	13,555

13. BIOLOGICAL ASSETS (PARENT AND CONSOLIDATED)

Information regarding biological assets was presented in the Company's financial statements from December 31, 2023, in note 18.

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

	06/30/2024	12/31/2023
At the beginning of the financial year	348,553	276,279
Plantings and maintenance	36,070	71,726
Depletion	(17,235)	(71,180)
Write-off (i)	(1,024)	-
Fair value variation	-	71,728
At the end of the financial year	366,364	348,553

(i) Loss of 62.11/ha (around 153.5 acres) of forests up to 1.7 years old, caused by damage caused by intense rain/winds.

In thousands of dollars, unless otherwise indicated

On December 31, 2023, the net result of the change in biological assets was R$39,237, due to the positive effect of R$71,728 related to the change in fair value and the negative effect of R$32,491 related to the consumption and sale of timber.

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

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

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

The Company has 5,222 hectares (around 12,904 acres) of biological assets pledged as collateral for financing with the National Bank for Economic and Social Development (BNDES – Portuguese acronym that stands for *Banco Nacional de Desenvolvimento Econômico e Social*).

The Company assesses the fair value of biological assets annually.

14. SUPPLIERS

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Electrical energy	14,865	24,481	14,865	24,481
Raw materials and inputs	80,363	106,796	80,363	106,796
Other suppliers (i)	22,947	10,689	29,051	16,555
	118,175	141,966	124,279	147,832

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

15. CASH ADVANCE FROM COSTMERS (PARENT AND CONSOLIDATED)

	06/30/2024	12/31/2023
Advance payment of Customers	12,024	29,419

The most relevant item refers to resources received for shipments of products in transit on the base date of June 30, 2024 and December 31, 2023, whose respective revenue recognition occurs upon completion of unloading at the destination, at which point the delivery obligation ceases and control of the products is effectively transferred to the Costmer.

In thousands of dollars, unless otherwise indicated

16. LOANS AND FINANCING

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current:				
Financing (i)	46,417	46,058	46,417	46,058
BNDES BW Guirapá Financing (ii)	-	-	25,962	26,618
Advance on exchange contract (note no. 3.2.1)	60,133	-	60,133	-
Subtotal Financing	106,550	46,058	132,512	72,676
Cost of Money Raising	-	-	(455)	(455)
Current Total	106,550	46,058	132,057	72,221
Non-current:				
Financing (i)	1,043	15,052	1,043	15,052
BNDES BW Guirapá Financing (ii)	-	-	175,147	187,244
Subtotal Financing	1,043	15,052	176,190	202,296
Cost of Money Raising (IOF)	-	-	(2,904)	(3,132)
Total non-current	1,043	15,052	173,286	199,164
	107,593	61,110	305,343	271,385

(i) Long-term third-party capital for investment in the forestry area and for the acquisition of machinery and equipment allocated to metallurgy and mining.

(ii) Financing from the National Bank for Economic and Social Development (BNDES), obtained on October 6, 2015, for the construction of wind farms. The guarantees offered for payment of the debt were: pledge of BW Guirapá shares, pledge of credit rights (O&M contract), pledge of emerging rights (independent producer authorization), pledge of machinery and equipment (wind turbines), fiduciary assignment of credit rights (revenue from energy sales and CER, and creation of reserve accounts) and bank guarantee.

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

Modality	Salaries	Charges (annual)	Amortization	Guarantees	Parent	Consolidated
FINAME	2024	TJLP + 3.43%	Monthly	Fiduciary Alienation	8	8
FINEM	2025	TJLP + 2.27%	Monthly	Land Mortgage	7,301	7,301
FINEM	2032	TJLP + 2.65%	Monthly	See (ii) above	-	201,109
				TJLP Subtotal (Explanatory Note No. 3.2.2)	7,309	208,418
NCE	2024	CDI + 0.70%	Annual	Export History	29,865	29,865
CCB	2025	CDI + 1.86%	Annual	Clean	10,149	10,149
				CDI subtotal (explanatory note 3.2.2)	40,014	40,014
FINAME	2024	2.5% to 6%	Monthly	Fiduciary Alienation	137	137
ACC	2025	VC+6.41%	Annual	Export History	60,133	60,133
				Subtotal	107,593	308,702
				(-) Funding cost	-	(3,359)
				Total	107.593	305,343

In thousands of dollars, unless otherwise indicated

Restrictive contractual clauses - "*covenants*"

The Company has financing agreements that include restrictive clauses requiring compliance with annual performance indexes, subject to early maturity of the debt in the event of non-compliance with the covenants.

On June 30, 2024 and December 31, 2023, Ferbasa met the index required in the financing agreements (Finame) in which the ratio between net financial debt and EBTIDA, Consolidateds, must be less than or equal to 2.5x throughout the term of the agreements.

Specifically, BW Guirapá and the Wind Farms are required to maintain, throughout the term of the BNDES financing agreement, the annual Consolidated debt service coverage ratio (ICSD – Portuguese acronym that stands for *Índice de Cobertura do Serviço da Dívida*) equal to or greater than 1.30, which was met on June 30, 2024 and December 31, 2023. In addition, they have as relevant obligations, compliance with deadlines to start and execute the commercial operation; presentation to BNDES of the respective operating licenses; maintain good standing with environmental agencies, CCEE, ANEEL, MME, the National Electric System Operator (ONS – Portuguese acronym that stands for *Operador Nacional do Sistema Elétrico*) and/or any other agencies and entities that are part of the Direct or Indirect Public Administration; as well as adopt measures and actions aimed at preventing or correcting damage to the environment, safety and occupational health. These clauses were met on June 30, 2024 and December 31, 2023.

17. PAYABLE LEASINGS

	Parent	Consolidated			
	Machinery and equipment	Machinery and equipment	Land	Buildings	Total
Balance on 12/31/2022	39,882	39,882	10,161	34	50,077
Additions/Remeasurements	64,128	64,128	(1,786)	-	62,342
Payments	(33,166)	(33,166)	(708)	(41)	(33,915)
Execution AVP			176		
(Adjustment to Present Value)	3,562	3,562		7	3,745
Balance on 06/30/2023	74,406	74,406	7,843	-	82,249
Balance on 12/31/2023	63,594	63,594	7,492	-	71,086
Additions/Remeasurements	54,740	54,740	198	-	54,938
Payments	(45,154)	(45,154)	(586)	-	(45,740)
Execution AVP			197		
(Adjustment to Present Value)	2,696	2,696		-	2,893
Balance on 06/30/2024	75,876	75,876	7,301	-	83,177
Circulating	57,000				57,628
Non-current	18,876				25,549

On June 30, 2024, the Company estimated the discount rates based on the risk-free interest rates observed in the Brazilian market, according to the term of its contracts. The weighted average rate used for Parent is 13.60% per year and for the subsidiaries is 9.35% p.a..

In thousands of dollars, unless otherwise indicated

The amounts classified as non-current liabilities are broken down as follows, by due date:

Expiration year	Parent	Consolidated
2025	14,189	14,413
2026 to 2029	4,687	6,805
2030 to 2034	-	2,088
2035 to 2039	-	1,849
2040 to 2044	-	334
2045 onwards	-	60
Total	18,876	25,549

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

	Parent				Consolidated			
	Nominal		Adjusted to present value		Nominal		Adjusted to present value	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Consideration	119,671	76,444	75,876	63,594	133,348	90,474	83,177	71,086
Potential PIS/COFINS (9.25%)	11,070	7,071	7,018	5,882	12,335	8,369	7,694	6,575

18. LABOR AND ACTUARIAL OBLIGATIONS

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current:				
Salaries and Wages	16,112	13,858	16,349	14,135
Labor provisions and charges	38,457	28,216	38,806	28,428
Profit sharing (i)	20,876	61,381	20,881	61,501
	75,445	103,455	76,036	104,064
Non-current:				
Labor and actuarial obligations (ii)	62,382	58,552	62,382	58,552
	137,827	162,007	138,418	162,616

(i) The Company's Bylaws establish that up to 10% (ten percent) of the fiscal year's profits be allocated for distribution to employees and up to 10% (ten percent) of the resulting balance for bonuses to management. The reduction in the balance refers to the payment of profit shares to employees and management, made in the first half of 2024.

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

- Private pension: The Company maintains a defined contribution plan for supplementary retirement, managed by *BRASILPREV Seguros e Previdência S.A*. and assistance of the Healthcare managed by *Bradesco Saúde*.

- Retirement premium: The Company also stipulates an additional post-employment benefit for employees who receive a salary below the social security ceiling (maximum level) and who have worked at the Company for at least 10 (ten) uninterrupted years. This is a single payment to the employee at the end of their employment relationship.

In thousands of dollars, unless otherwise indicated

- FGTS fine: The Company set up a post-employment benefit provision related to the FGTS fine upon retirement for employees exposed to harmful risks (special retirement), opting for the FGTS (*Service Time Guarantee Fund*), terminated at their request, and not remaining on the occasion of their termination. These special retirees will be entitled to the benefit as if they were terminated, as long as the length of service exceeds 5 or 8 years, depending on the location where they work.

- Health care: Employees who join the Company after the changes made in fiscal year 2022 will not be entitled to remain in the plan when retired or terminated. Employees with more than 30 years of uninterrupted employment, when terminated due to retirement and provided they assume the full cost of the plan, will be entitled to remain in the plan. Employees who were active before the changes, when terminated as retirees or not retired, will have the respective time limits (1 year for each year of contribution limited to 9 years and 1/3 of the contribution time with a minimum of 6 months and a maximum of 2 years, respectively) to remain in the plan provided that the legal requirements established for this purpose are met and assuming the full cost of the health care plan.

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

19. TAXES AND SOCIAL CONTRIBUTIONS

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current:				
ICMS	9,755	11,924	9,777	12,022
IRRF to be collected	2,662	5,244	2,788	5,447
IPI	1,914	542	1,914	542
PIS and COFINS	-	356	482	623
IRPJ and CSLL	-	-	41	21
Others	3,502	5,358	3,576	5,483
	17,833	23,424	18,578	24,138
Non-current:				
IRPJ - Reinvestment (i)	3,500	3,500	3,500	3,500
PIS and COFINS	-	-	87	87
	3,500	3,500	3,587	3,587
	21,333	26,924	22,165	27,725

(i) It refers to 30% of the IRPJ due in the calendar year 2022, maintained until the approval of the projects submitted to SUDENE. If approved, this amount will be capitalized, otherwise, the Company will make the payment.

In thousands of dollars, unless otherwise indicated

20. DERIVATIVE AND NON-DERIVATIVE FINANCIAL INSTRUMENTS (PARENT AND CONSOLIDATED)

Funding raised through an advance on foreign exchange contracts (ACC) in the amount of R$56.5 million, at an average discount of 6.4% per year, with monthly maturities in 2Q25, an average exchange rate of R$/US$5.25, with the aim of financing the growth of ferroalloy inventories and taking advantage of the favorable exchange rate level at the moment.

In addition, we inform that the Company has US$2.7 million in export restraints, at an average exchange rate of R$/US$5.31 and with maturities of up to 120 days from the respective contracting.

Information on operations as of June 30, 2024 is shown in the table below:

Financial instruments				Hedge object
Salaries	Operation	US$	R$	Operation
3Q of 2024	Export Hedges	2,656	14,099	Future sales
2Q of 2025	ACC	10,770	60,133	Advance on export exchange contract
		13,426	74,232	

21. PROVISION FOR ENVIRONMENTAL LIABILITIES

The Company uses judgments and assumptions when measuring its obligations related to the provision for the closure of mines and wind farms, as well as the decommissioning of assets linked to its operations. The amount provisioned does not deduct costs potentially covered by insurance or compensation, because their recovery is considered uncertain.

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

The movements of these provisions are shown below:

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Non-current				
Balance as of December 31, 2023	17,729	15,666	46,352	56,313
Estimate Review (i)	-	-	-	(12,024)
Write-offs	(576)	(888)	(576)	(888)
Monetary adjustment, AVP and others	(205)	2,951	522	2,951
Balance as of June 30, 2024	16,948	17,729	46,298	46,352

(i) In the fourth quarter of 2023, the Company hired a specialized consultancy to reassess the assumptions applied to the provision for the decommissioning of wind farms, considering all dismantling costs for the removal of wind turbines, SES “Substations” - BW Guirapá I and BW

In thousands of dollars, unless otherwise indicated

Guirapá II, LTS “Transmission Lines” of 69 KV and civil works. Based on its best estimate of the expenses to be incurred in the dismantling of these wind farms at the end of the authorization, monetarily updated by inflation and then discounted by a long-term direct treasury rate, to determine the present value, which is R$ 29,350.

22. PROVISION FOR CONTINGENCIES (PARENT AND CONSOLIDATED)

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

	Possible		Probable	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Tax / Administrative	28,102	27,534	51,900	63,746
Labor	924	746	6,596	6,596
Civil	455	442	4,061	4,061
	29,481	28,722	62,557	74,403

The reduction in the balance mainly refers to the payment of the employer's social security contribution on the variable compensation of directors, thus generating in 2Q24, the reversal of the provision constituted in 4Q23.

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

23. REIMBURSEMENT ACCOUNT – CCEE (CONSOLIDATED

	Consolidated	
	06/30/2024	12/31/2023
Opening Balance	67,095	73,515
Compensation	20,735	1,616
Penalty	1,771	-
Update	13	3,336
Write-offs	(24,495)	(11,372)
Final Balance	65,119	67,095
Current	22,466	64,841
Non-current	42,653	2,254
	65,119	67,095

Under an authorization regime, the BW Guirapá Wind Complex has all its production contracted for a period of twenty years with the Electric Energy Trading Chamber ("CCEE"), within the scope of the Reserve Auction - 2011 ("LER 2011") in the regulated environment. The reimbursement accounts (CCEE) refer to the differences between the contracted amount and the amount of electricity actually generated. The calculation criteria are contractually defined, through a tolerance limit between the energy actually generated and the contracted energy, as follows:

In thousands of dollars, unless otherwise indicated

- The contractual limit accepted, without the incidence of penalties or bonuses, is equivalent to the supply of 90% to 130% of the contracted energy for one year, calculated at the end of each quadrennium. In these cases, the positive or negative deviation between the energy supplied and the contracted energy is recognized in the assets or liabilities, respectively, by applying the updated contractual price on the MWh calculated. Any differences between the supply of electricity and the contracted energy will be compensated for each contractual quadrennium, with the first quadrennium ending on June 30, 2018, the second quadrennium ending on June 30, 2022, and the third quadrennium beginning in July 2022.

- If the energy supplied is less than 90% of the contracted energy, the due reimbursement will occur with the application of 115% of the current contractual price on the amount in MWh that is less than the contracted 90%. If the energy supplied is greater than 130% of the contracted energy, the Companies will receive 70% of the contracted price on the amount in MWh that exceeds the contracted 130%. In both cases, the financial settlement takes place from July of the current year until June of the following year.

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

24. BALANCES AND RELATED PARTY TRANSACTIONS

	Result			Assets	Liability
	Rental costs (i)	Sales Revenue (ii)	Other (revenue)/operating expenses (iii)	Accounts receivable from Costmers (ii)	Other suppliers (iii)
Parent:					
José Carvalho Foundation	-	57	5,675	-	-
Controlled:					
BW Guirapá S.A.	-	-	(288)	-	-
Silício de Alta Pureza da Bahia S.A.	420	-	-	-	-
Mineração Vale do Jacurici S.A.	762	-	-	-	-
Reflorestadora e Agrícola S.A.	30	-	-	-	-
Indústria de Minérios Damacal Ltda.	18	-	-	-	-
Related Party:					
Marubeni Corporation (iv)	-	178,389	-	23,029	-
Total on June 30, 2024	1,230	178,446	5,387	23,029	-
Total on December 31, 2023	2,460	471,299	10,565	18,721	867
Total on June 30, 2023	1,230	262,921	(458)	13,876	-

(i) Leasing of the operations of the subsidiaries.

(ii) Revenues and accounts receivable from the sale of alloys (FeSi75) to the foreign affiliate and accounts receivable from the sale of wood, quicklime, and slag dust to the Parent Company.

In thousands of dollars, unless otherwise indicated

(iii) Refers to: a) Cooperation and Partnership Agreement for the reservation and guarantee of enrollment in schools of the José Carvalho Foundation for dependents of the Company's employees who reside in the towns of the school headquarters (Pojuca, Catu and Andorinhas); (b) Agreement for socio-educational-sports training of children from 8 to 14 years of age, public school students, aiming at the development of learning and sports practice; (c) Cooperation and Partnership Agreement for the implementation of the José Carvalho Memorial whose objective is to preserve the memory, cultural heritage, existing collection, the residence of the founder in life, in addition to hosting the permanent organizational culture program; (d) Agreement for the Sharing of Infrastructure and Administrative Structure of the corporate activities between Ferbasa and BW.

(iv) Marubeni Corporation has a stake in *Silício de Alta Pureza da Bahia S.A. (“Silbasa”)* together with Ferbasa and Japan Metals & Chems - JMC.

Additionally, the Company has, in its staff, close family members of key management personnel, who hold management positions and receive compensation commensurate with their respective roles. Ferbasa made payments as compensation in the amount of R$1,309 in the first half of 2024 (R$1,376 in the first half of 2023).

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

24.1. Management Compensation

The overall compensation of the Company's managers, which includes the directors and statutory officers, and which was approved at the Annual General Meeting is shown below:

	Parent		Consolidated	
	06/30/2024	30/06/2023	06/30/2024	30/06/2023
Global compensation	18,730	17,527	20,767	19,183
Social security charges	4,790	1,678	5,198	2,011
	23,520	19,205	25,965	21,194

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

The Company and its subsidiaries do not have key personnel other than those who are statutory employees, nor do they have share-based compensation plans or other long-term benefits, other than those disclosed in explanatory note 29 of the 2023 Financial Statements.

25. EQUITY

25.1. Share Capital

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

In thousands of dollars, unless otherwise indicated

	06/30/2024 (i)		12/31/2023	
Shareholders	Common Shares	Common Shares	Common Shares	Preferred shares
José Carvalho Foundation	116,346,784	62,045,600	29,086,696	15,300,800
Trígono Capital	12,000	24,005,180	3,000	8,358,100
Black Rock	-	6,224,344	-	1,703,787
Vanguard Group	-	4,563,195	-	1,555,711
Other shareholders	1,241,216	125,948,481	310,304	28,778,302
Treasury shares	160,000	12,733,200	40,000	3,183,300
	117,760,000	235,520,000	29,440,000	58,880,000

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

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

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

The Company may, by resolution at the General Meeting, promote the increase of the various existing types and classes, without keeping proportion with the others or create a new class of preferred shares, observing the limit of 2/3 of the total shares issued for preferred shares without voting rights, or subject to restrictions regarding such right.

25.2. Treasury shares

The Company has shares acquired through a share buyback program. The shares acquired under the program will remain in treasury, and the decision on the sale and/or cancellation of these shares will be made at an appropriate time and will be duly communicated to the market. The volume of treasury shares and their respective market values, considering the closing price of the listing on B3, are as follows:

	06/30/2024 (i)		12/31/2023	
	PN	ON	PN	ON
Number of treasury shares (note 25.1)	12,733,200	160,000	3,183,300	40,000
Quotation on B3 - BRL/share	8.07	14.02	46.49	62.25
Average acquisition cost - BRL/share	2.02	0.02	8.07	0.06

Preferred shares do not have voting rights and are guaranteed by statute the payment of dividends 10% higher than those paid to holders of common shares and priority in the repayment of capital.

25.3. Profit Reserves

- The legal reserve is constituted with an increase in the capital stock and the allocation of 5% of the profit for the year, up to 20% of the capital stock, and its use is restricted to the compensation of losses, after the balances of retained earnings and other profit reserves have been absorbed.

- The SUDENE tax incentive profit reserves, related to income tax, refers to the portion of the tax incentive from the income tax arising from the operating profit, and the ICMS DESENVOLVE related to the gain from the tax incentive on the balance due from the tax on the circulation of goods. These reserves are constituted by transferring the portion of the tax incentive that affected the income tax and ICMS expenses for the year and cannot be distributed to shareholders. The reserve for SUDENE also includes the amount of income tax reinvestment.

- The profits, after the appropriation of the legal reserve, profit reserve (tax incentive) and attribution of dividends to be distributed to shareholders, are transferred to the profit retention reserve account for investments, to be carried out in accordance with the Company's capital budget and strategic planning. In fiscal year 2023, the prescribed dividends in the amount of R$ 677 were reverted to the profit reserve account, in accordance with Law No. 6,404/76.

25.4. Other Comprehensive Income and Equity Valuation Adjustment

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

25.5. Unrealized profit reserve

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

25.6. Dividends and interest on equity

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

As resolved by the Company's Board of Directors at a meeting held on May 28, 2024, interest on equity, gross of Income Tax Withheld at Source (IRRF – Portuguese acronym that stands for *Imposto de Renda Retido na Fonte*), was approved in the amounts of R$5,675 for common shares and R$11,825 for preferred shares. These amounts will be charged as an advance on the mandatory dividend amount for the 2024 fiscal year, “ad referendum” of the 2025 Annual General Meeting.

In thousands of dollars, unless otherwise indicated

26. EARNINGS PER SHARE

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

	06/30/2024	30/06/2023
Profit from operations attributable to shareholders of the parent company	97,815	253,221
Reconciliation of distributable income, by class (numerator):		
Attributable profit from operations:		
To common shares	31,718	82,111
To Preferred shares	66,097	171,110
Weighted average of the number of shares, by class (denominator):		
Weighted average number of shares without treasury shares (Note 24.1):		
Ordinary issued	117,600,000	29,400,000
Preferred Issued	222,786,800	55,696,700
Basic income/diluted* per share (in R$)		
Ordinary shares	0,26971	2.79289
Preferred shares	0,29668	3.07218

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

27. NET SALES REVENUE

	Parent		Consolidated	
	06/30/2024	30/06/2023	06/30/2024	30/06/2023
Gross Sales				
Domestic market	581,151	757,117	624,381	816,317
Foreign market	537,297	696,835	537,297	696,835
	1,118,448	1,453,952	1,161,678	1,513,152
Sales Deductions				
Returns and rebates	(5,484)	(10,868)	(5,484)	(10,868)
Sales Taxes	(122,707)	(157,383)	(124,678)	(159,782)
	(128,191)	(168,251)	(130,162)	(170,650)
	990,257	1,285,701	1,031,516	1,342,502

In thousands of dollars, unless otherwise indicated

28. COSTS OF GOODS SOLD AND EXPENSES

	Parent		Consolidated	
	06/30/2024	30/06/2023	06/30/2024	30/06/2023
Cost of Goods Sold (i)	(766,588)	(917,215)	(814,825)	(955,453)
Selling Expenses	(10,360)	(9,629)	(10,360)	(9,629)
General and administrative expenses	(54,571)	(53,587)	(57,866)	(56,301)
Employee profit sharing and allowance	(11,841)	(29,039)	(11,841)	(29,039)
Management Compensation	(23,520)	(19,205)	(25,965)	(21,194)
Total general and administrative expenses	(89,932)	(101,831)	(95,672)	(106,534)
Other income / (expenses)	(25,009)	(28,041)	(27,890)	(31,056)
	(891,889)	(1,056,716)	(948,747)	(1,102,672)

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

	Parent		Consolidated	
	06/30/2024	30/06/2023	06/30/2024	30/06/2023
Variable costs and indirect product spend	(386,809)	(561,495)	(397,689)	(564,538)
Personnel expenses (ii)	(229,321)	(229,204)	(234,477)	(233,607)
Depreciation and depletion expenses	(68,799)	(68,880)	(91,119)	(90,445)
Expenditure on the provision of services	(101,537)	(96,414)	(116,521)	(108,920)
Maintenance and repair expenses	(59,222)	(51,538)	(59,799)	(52,903)
Fuels & Lubricants	(16,302)	(15,409)	(16,362)	(15,468)
Cost of Idle Capacity	(4,890)	(5,735)	(4,890)	(5,735)
Other income / (expenses), net (iii)	(25,009)	(28,041)	(27,890)	(31,056)
	(891,889)	(1,056,716)	(948,747)	(1,102,672)

(i) Costs of goods sold include:

- Cost of electricity for consumption in the 14 electric furnaces. In addition to electric furnaces, there is energy consumption in the areas of auxiliary services and others, as well as in mining;
- The Company imports reactive met coke (a *commodity* available in the international market) to produce ferrochrome;
- Cost of transportation of chromium ore between the mines (Town of Campo Formoso) and the metallurgy (Pojuca-BA), predominantly by rail and road transport;
- The consolidated costs include depreciation, amortization, power transmission, system use charges, operation, and maintenance, etc. for wind power generation in the amount of R$ 49,360 (R$ 39,328 on June 30, 2023).

(ii) It includes personnel expenses, management fees, and employee and managers' profit sharing.

In thousands of dollars, unless otherwise indicated

(iii) The breakdown by nature of other net revenue (expenditure) is as follows:

	Parent		Consolidated	
	06/30/2024	30/06/2023	06/30/2024	30/06/2023
Post-employment benefit (Note 18)	(3,830)	(3,242)	(3,830)	(3,242)
Other taxes and contributions	(4,127)	(4,335)	(4,884)	(5,374)
Social and corporate responsibility	(6,466)	(6,639)	(6,504)	(6,681)
Consulting and research	(4,061)	(7,599)	(4,487)	(7,628)
Realization of capital gain	-	-	(2,209)	(2,209)
Energy transfer	(6,096)	(5,660)	(6,096)	(5,660)
Other expenses	(429)	(566)	120	(262)
	(25,009)	(28,041)	(27,890)	(31,056)

29. FINANCIAL RESULT

	Parent		Consolidated	
	06/30/2024	30/06/2023	06/30/2024	30/06/2023
Financial income				
Income from financial investments	51,546	73,074	60,097	82,876
Exchange rate variation	13,449	9,708	13,488	9,708
Other financial income	5,044	1,214	6,016	1,265
	70,039	83,996	79,601	93,849
Financial expenses				
Exchange rate variation	(8,297)	(12,782)	(8,297)	(12,782)
Interest Incurred	(6,579)	(6,112)	(16,592)	(17,263)
Other financial expenses	(3,817)	(7,713)	(5,532)	(11,043)
	(18,693)	(26,607)	(30,421)	(41,088)
	51,346	57,389	49,180	52,761

30. OPERATING SEGMENTS

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

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

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

In thousands of dollars, unless otherwise indicated

	Consolidated							
	Ferroligas		Energia eólica		Outros segmentos		Total	
	30/06/24	30/06/23	30/06/24	30/06/23	30/06/24	30/06/23	30/06/24	30/06/23
Net sales								
Domestic market	430,467	566,192	41,373	56,915	25,907	30,635	497,747	653,742
Foreign market	533,769	688,760	-	-	-	-	533,769	688,760
	964,236	1,254,952	41,373	56,915	25,907	30,635	1,031,516	1,342,502
Cost of Goods Sold	(768,991)	(898,844)	(49,360)	(39,328)	3,526	(17,281)	(814,825)	(955,453)
Gross profit	195,245	356,108	(7,987)	17,587	29,433	13,354	216,691	387,049
Operating Expenses	(126,012)	(139,622)	(4,524)	(4,189)	(3,386)	(3,408)	(133,922)	(147,219)
Operating income before financial result	69,233	216,486	(12,511)	13,398	26,047	9,946	82,769	239,830
Product sales (tons)								
Domestic market	59,359	68,426						
Foreign market	67,139	73,070						
	126,498	141,496						

31. LONG-TERM COMMITMENTS

On June 30, 2024, the Company has long-term commitments with suppliers on a take-or-pay basis for rail transportation and power reserve and energy transmission contracts. The contracts provide for termination and suspension of supply clauses due to non-compliance with essential obligations. There are no liabilities recorded beyond the amount that was recognized monthly. Long-term commitments total R$113,425 in Parent and R$123,592 in Consolidated, per year.

32. INSURANCE COVERAGE

The Company and its subsidiaries have insurance coverage against fire of equipment, explosions, electrical damage, vehicles, international transportation, import, civil liability, corporate liability, surety bond and operational risks of wind power generation, on June 30, 2024 in the amount of R$ 249,809 (R$ 229,654 on December 31, 2023) in Parent and R$ 1,135,368 (R$ 1,219,679 on December 31, 2023) in Consolidated.

33. TRANSACTIONS THAT DID NOT AFFECT CASH

During the first half of 2024 and at the end of the fiscal year 2023, the Company carried out the following transactions that did not involve cash, therefore these are not reflected in the cash flow statements.

		Parent		Consolidated	
Description	Note	06/30/2024	30/06/2023	06/30/2024	30/06/2023
Right of use in leases according to IFRS 16	12.2	54,740	24,683	54,938	24,946
Depreciation Right-of-Use Appropriate to Inventory Cost	12.2	1,087	(1,439)	1,087	(1,439)
Realization of capital gain	12.1	2,209	2,209	2,209	2,209

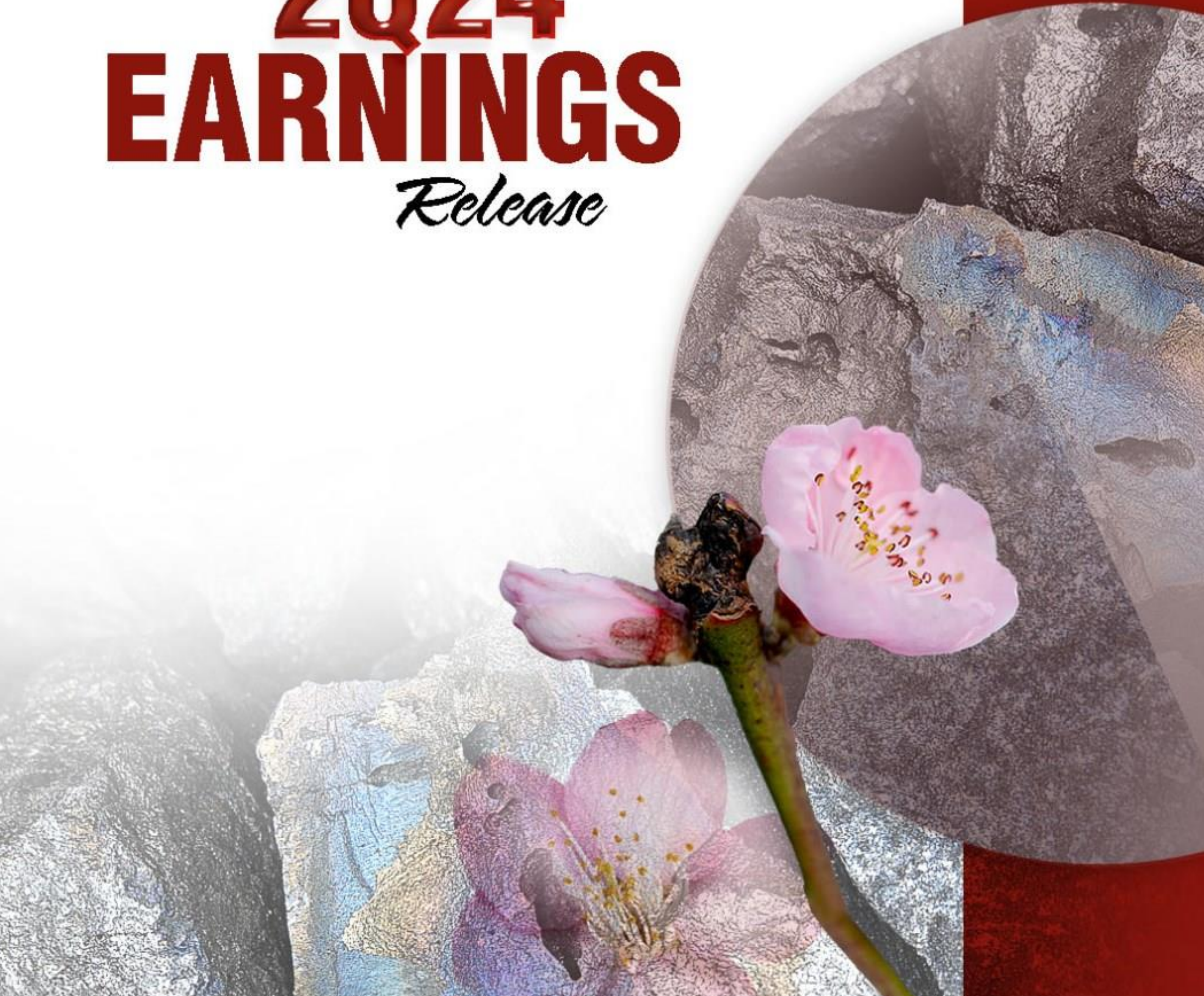
34. SUBSEQUENT EVENTS

In July 2024, FERBASA and Aperam América do Sul S.A. paid in, respectively, R$10,943 and R$24,926 of the share capital of the subsidiaries Bahia Minas.

Accountant:
Arnaldo Pereira Anastácio
Accounting Manager
CRC-RJ 61263/O - 0-T-BA

2Q24 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%*
Cost over revenue	*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%*
EBITDA Margin	*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%*
Profit margin	*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 Patrimômio 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%.

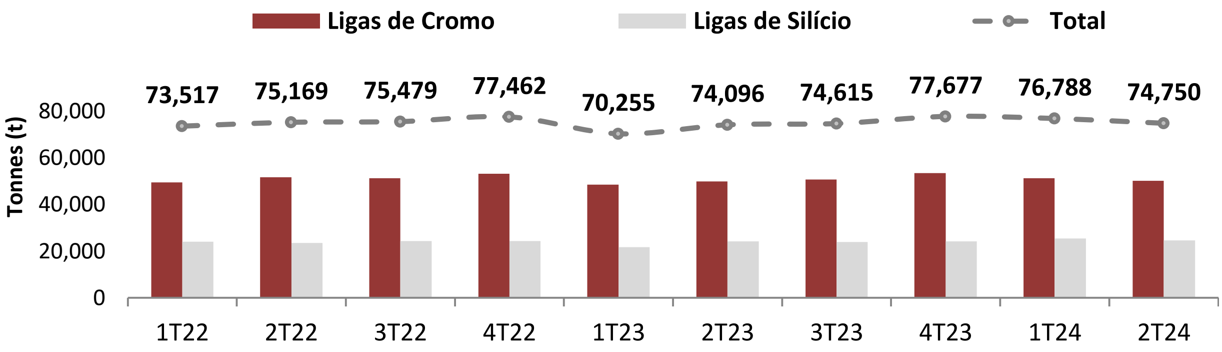
It is important to highlight that a portion of the ferroalloys manufactured is consumed internally, as an input in other production chains.

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.

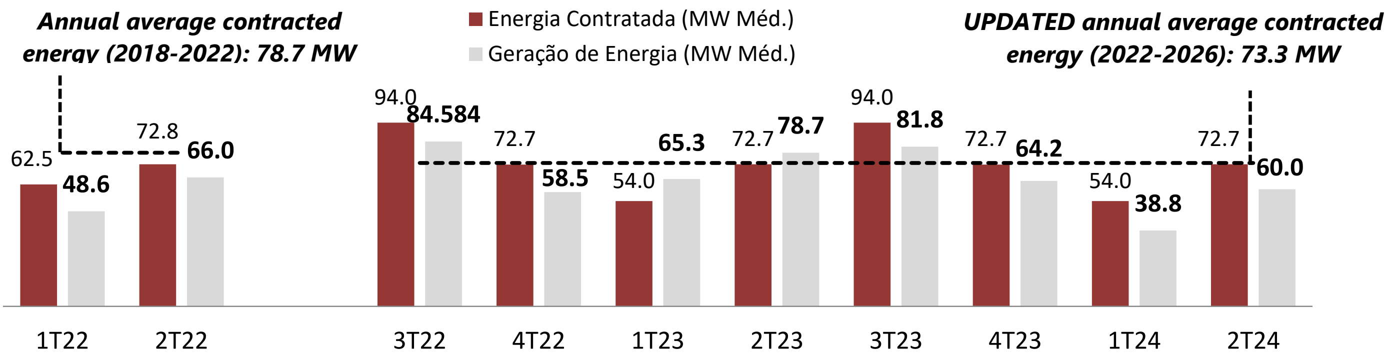
In 2Q24, **FERBASA** used 82.6% of the installed capacity of the Metallurgical Plant. The decrease of 2.1 p.p. compared to 1Q24 mainly reflected operational demands that implied shutdowns for maintenance and furnace renovations.

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.

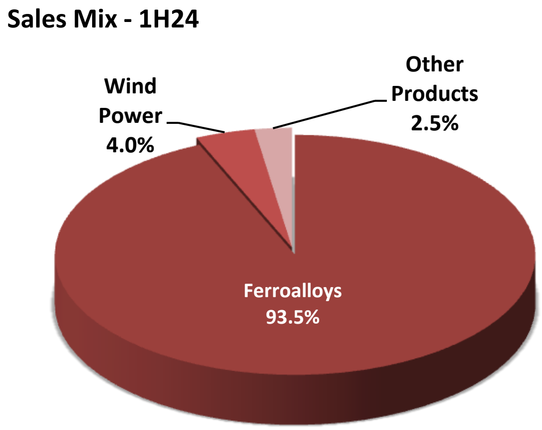
Net Revenue (R$ millions)	2T24	1T24	Δ%	2T23	Δ%	1S24	1S23	Δ%
DOMESTIC MARKET (MI)								
Ferroalloys	217,4	213,0	*2,1%*	294,1	*-26,1%*	430,4	566,2	*-24,0%*
Wind Power	25,7	15,7	*63,7%*	31,3	*-17,9%*	41,4	56,9	*-27,2%*
Other Products (*)	13,5	12,4	*8,9%*	16,6	*-18,7%*	25,9	30,6	*-15,4%*
Total MI	**256,6**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

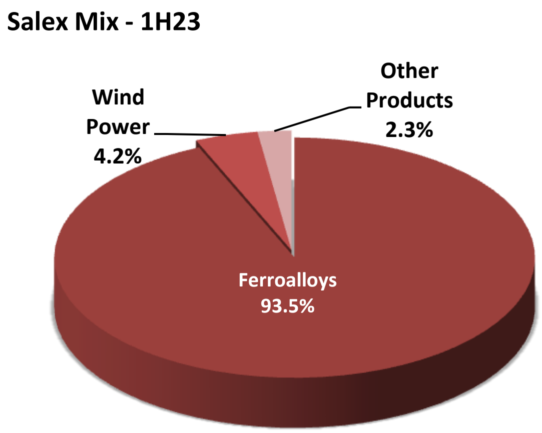
Total ME	**265,4**	**268,4**	*-1,1%*	**284,1**	*-6,6%*	**533,8**	**688,8**	*-22,5%*
TOTAL (MI+ME)	**522,0**	**509,5**	*2,5%*	**626,1**	*-16,6%*	**1.031,5**	**1.342,5**	*-23,2%*
Average US dollar practiced (R$/USD)	**5,14**	**4,94**	*4,0%*	**5,02**	*2,4%*	**5,04**	**5,10**	*-1,2%*

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

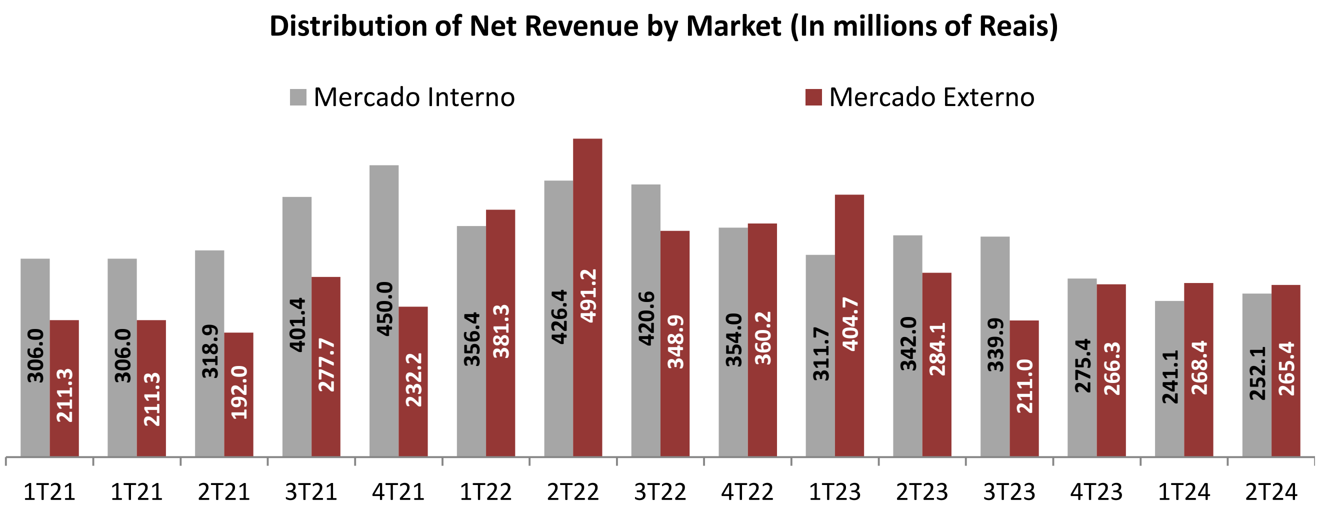
5.2 Net Revenue by Product and Market

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





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.



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 Comission 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;

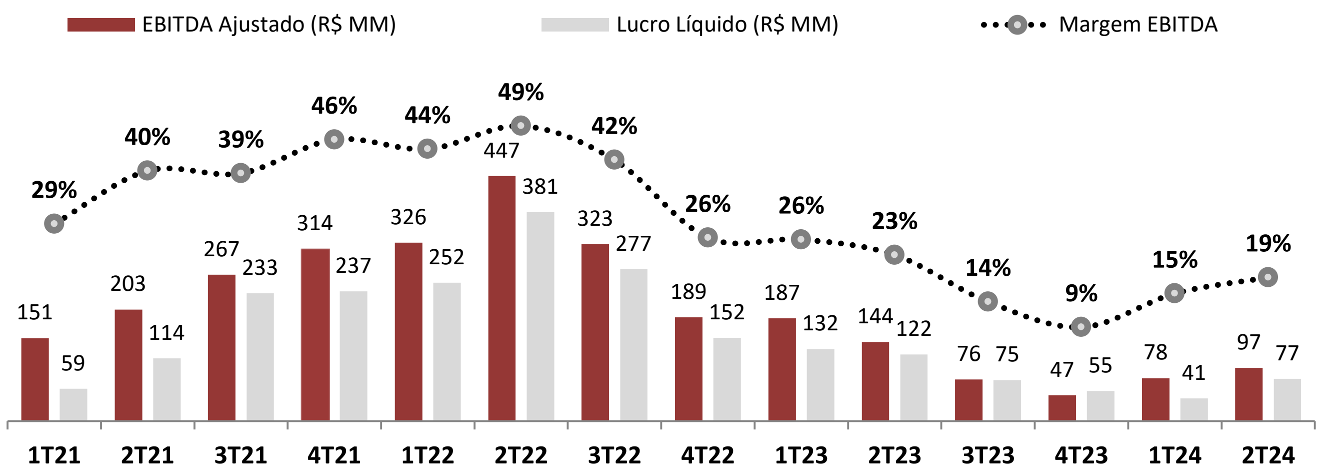
(iii) 1.2% devaluation in the average dollar rate;

(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%*

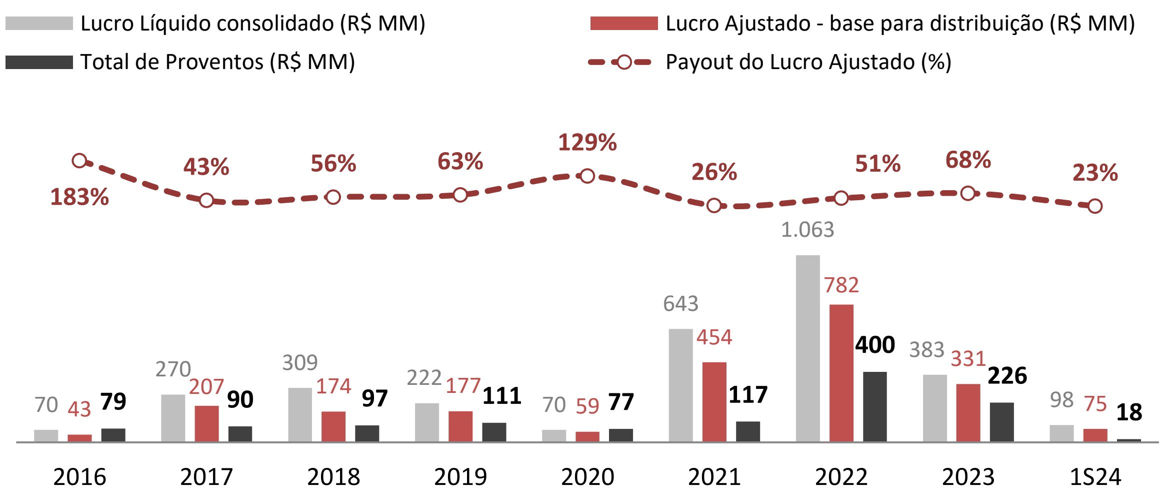
(1) They refer to interest, rents, leases, financial expenses, including passive exchange rate variation, and others.
(2) Shareholders and retained earnings.

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.

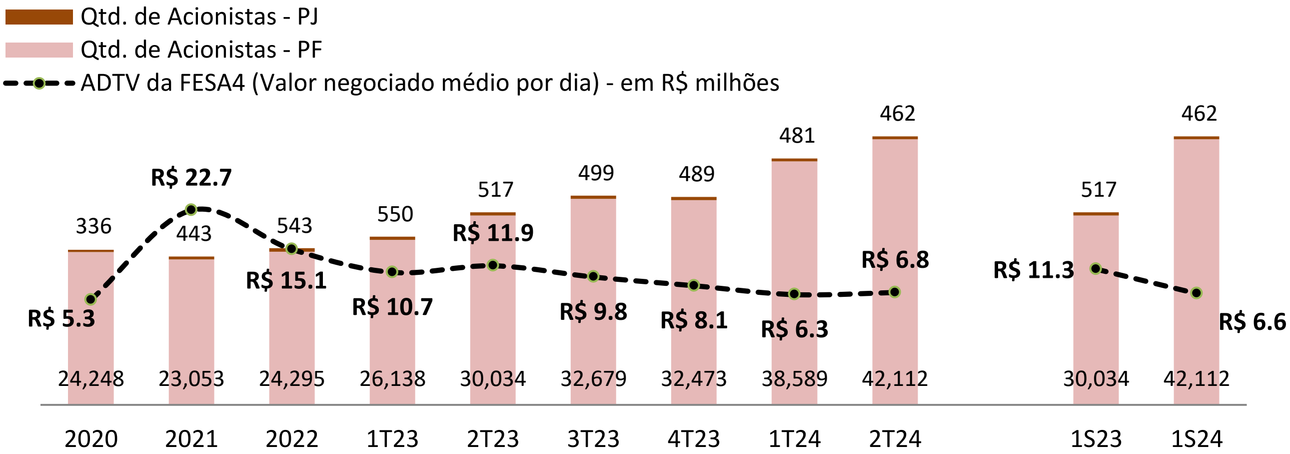
	2T24	1T24	*Δ%*
Volume of shares traded (thousand)	52.363	31.946	*63,9%*

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 *Free Float* 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).

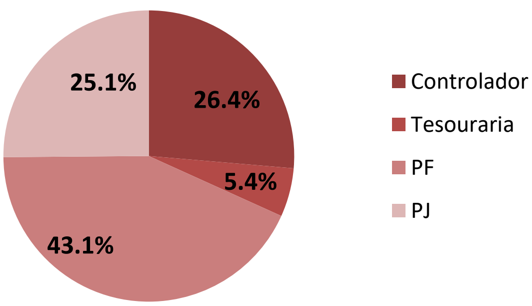
The Company's ADTV (Average Daily Trading Volume) in 2Q24 reached R$6.8 million, up 6.7% compared to 1Q24. In 1H24, ADTV fell 41.9% compared to 1H23, due to the 25,9% drop in the average price of FESA4, which outweighed the effect of the growth in the average volume of PNs traded. Furthermore, 2024 has 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.

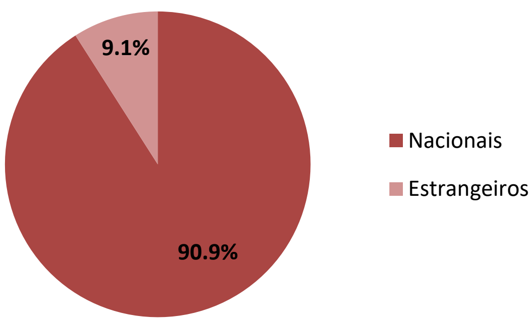
In the following graph, we present the evolution of the shareholder base by type of shareholder and liquidity measured by ADTV.



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 contigencies	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

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

Balance Sheet
In thousands of reais

ASSETS	Note	Parent 06/30/2024	Parent 12/31/2023	Consolidated 06/30/2024	Consolidated 12/31/2023
CURRENT					
Cash and cash equivalent	4	280,696	215,629	388,908	341,787
Financial Investments	5	366,703	463,299	366,703	463,299
Accounts receivable	6	163,776	187,035	175,475	197,566
Inventories	7	603,802	519,147	603,802	519,147
Recoverable taxes	8	49,315	37,494	60,264	44,615
Prepaid expenses		5,162	6,038	5,162	6,038
Advances to suppliers		-	167	-	167
Other assets		11,782	7,892	17,258	11,631
Total current assets		1,481,236	1,436,701	1,617,572	1,584,250
NON-CURRENT					
Advances to suppliers	5	238,573	314,566	291,374	367,541
Inventories	7	8,051	8,051	8,051	8,051
Recoverable taxes assets	8	6,039	6,932	6,039	6,932
Judicial deposits	10	8,773	8,970	9,323	9,520
Other credits		890	890	897	897
		262,326	339,409	315,684	392,941
Investiments	11	572,016	590,218	-	-
Other Investiments	11	39,205	78	39,251	124
Permanent and Intangible Assets	12	1,008,240	977,265	1,684,531	1,673,511
Right of use in leasing	12	130,108	88,018	139,009	96,952
Intangible	12	4,624	5,194	13,555	14,366
Biological Asset	13	366,364	348,553	366,364	348,553
		2,120,557	2,009,326	2,242,710	2,133,506
Total non-current assets		2,382,883	2,348,735	2,558,394	2,526,447
TOTAL ASSETS		3,864,119	3,785,436	4,175,966	4,110,697

LIABILITIES AND EQUITY	Note	Parent 06/30/2024	Parent 12/31/2023	Consolidated 06/30/2024	Consolidated 12/31/2023
CURRENT					
Suppliers	14	118,175	141,966	124,279	147,832
Advances from customers	15	12,024	29,419	12,024	29,419
Loans and Financing	16	106,550	46,058	132,057	72,221
Leases payable	17	57,000	44,010	57,628	44,634
Labor and actuarial obligations	18	75,445	103,455	76,036	104,064
Taxes and social contributions	19	17,833	23,424	18,578	24,138
CCEE reimbursement account	23	-	-	22,466	64,841
Proposed dividends and interest on equity		-	-	60	60
Other liabilities		10,168	10,116	12,095	11,938
Total current liabilities		397,195	398,448	455,223	499,147
NON-CURRENT					
Taxes and social contributions - deferred	9	26,150	3,091	27,454	4,321
Loans and financing	16	1,043	15,052	173,286	199,164
Leases payable	17	18,876	19,584	25,549	26,452
Labor and actuarial obligations	18	62,382	58,552	62,382	58,552
Taxes and social contributions	19	3,500	3,500	3,587	3,587
Provision for environmental liabilities	21	16,948	17,729	46,298	46,352
Provisions for contingencies	22	62,557	74,403	62,557	74,403
CCEE reimbursement account	23	-	-	42,653	2,254
Obligations with acquisition of subsidiary		4,978	4,978	4,978	4,978
Total non-current liabilities		196,434	196,889	448,744	420,063
EQUITY	25				
Share capital		1,470,396	1,470,396	1,470,396	1,470,396
Retained earnings		1,705,095	1,705,095	1,705,095	1,705,095
Equity assessment adjustment		40,438	40,362	40,438	40,362
Treasury shares		(25,754)	(25,754)	(25,754)	(25,754)
Accumulated profit		80,315	-	80,315	-
Equity of controlling shareholders		3,270,490	3,190,099	3,270,490	3,190,099
Participation of non-controlling shareholders		-	-	1,509	1,388
Total Equity		3,270,490	3,190,099	3,271,999	3,191,487
TOTAL LIABILITIES AND EQUITY		3,864,119	3,785,436	4,175,966	4,110,697

The notes are an integral part of these financial statements.

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

Income statements
Three-month and six-month period ending June 30
(In thousands of Reais - R$, except earnings per share)

	Note	Parent				Consolidated			
		01/01/2024 to 06/30/2024	04/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	04/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	04/01/2023 to 06/30/2023
NET SALES REVENUE	27	990,257	496,370	1,285,701	594,824	1,031,516	522,027	1,342,502	626,128
Cost of goods sold	28	(766,588)	(377,711)	(917,215)	(439,803)	(814,825)	(402,764)	(955,453)	(459,592)
GROSS PROFIT		223,669	118,659	368,486	155,021	216,691	119,263	387,049	166,536
OPERATING EXPENSES	28								
Selling expenses		(10,360)	(5,438)	(9,629)	(4,377)	(10,360)	(5,438)	(9,629)	(4,377)
General and administrative expenses		(89,932)	(44,954)	(101,831)	(51,633)	(95,672)	(50,396)	(106,534)	(54,272)
Other operating income (expenses)		(25,009)	(15,704)	(28,041)	(8,396)	(27,890)	(901)	(31,056)	(9,907)
		(125,301)	(66,096)	(139,501)	(64,406)	(133,922)	(56,735)	(147,219)	(68,556)
Equity	11	(18,278)	(6,177)	4,467	4,775	-	-	-	-
OPERATING PROFIT		80,090	46,386	233,452	95,390	82,769	62,528	239,830	97,980
FINANCIAL RESULT	29								
Financial income		70,039	37,155	83,996	44,884	79,601	49,456	93,849	50,436
Hedging financial instrument		-	-	-	-	-	-	-	-
Financial costs		(18,693)	(13,730)	(26,607)	(13,911)	(30,421)	(19,772)	(41,088)	(20,931)
		51,346	23,425	57,389	30,973	49,180	29,684	52,761	29,505
PROFIT BEFORE PROFIT TAXES		131,436	69,811	290,841	126,363	131,949	92,212	292,591	127,485
INCOME TAX AND SOCIAL CONTRIBUTION	9								
Exemption and reduction		-	-	-	-	-	-	-	-
Current		(10,562)	(6,685)	(17,273)	(8,564)	(10,880)	(9,712)	(18,788)	(9,570)
Deferred		(23,059)	(6,457)	(20,347)	3,918	(23,133)	(5,743)	(20,468)	3,860
		(33,621)	(13,142)	(37,620)	(4,646)	(34,013)	(15,455)	(39,256)	(5,710)
NET PROFIT FOR THE PERIOD		97,815	56,669	253,221	121,717	97,936	76,757	253,335	121,775
Profit attributed to controlling shareholders						97,815	56,669	253,221	121,717
Profit attributed to non-controlling shareholders						121	20,088	114	58
BASIC/DILUTED PROFIT PER ON SHARE - BRL	26					0.26971	0.15626	2.79289	1.34247
BASIC/DILUTED PROFIT PER PN SHARE - BRL	26					0.29668	0.17188	3.07218	1.47672

The notes are an integral part of these financial statements.

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

Statements of comprehensive income
Three-month and six-month period ending June 30
In thousands of Reais

	Note	Parent				Consolidated			
		01/01/2024 to 06/30/2024	04/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	04/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	04/01/2023 to 06/30/2023
NET INCOME FOR THE PERIOD		97,815	56,669	253,221	121,717	97,936	56,731	253,335	121,775
Other comprehensive results:									
Actuarial obligations	18	-	-	-	-	-	-	-	-
Effect of income tax and social contribution on actuarial obligations	18	-	-	-	-	-	-	-	-
Derivative and non-derivative financial instruments		-	-	-	-	-	-	-	-
Effect of income tax and social contribution on financial instruments		-	-	-	-	-	-	-	-
Cumulative Conversion Adjustment	11	76	-	235	235	76	-	235	235
		76	-	235	235	76	-	235	235
TOTAL COMPREHENSIVE INCOME		97,891	56,669	253,456	121,952	98,012	56,731	253,570	122,010
Profit attributed to controlling shareholders						97,891	56,669	253,456	121,952
Profit attributed to non-controlling shareholders						121	62	114	58

The notes are an integral part of these financial statements.

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

Statements of changes in equity
In thousands of Reais

			Attributable chontrolling shareholders									
			Profit reserves									
	Note	Share capital	Legal	Tax incentive	For Investments	Profits to be realized	Asset valuation adjustments	Treasury shares	Retained earnings	Total equity	Attributable to non-controlling shareholders	Total consolidated shareholder's equity
BALANCES ON DECEMBER 31, 2022	25	1,225,444	205,182	542,706	995,108	49,595	47,395	(25,754)	-	3,039,676	1,211	3,040,887
Tax incentive reclassification		-	-	144	(144)	-	-	-	-	-	-	-
Capitalization of reserves		244,952	-	-	(244,275)	-	-	-	(677)	-	-	-
Other comprehensive results		-	-	-	-	-	(7,268)	-	-	(7,268)	-	(7,268)
Adjust asset valuation		-	-	-	-	-	235	-	-	235	-	235
Prescribed dividends		-	-	-	-	-	-	-	677	677	-	677
Complementary /JCP dividends		-	-	-	-	-	-	-	-	-	-	-
Net profit for the year		-	-	-	-	-	-	-	382,649	382,649	236	382,885
Profit destination:												-
Formation of reserves		-	19,133	32,836	104,810	-	-	-	(156,779)	-	-	
Proposed dividends		-	-	-	-	-	-	-	-	-	(59)	(59)
Interest on equity		-	-	-	-	-	-	-	(225,870)	(225,870)	-	(225,870)
BALANCES ON DECEMBER 31, 2023	25	1,470,396	224,315	575,686	855,499	49,595	40,362	(25,754)	-	3,190,099	1,388	3,191,487
Adjustment of asset valuation		-	-	-	-	-	76	-	-	76	-	76
Net profit for the year		-	-	-	-	-	-	-	97,815	97,815	121	97,936
Profit destination:												
Interest on equity		-	-	-	-	-	-	-	(17,500)	(17,500)	-	(17,500)
BALANCES ON JUNE 30, 2024	25	1,470,396	224,315	575,686	855,499	49,595	40,438	(25,754)	80,315	3,270,490	1,509	3,271,999

The notes are an integral part of these financial statements.

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

Cash flow demonstrations
In thousands of Reais

	Note	Parent		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period		97,815	253,221	97,936	253,335
Adjustments to reconcile net income for the period with net cash generated by operating activities:					
Interest and net monetary and exchange variations		(38,975)	(32,573)	(31,525)	(22,823)
Depreciations, amortizations and depletions	12	51,564	55,429	73,884	76,994
Depletion of biological assets	13	17,235	13,451	17,235	13,451
Change in fair value of biological assets	18		-		-
Equity	11	18,278	(4,467)	-	-
Gain/loss on write-off/disposal		46	111	204	111
Deferred taxes	9	23,059	20,347	23,133	20,468
Provision (reversal) of Doubtful Credits	18	20,876	37,589	20,876	37,589
Lease payable update	17	(1,177)	973	(979)	1,156
Update of postemployment benefit plans	18	3,830	3,242	3,830	3,242
Constitution (reversal) of provision for contingencies	22	(12,122)	(829)	(12,122)	(829)
Biological asset write-off		1,024	-	1,024	-
Others		-	-	2,437	2,437
Decrease (increase) in asset accounts:					
Accounts receivable		31,321	14,256	30,153	14,236
Inventories		(83,568)	68,287	(83,568)	68,287
Recoverable taxes assets		(6,789)	5,395	(10,438)	5,594
Advance to suppliers		167	1,000	167	1,000
Judicial deposits		217	31,848	217	31,848
Other assets		(3,687)	2,543	(5,376)	2,286
Increase (decrease) in liability accounts:					
Suppliers		(21,440)	(3,974)	(21,240)	(6,520)
Taxes and social contributions		(5,591)	(8,160)	(5,518)	(8,811)
Income tax and social contribution		10,562	17,273	10,819	18,788
Labor and actuarial obligations		(48,886)	(88,229)	(48,903)	(88,252)
CCEE reimbursement account		-	-	(1,988)	2,707
Advances from customers		(17,395)	(57,526)	(17,395)	(57,526)
Other liabilities		(525)	(61)	(447)	(64)
Income tax and social contribution paid		(11,173)	(35,053)	(11,595)	(36,111)
Interest paid in the period		(5,293)	(5,480)	(14,171)	(15,293)
Net cash generated by operating activities		19,373	288,613	16,650	317,300
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Acquisition of Permanent Assets	12	(73,582)	(76,085)	(77,890)	(85,229)
Cost of planting and maintenance of biological assets	13	(36,070)	(32,855)	(36,070)	(32,855)
Investment property		-	(7,500)	-	(7,500)
Receipt for sale of permanent assets		673	1,611	673	1,611
Financial applications and redemption		212,129	18,930	214,880	21,553
Capital Contribution		-	(2,651)	-	-
Equity investment		(37,822)	-	(37,822)	-
Net cash invested in investment activities		65,328	(98,550)	63,771	(102,420)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan and financing acquisition (ACC)	16	56,566	-	56,566	-
Amortization of loans and financing	16	(13,546)	(11,053)	(26,702)	(24,026)
Lease amortization	17	(45,154)	(33,166)	(45,740)	(33,915)
Capital reduction (minority)			-		-
Dividends and interest on equity paid		(17,500)	(72,752)	(17,500)	(72,752)
Net cash invested in financing activities		(19,634)	(116,971)	(33,376)	(130,693)
EXCHANGE VARIATION WITHOUT CASH AND EQUIVALENTS		-	-	76	235
NET INCREASE (REDUCTION) IN THE BALANCE OF CASH AND CASH EQUIVALENTS		65,067	73,092	47,121	84,422
Cash and cash equivalents at the beginning of the year	4	215,629	355,370	341,787	474,102
Cash and cash equivalents at the end of the period	4	280,696	428,462	388,908	558,524
NET INCREASE (REDUCTION) IN THE BALANCE OF CASH AND CASH EQUIVALENTS		65,067	73,092	47,121	84,422

The notes are an integral part of these financial statements.

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

Statements of added value
In thousands of Reais

	Note	Parent		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
		1,112,965	1,443,084	1,156,195	1,502,284
SALES REVENUE		10,147	4,905	11,089	5,421
Other income		-	-	-	-
Provision/Reversal of Doubtful Credits		1,123,112	1,447,989	1,167,284	1,507,705
INPUTS PURCHASED FROM THIRD PARTIES		(413,183)	(572,179)	(365,727)	(533,169)
Cost of goods sold (includes raw materials)		(327,395)	(306,618)	(403,410)	(364,356)
Materials, energy, third-party services and others					
		382,534	569,192	398,147	610,180
GROSS VALUE ADDED					
	12 and 13	(68,799)	(68,880)	(91,119)	(90,445)
Depreciation, amortisation and depletion	11	-	-	(2,209)	(2,209)
Capital gain					
		313,735	500,312	304,819	517,526
NET VALUE ADDED PRODUCED BY THE COMPANY					
ADDED VALUE RECEIVED IN TRANSFER	29	70,039	83,996	79,601	93,850
Financial income	11	(18,278)	4,467	-	-
Equity					
		365,496	588,775	384,420	611,376
TOTAL ADDED VALUE TO DISTRIBUTE					
DISTRIBUTION OF ADDED VALUE					
Employees:		162,202	167,047	165,288	169,707
Salaries and wages		29,547	26,603	29,861	26,875
Benefits		10,991	10,495	11,064	10,562
FGTS (*Service Time Guarantee Fund*)		202,740	204,145	206,213	207,144
Taxes, fees and contributions:		69,735	88,372	72,460	93,005
Federal		1,378	28,883	1,909	28,982
State		1,043	1,055	1,233	1,218
Municipal		72,156	118,310	75,602	123,205
		(7,215)	13,099	4,669	27,692
Third-party capital remuneration					
Equity remuneration		17,500	72,752	17,500	72,752
Interest on equity/Dividends		80,315	180,469	80,315	180,469
Retained earnings		-	-	121	114
Participation of non-controlling		97,815	253,221	97,936	253,335
		365,496	588,775	384,420	611,376
DISTRIBUTED VALUE ADDED		-	-	-	-

The notes are an integral part of these financial statements.