



2025 Earnings Call

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FESA
B3 LISTED N1

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Notice

Cia de Ferro Ligas da Bahia – FERBASA (B3: FESA3 and FESA4), the main supplier of ferroalloys in Brazil and the only producer of ferrochrome in the Americas, discloses the results related to the **financial performance of the second quarter of 2025**, containing quarterly interim information of the individual and consolidated prepared in accordance with the accounting practices adopted in Brazil, based on the *Lei das Sociedades por Ações* (a Model Business Corporation Act – MBCA-like law), in the rules and pronouncements of the *Comissão de Valores Mobiliários – CVM (Securities and Exchange Commission of Brazil)*, and the *Comitê de Pronunciamentos Contábeis - CPC (Accounting Announcements Committee)* and IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB). This document contains forward-looking statements and information about FERBASA, based on assumptions and expectations that may or may not materialize, and are therefore not a guarantee of the Company's future performance. Although FERBASA believes that the assumptions and expectations used are reasonable, we caution investors that such information is and will be, as the case may be, subject to risks and other factors related to the Company's operations and business environments, so that actual results may differ from the projections, express or implied, contained in this material. Thus, FERBASA expressly disclaims the duty to update the statements, prospects and expectations contained in this document.





AGENDA

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



Institutional Video



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Business Units

located in Bahia

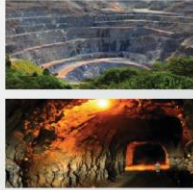


Coke Supply



Mineração de Cromo

Hard Lump/ Concentrado



Mineração de Calcário



Mineração de Quartzo



Produção Florestal

Biorredutor



Metalurgia

Ferroligas

342.000 t/year



Corporativo
128 Employees



Complexo Eólico

92 Wind Turbines



Euclides da Cunha

Andorinha

Campo Formoso

Rafael Jambeiro

Entre Rios

Mata de São João

Esplanada

Pojuca

Salvador

Caetité

Maracás

Planaltino

4,800 JOBS CREATED

Among direct and indirect jobs

18 MUNICIPALITIES

Operating in the state of Bahia

FESA

B3 LISTED N1

Verticalization of Operations

Safety and quality in the production of Cr and Si alloys

Production of chromium ore



Chromite – **510,000 t/year**



Quicklime Productions



Quicklime – **22,000 t/year**



Production of Bioreducer



Bioreducer – **135,000 t/year**



Production of Quartz



Quartz – **100,000 t/year**



Power Generation



Wind – **92 Wind Turbines**

Metallurgy - FeCr



Ferrochrome in 8 furnaces
229 thousand t/year



HC Ferrochrome



LC Ferrochrome



Ferrosilicon
Chrome

Metallurgy - FeSi



Ferrosilicon in 6 furnaces
113 thousand t/year



Ferrosilicon STD and HP

7 Wind Farms

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

METALLURGICAL Capacity
342,000 t/year

2Q25 x 1Q25 Highlights



- **Adjusted EBITDA reached R\$ 67.6 million** and grew 10.6%.
- **Consolidated net income reached R\$18.7 million** and fell 22.7%.
- **Cash consumption of R\$ 69.6 million in 1H25.**



- **An increase of 13.4% in sales volume**, with growth of 29.2% in exports and 1.1% in shipments to the domestic market.
- **Devaluation of 3.6% in the average dollar** practiced.
- **An increase of 5.4% in the average selling price**, in dollars, of ferroalloys.



- **Stability (-0.5%) in the production of ferroalloys**, due to the decrease of 4.3% in the manufacture of silicon alloys and growth of 1.3% in chromium alloys. In the case of FeSi HP, there was an increase of 26.9%.



- **An increase of 18.2% in the COGS** of ferroalloys, due to the increase of 13.2% in sales volume and the increase in production costs, with emphasis on electricity and chrome ore.



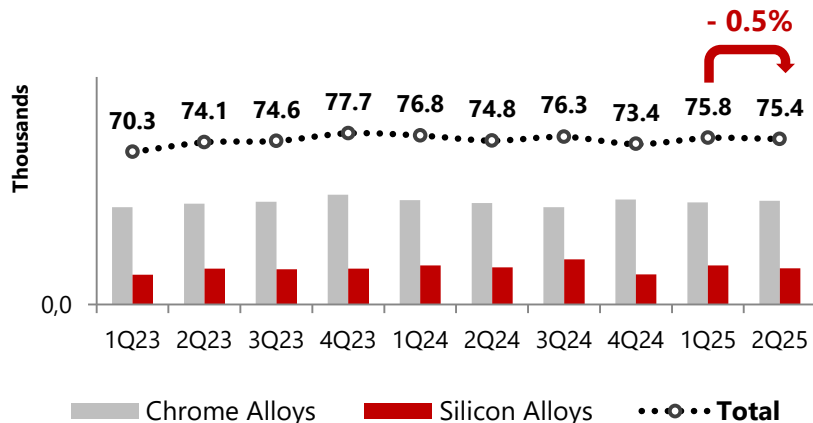
- **A decrease of 38.2% in the financial result**, reflecting the reduction of 9.9% in financial revenue, due to cash consumption, added to the lower gain from exchange rate variation between the quarters.



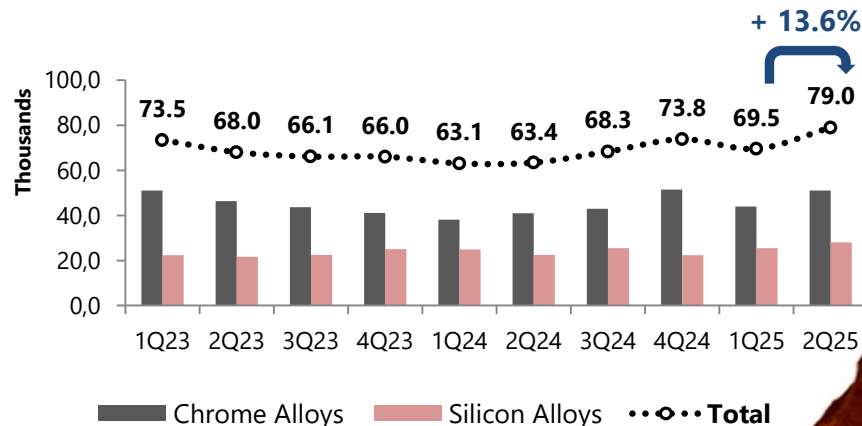
- **CAPEX was R\$72.1 million**, and increased 69.6% compared to 1Q25.

Operational Performance

Production of Ferroalloys (t)

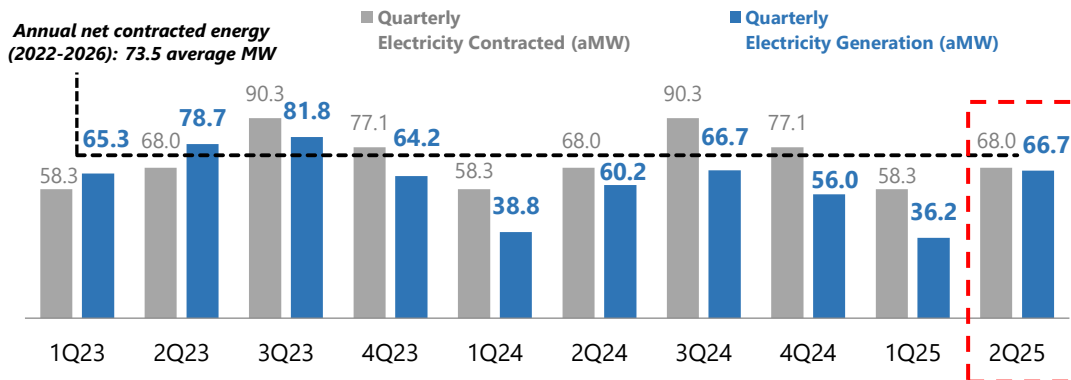


Ferroalloys for sale (t)



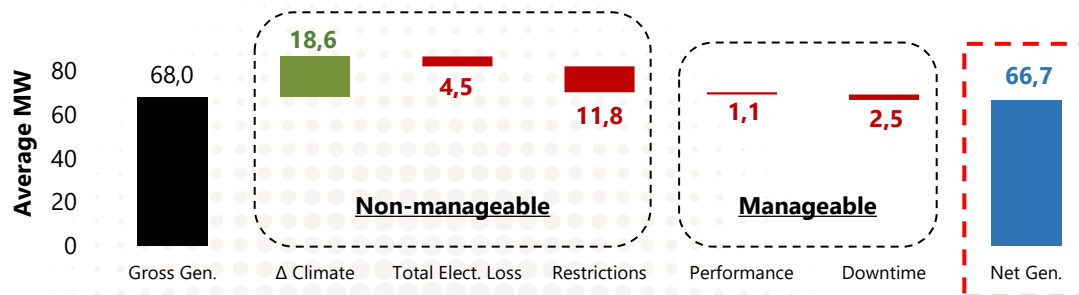
- **Maintenance (-0.5%) in ferroalloy** production compared to 1Q25, with a reduction of 4.3% in silicon alloys and an increase of 1.3% in chromium. **FeSi HP** production increased 26.9% in 2Q25, reaching 45.0% of the total silicon alloys produced.
- **Increase of 13.6% in the sale of ferroalloys in 2Q25**, compared to 1Q25, with the following configuration:
 - An increase of 29.2% in the ME** reflecting the improvements in the flow of international logistics, despite the still challenging global scenario.
 - Increase of 1.1% in MI**, mainly driven by the recomposition of steel inventories of domestic producers.

Evolution of Contracted Energy x Net Generation



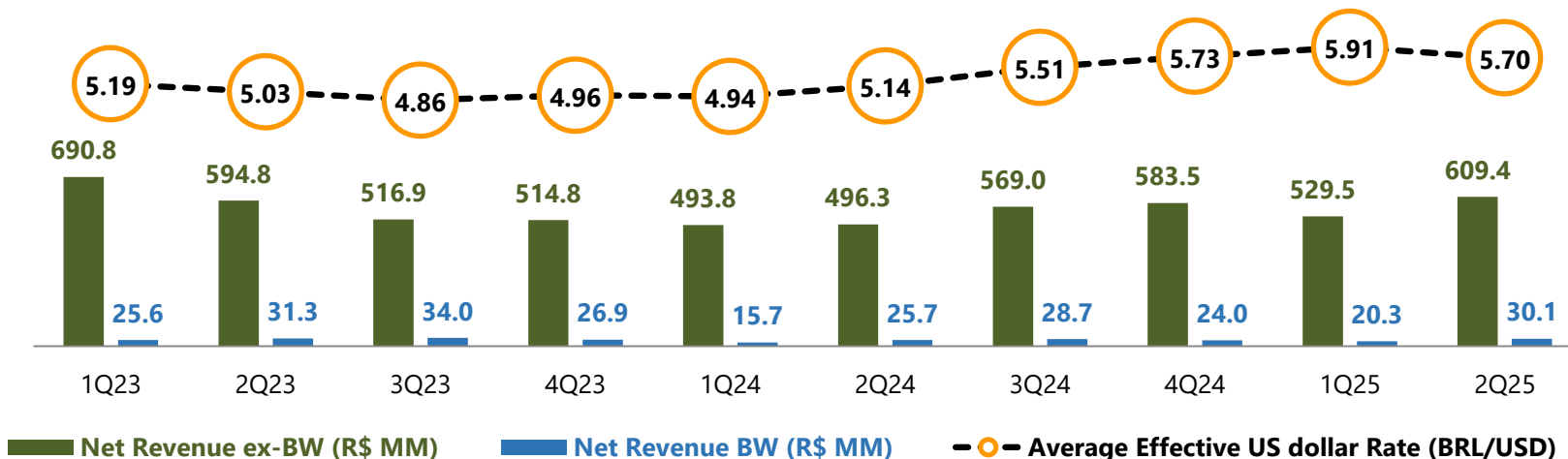
- In 2Q25, BWG's net electricity generation reached 66.7 average MW, 1.9% lower than the 68.0 average MW contracted for the period.

Gross contracted generation x Net generation - 2Q25



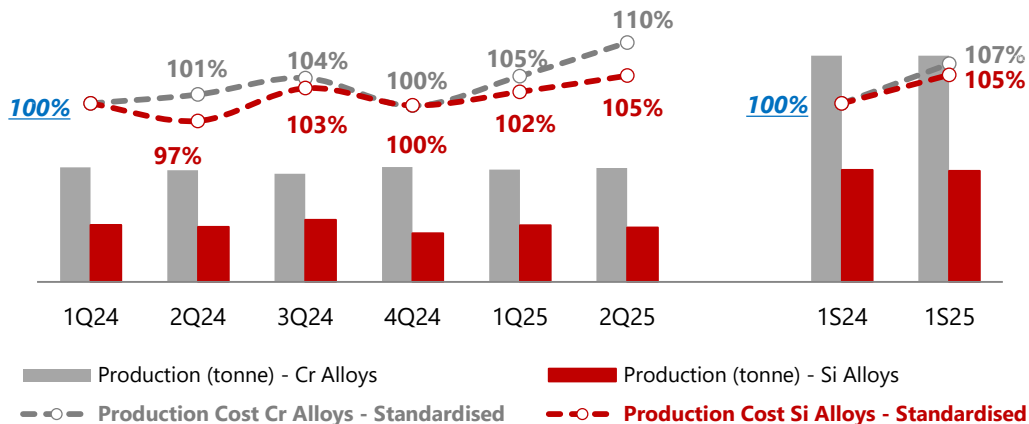
- The deviations recorded in non-manageable factors (+2.3 average MW) were decisive in the energy generation observed in 2Q25, with a positive highlight for the weather and negative for the restrictions imposed by the ONS.
- The manageable factors (-3.6 MW average) were influenced by the performance of the equipment and by damage to wind turbines, especially in the gearboxes.

Net Revenue and Exchange Rate Variation

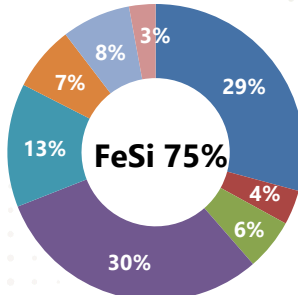
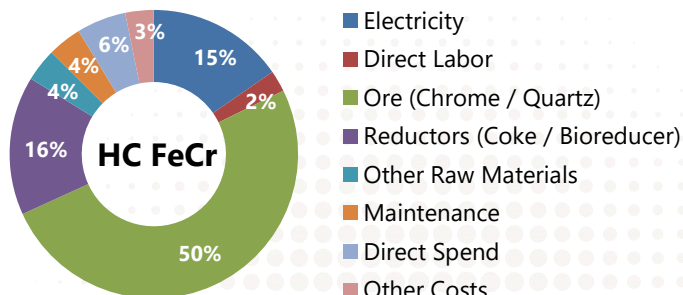


- **Consolidated net revenue in 2Q25 totaled R\$639.5 million and increased 16.3% compared to 1Q25**, in line with the 15.8% growth in revenue from ferroalloys. This variation expresses the combination of **the increases of 5.4% in the average price of alloys in dollars** and **13.6% in sales volume**, partially offset by the **devaluation of 3.6% in the average dollar practiced**.
- In 2Q25, the **Domestic Market accounted for 54%** and the **Foreign Market 46%** of consolidated net revenue.

Evolution of production costs



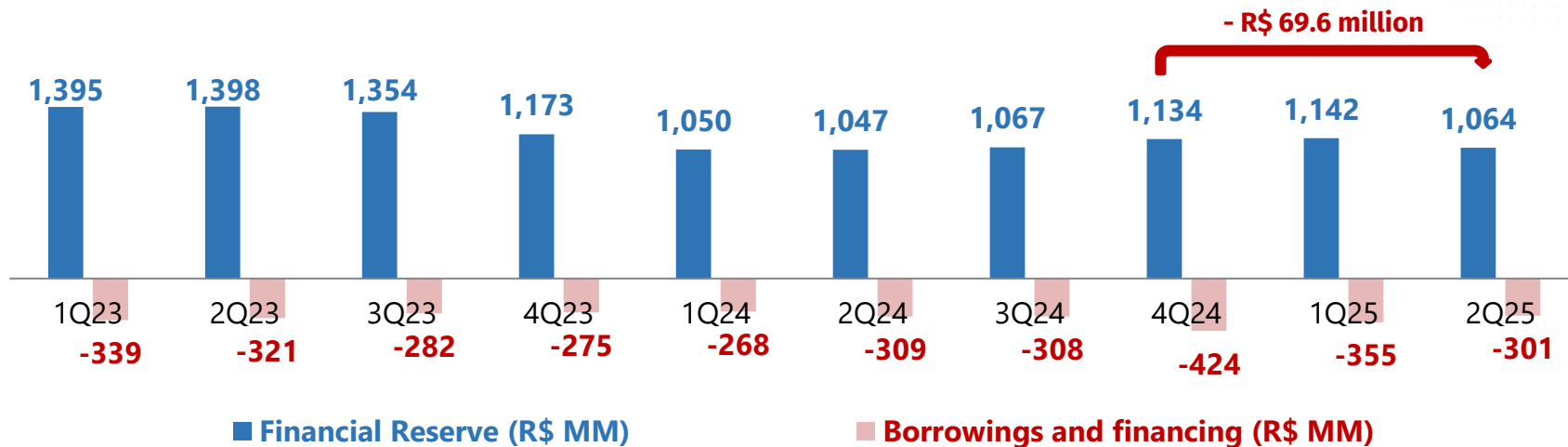
Composition of Production Costs – 1H25



PRODUCTION COST HIGHLIGHTS 1H25 x 1H24

- **Increase of 22.7% in the COGS of ferroalloys**, justified by the 17.4% increase in sales volume, in addition to the higher costs with electricity and chrome ore.
- **An increase of 16.9% in the cost of electricity** consumed due to the return of the CHESF contract tariff to the usual levels, the start of supply of Auren (APE) and the increase in sectoral charges.
- **HC FeCr: Increased energy and chromium ore costs** directly influenced the cost of production of the alloy.
- **LC FeCr: growth in expenditures on energy and quicklime**, the latter, due to the need for adjustments in the new calcination plant.
- **FeSi 75: increase in production costs** due to the combination of high electricity expenses and low expenditures on most other inputs.

Financial Reserve and Indebtedness



HIGHLIGHTS OF CASH CONSUMPTION OF R\$69.6 MILLION IN 1H25:

- ✓ **Operational results** of R\$163.3 million, including variations in working capital, interest payments and taxes;
- ✓ **Amortization of loans and financing** in the amount of R\$ 97.0 million;
- ✓ Realization of **R\$ 114.6 million in CAPEX** and **R\$ 25.3 million in equity participation**, of which R\$ 16.3 million for Bahia Minas Bioenergia and R\$ 9.0 million for BW Guirapá, both in 1Q25;

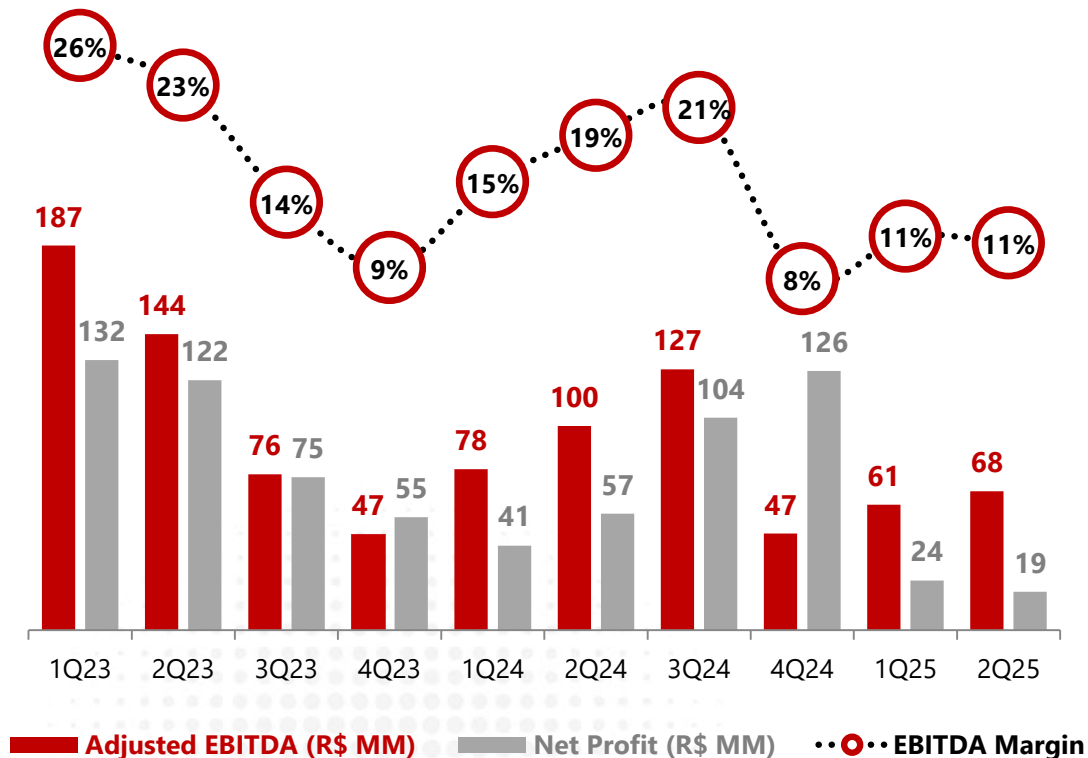
Financial Result

HIGHLIGHTS OF THE FINANCIAL RESULTS – 2Q25

- **Financial revenue of R\$37.5 million** decreased 9.9% compared to 1Q25 due to cash consumption between the quarters.
- **The net exchange variation of R\$3.3 million** in 2Q25 represented a negative oscillation of R\$9.8 million compared to 1Q25.
- Between **1H24** and **1H25**, the **increase of 27.2%** (or R\$13.4 million) in the financial result reflected, for the most part, the **gain of R\$11.2 million with exchange variation** – as a result of ACC operations.

Financial result (R\$ million)	2Q25	1Q25	Δ%	2Q24	Δ%	1H25	1H24	Δ%
Financial performance								
Financial income	37.5	41.6	-9.9%	31.3	19.8%	79.1	66.1	19.7%
Financial expense	(16.9)	(16.0)	5.6%	(12.6)	34.1%	(32.9)	(22.1)	48.9%
Net exchange rate variation	3.3	13.1	-74.8%	2.8	17.9%	16.4	5.2	215.4%
Total	23.9	38.7	-38.2%	21.5	11.2%	62.6	49.2	27.2%

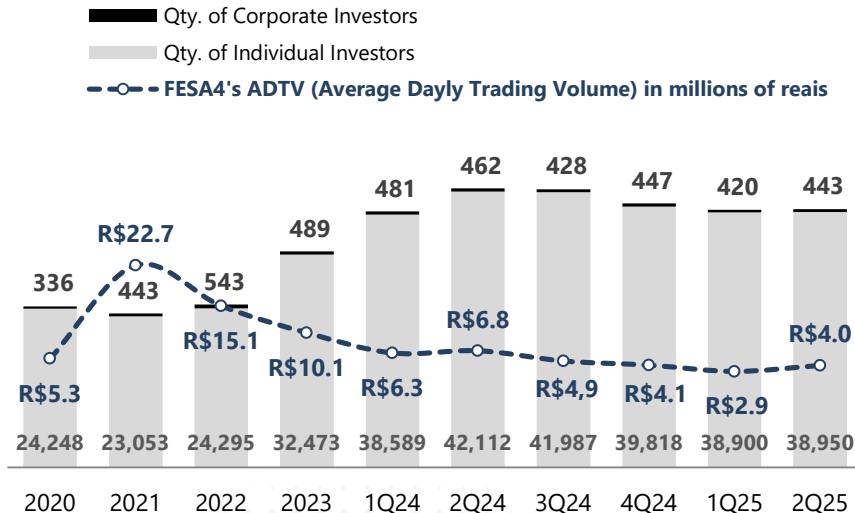
Profit and Adjusted EBITDA - Consolidated



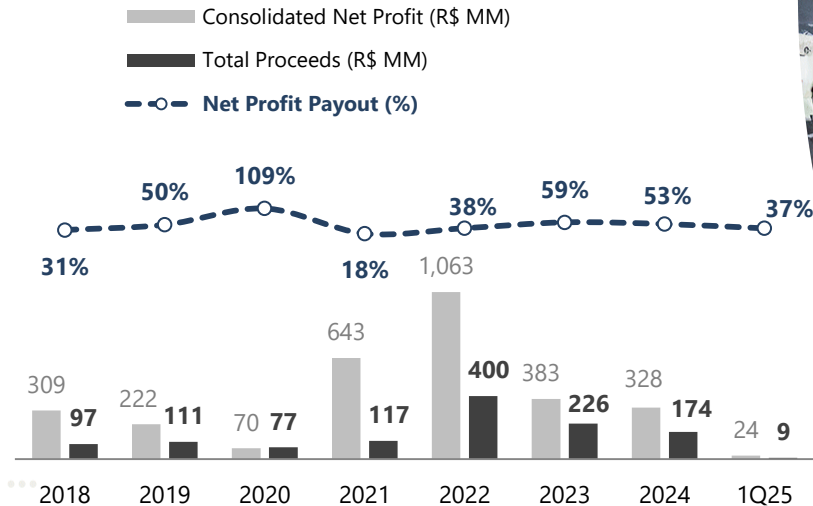
PROFIT HIGHLIGHTS 2Q25 x 1Q25

- **13.6% increase** in total ferroalloy sales volume.
- **Growth of 5.4% in the average price** of ferroalloys in dollars.
- **Devaluation of 3.6% in the average dollar** practiced.
- **Increase of 18.2% in the COGS** of ferroalloys.
- **BWG's loss** of R\$ 9.3 million in **1H25**.
- **38.2% decrease in financial result**.

Equity Liquidity (ADTV) – FESA4 (ref. 06/30/2025)



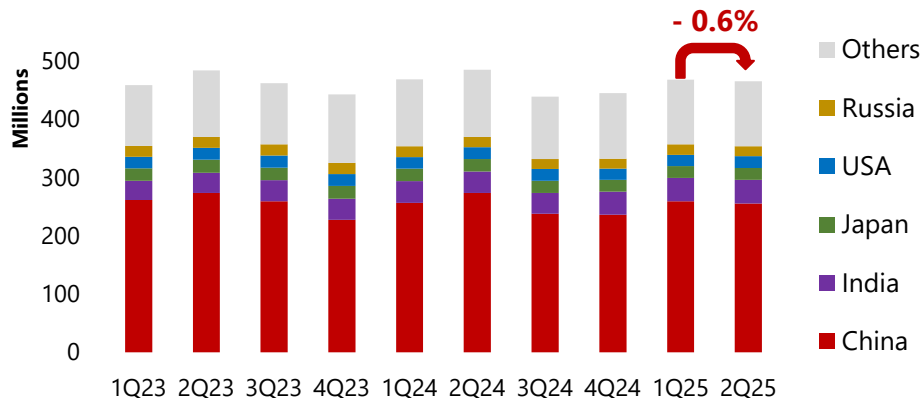
Dividends distributed by fiscal year – FESA4



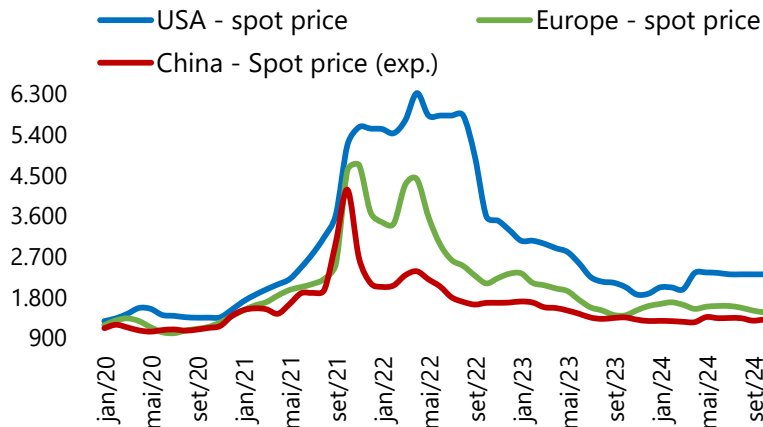
- **ADTV, in 2Q25, reached R\$ 4.0 million and advanced 38%** compared to 1Q25, influenced by the reconciliation between the 50.8% jump in the average volume traded and the 8.5% reduction in the average share price. The improvement in liquidity in 2Q25 was related to the movement of foreign shareholders in the Company's shareholder base. In 1H25, ADTV decreased 47.1% compared to 1H24.
- **In June/25, FERBASA credited the payment of R\$ 9.0 million in dividends in the form of JCP**, reaching a payout of 37% in relation to net income in 1Q25.

Market Outlook - Crude Steels and FeSi

World crude steel production (t)



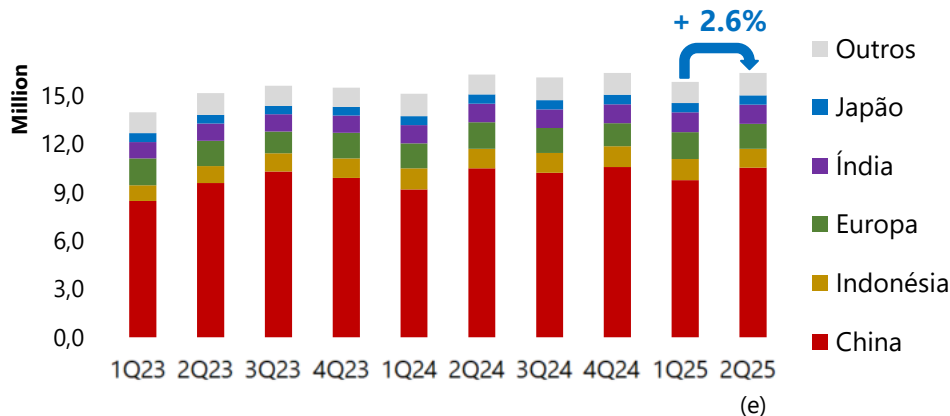
FeSi 75 price evolution (USD/t)



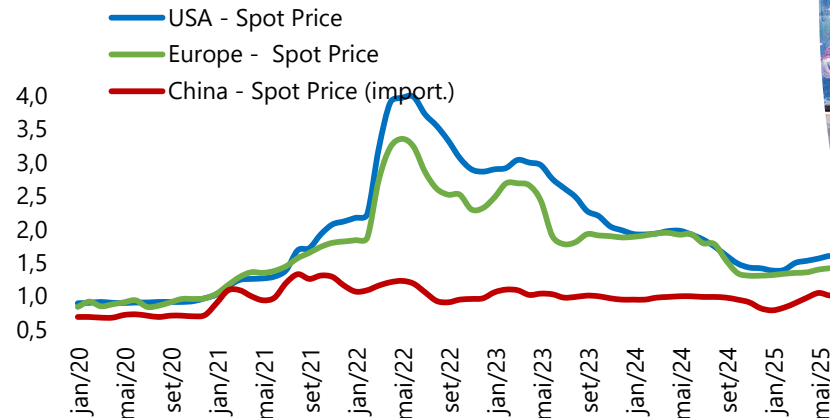
- **According to IABr, in 2Q25 Brazilian crude steel production declined 1.9% compared to 1Q25** due to the still high inflow of imported steel (+9.3%), which continues to mitigate the good performance of consumption (+6.5%) and exports (+10.1%). Between the first semesters of each year, Brazilian steel production remained stable (+0.5%).
- **FeSi 75 prices grew in the US and Europe** between 1Q25 and 2Q25, due to protectionist measures ("Antidumping" and "Tariff") in the US and the devaluation of the euro against the dollar in Europe. **In China, there was a drop in FeSi 75 prices**, associated with the combination of excess supply from previous quarters and the reduction in production costs.

Market Overview - Stainless Steel and FeCr

World production of stainless steels (t)



HC FeCr price evolution (USD/lb)



- According to estimates from specialized reports, **in 2Q25 the Brazilian production of stainless steels advanced 6%** compared to 1Q25. Compared to the first half of the previous year, Brazil's stainless steel production advanced 23% in 1H25.
- The average price of Chinese HC FeCr grew between 1Q25 and 2Q25**, influenced by the decline in world supply and the increase in the cost of chromium ore. In 1H25, **China and South Africa produced less HC FeCr than in 1H24**, this condition favors alloy prices due to the consumption of inventories and harms those of chrome ore due to the increase in South African supply.
- Between 1Q25 and 2Q25, the average price of HC FeCr also grew in the US.** On the other hand, it has retreated again in Europe.

U.S. protectionist actions

Protectionist Actions

1. **US Antidumping Tariff against FeSi:** + 18%
2. **Reciprocal" Rate"** (FeSi): + 10%
3. **Brazil Exclusive Rate"**
(FeSi e FeCr): + 40%
4. **"Section 232"** (steel): + 50%

Effective since
08/07/25

FeSi = + 68%
FeCr = + 40%
Steel = + 50%

Direct & indirect consequences

- I. **All products sold by FERBASA to the U.S. were impacted by the protectionist actions.**
- II. **Indirectly, the Company may suffer from a possible reduction in national steel production** due to the relevance of the US for Brazilian exports.
- III. **Institutional actions** promoted by the Federation of Industries of State of Bahia, the Government of the Bahia State, and the Vice Presidency of Republic.



Year	U.S. Share of FERBASA's Exports(%)
2021	13%
2022	16%
2023	19%
2024	39%
1S25	17%

**in tons*

Strategic projects



Production of ferroalloys



Bioreducer Supply



Quicklime



Chromium Ore



Coke



Competitive Energy



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