1. OPERATIONAL CONTEXT

Cia de Ferro Ligas da Bahia S.A. - FERBASA ("Ferbasa" or "Company") is a publicly traded company, based in Pojuca - BA, registered with the Brazilian Securities and Exchange Commission (***CVM*** – Comissão de Valores Mobiliários) and listed on the São Paulo Stock Exchange (B3 S.A. – Brasil, Bolsa, Balcão). Ferbasa started its activities 61 years ago, on February 23rd, 1961 and operates sustainably in the areas of chromite mining, in the manufacturing and sales of ferroalloys, renewable forest resources projects and wind power generation, all located in the State of Bahia. Its Parent is the José Carvalho Foundation, a non-profit organization with an indefinite duration, with the primary objective of providing quality education to children and underprivileged young people.

The present individual and consolidated interim accounting information was approved by the Company's Board of Directors on November 8, 2023.

1.1 Effects of the armed conflict between Russia and Ukraine, Israel and Hamas

The armed conflict between Russia and Ukraine and between Israel and Hamas continue to interfere with important global supply chains and change the balance of international relations. The effects of the armed conflict were added to the inflationary surge that was already plaguing many countries with the skyrocketing in the prices of world-relevant goods, such as food commodities, minerals, metallic goods and energy, and intensifying the instability on business environments. Attempts to fight inflation have been causing increases in interest rates across the globe and, therefore, signaling recessive expectations that become concerns for the markets.

To date, Ferbasa has not identified any fact that would generate a relevant impact on the Company's operations. Despite this, Ferbasa continues to monitor events to evaluate and seek to mitigate possible impacts on its business.

1.2 Accounting impacts related to climate change and the ESG agenda

FERBASA historically prioritizes in its corporate agenda actions that contribute to the evolution of the ESG agenda.

As of March 31, 2023, the Company does not have: (i) loans or financing linked to ESG targets and indicators; (ii) insurance related to ESG aspects; (iii) carbon credit transactions; (iv) provisions or contingent liabilities constituted related to ESG, in addition to the environmental provision already disclosed by the Company; and (v) risk of discontinuing its operations.

2. SUMMARY OF MAIN ACCOUNTING POLICIES

2.1. Basis of preparation

In thousands of reais, unless indicated otherwise

This interim accounting information should be read in conjunction with the Company's audited financial statements of December 31, 2022, 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 the international financial reporting standards ("International Financial Reporting Standards - IFRS"), issued by the "International Accounting Standards Board - IASB", evidencing all relevant information specific to the financial statements, and only these, which are consistent with those used by the Administration.

(i) Adoption of new and/or revised accounting pronouncements, guidelines and interpretations. As disclosed in explanatory note 7.1 to the financial statements of December 31, 2022, the Company analyzed the new pronouncements and verified that there were no significant changes to those disclosed for these individual and consolidated interim financial information, due to their adoption.

(ii) Interim financial information

The Company's individual and consolidated interim financial information was prepared and is being presented in accordance with technical pronouncement CPC 21 (R1) - Interim Statements and international standard IAS 34 - "Interim Financial Reporting", which aim to establish the minimum content 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 for the preparation of this interim financial information, in relation to those used in the financial statements of December 31, 2022.

The main accounting policies applied in the preparation of this quarterly interim financial information are consistent with those disclosed in explanatory note No. 6 to the Company's financial statements of December 31, 2022, filed with the CVM on March 6, 2023, and, therefore, should be read together 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	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Assets					
Cash and cash equivalents	Amortized cost	340,445	355,370	475,611	474,102
Short term investments	Fair value through profit or loss	489,214	393,461	489,214	393,461
Non-current financial investments	Fair value through profit or loss	337,434	365,358	388,969	417,569
Accounts receivable	Amortized cost	161,444	201,761	172,193	211,934
Judicial deposits	Amortized cost	8,816	46,448	9,366	46,544
Non-current CCEE reimbursement account	Amortized cost	-	-	810	46,544
Liabilities					
Suppliers	Amortized cost	117,933	122,617	122,306	129,638
Advances from customers	Amortized cost	10,129	61,209	10,129	61,209
Current loans and financing	Amortized cost	45,121	43,071	69,208	70,284
Funding cost	Amortized cost	-	-	(455)	(455)
Current loans and financing		45,121	43,071	68,753	69,829
Non-current loans and financing	Amortized cost	16,268	61,116	212,292	271,750
Funding cost	Amortized cost	-	-	(3,245)	(3,587)
Non-current loans and financing	Amortized cost	16,268	61,116	209,047	268,163

In thousands of reais, unless indicated otherwise

		Parent		Consolidated	
	Accounting measurement	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current CCEE reimbursement account	Amortized cost	-	-	73,738	12,870
Non-current CCEE reimbursement account	Amortized cost	-	-	-	60,645
Current leases payable	Amortized cost	50,945	26,643	51,594	27,417
Non-current leases payable	Amortized cost	15,644	13,239	22,808	22,660

3.2. Risk Management

The Company's activities expose it to various financial risks: market risk (including revenue concentration, price, exchange rate and interest rate risks), credit risk and liquidity risk. Risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Management establishes procedures for managing liquidity and credit risks, through financial market mechanisms that seek to minimize the exposure of the Company's assets and liabilities, protecting the profitability of its operations and its assets. The Company has an adequate relationship with first-class banking institutions to obtain credit lines and maintains a robust cash position and financial investments in order to meet its financial and operational commitments. Additionally, customer credit risk is monitored and there is no material history of losses.

As the national leader in the production of ferroalloys and the only producer of ferrochrome in the Americas, the Company has a concentration of revenue in a few customers. In this context, FERBASA has maintained a constant focus on initiatives to reduce costs with a view to increasing international competitiveness and reaching new markets.

Risk management is carried out by the Company's treasury, in accordance with the policies approved by the Board of Directors. The Company's Treasury identifies, evaluates and seeks protection against possible financial risks in cooperation with the Company's operating units.

3.2.1. Currency Risk

The exchange rate risk arises from the mismatch between the functional currency (Real) and ferroalloy billing, which is linked to foreign currency variation (US dollar).

For sensitivity analysis purposes, the Company adopted as scenario I (probable) the expected average exchange rate for the year 2023 of R$5.00, according to the Focus Report issued on October 13, 2023.

	09/30/2023		Scenario I	
	US$	R$	Rate	Gain/ (Loss) R$
Parent and Consolidated				
Accounts receivable from clients (net PECLD)	6,199	31,039	5.0000	(44)

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 September 30, 2023, the Company and its subsidiaries use as scenario I (probable) the basic final interest rate for the year 2023 of 11.75% per year, according to the Focus Report of October 13, 2023.

In thousands of reais, unless indicated otherwise

Interest rate risks	Closing Rate 09/30/2023 – p.a.	Scenario I Probable
Average basic interest rate – (% p.a.)	13.25%	11.75%
Parent		
Balance of Financial Investments (notes 4 and 5)	1,164,653	1,196,863
Net effect	-	32,210
Consolidated		
Balance of Financial Investments (notes 4 and 5)	1,344,906	1,382,162
Net effect	-	37,256

For the balance of loans and borrowings as of September 30, 2023 the Company and its subsidiaries use as scenario I (probable) the end-of-year TJLP of 6.55% per year and for the CDI (Interbank Deposit Certificate, in Portuguese: *Certificado de Depósito Interbancário*), 11.65%, for the end of the year of 2023.

Interest rate risks	Closing Rate 09/30/2023 – p.a.	Scenario I Probable
Interest rate - TJLP - (% p.a.)	7.00%	6.55%
Parent:		
Balance of loans and financing (note 16)	12,323	12,520
Net effect	-	(197)
Interest rate - TJLP - (% p.a.)		
Consolidated:		
Balance of loans and financing (note 16)	232,440	236,157
Net effect	-	(3,717)
Interest rate - CDI - (% p.a.)	12.65%	11.65%
Parent and Consolidated:		
Balance of loans and financing (note 16)	48,538	49,894
Net effect	-	(1,356)

The other risks are disclosed in explanatory note 8 to the Company's financial statements as of December 31, 2022.

4. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and Banks	2,440	13,648	8,888	18,178
Short-term financial investments in CDB (i)	44,682	36,474	103,944	89,690
Investment funds (ii)	293,323	305,248	362,779	366,234
	340,445	355,370	475,611	474,102

(i) Operations in Bank Deposit Certificates (“CDB”), whose weighted average rate of remuneration was 102.3% of the CDI until September 30, 2023 (102.6% on December 31, 2022), whose redemption has daily liquidity without significant change in the nominal value.

In thousands of reais, unless indicated otherwise

(ii) Operations in securities through investment funds, the redemption of which has liquidity on D+1 without relevant change in the nominal value. The weighted average return, marked to market, was 89.4% of the CDI until September 30, 2023 (111.1% on December 31, 2022).

5. FINANCIAL INVESTMENTS

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current:				
Investment funds (i)	199,342	182,838	199,342	182,838
Financial bills (ii)	165,481	130,298	165,481	130,298
CDB (iii)	74,273	3,466	74,273	3,466
Others (iv)	50,118	76,859	50,118	76,859
	489,214	393,461	489,214	393,461
Non-current:				
Investment funds (i)	258,243	325,325	280,634	347,161
CDB (ii)	73,494	40,033	73,494	40,033
Financial bills(iii)	-	-	29,144	30,375
Deposit for reinvestment (v)	5,697	-	5,697	-
	337,434	365,358	388,969	417,569
	826,648	758,819	878,183	811,030

(i) Transactions in securities, whose due dates exceed 90 days and the weighted average remuneration, marked to market, was 99.6% of the CDI until September 30, 2023 (108.0% on December 31, 2022). Although the Company and its subsidiaries select securities with liquidity on the secondary market, the uncertainty regarding market conditions and prices at a liquidity event suggests that these investments are not considered cash equivalents.

(ii) Financial bills with weighted average remuneration, marked to market, of 99.8% of the CDI until September 30 (108.2% on December 31, 2022).

(iii) Transactions in Bank Deposit Certificates (“CDB”) with no liquidity to maturity, whose average interest rates of monthly salary were 111.4% of the CDI until September 30, 2023 (81.8% on December 31, 2022).

(iv) Agribusiness Receivables Certificate (CRA in Portuguese - *Certificado de Recebíveis do Agronegócio*), Debentures and Treasury papers with weighted average remuneration, marked to market, of 80.3% of the CDI until September 30, 2023 (95.9% on December 31, 2022).

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

6. ACCOUNTS RECEIVABLE FROM CUSTOMERS

Parent		Consolidated	
09/30/2023	12/31/2022	09/30/2023	12/31/2022

In thousands of reais, unless indicated otherwise

Domestic Market	130,627	154,125	141,376	164,298
Foreign Market	31,039	47,870	31,039	47,870
Expected Losses on Bad Debts (PECLD)	(222)	(234)	(222)	(234)
	161,444	201,761	172,193	211,934

Accounts receivable from foreign markets are denominated in US dollars (US$), converted into reais (BRL) on the date of preparation of the interim financial statements. On September 30, 2023 and on December 31, 2022, the Company did not have any operations that would generate a significant adjustment to present value.

the Company had a provision for expected loss on doubtful accounts, in the amount of R$222 (R$234 on December 31, 2022), considered sufficient to cover possible losses on accounts receivable, from according to the internal analysis carried out by the Management.

Accounts receivable by expiration date are shown below:

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
To expire	154,937	195,752	165,686	205,925
Expired from 0 to 30 days	6,507	6,009	6,507	6,009
Expired more than 60 days	222	234	222	234
PECLD	(222)	(234)	(222)	(234)
	161,444	201,761	172,193	211,934

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.

	09/30/2023	12/31/2022
Current:		
Finished goods	197,508	267,470
Raw supplies	136,216	157,626
Chromium ore	45,803	55,191
Maintenance supplies (i)	130,278	98,874
	509,805	579,161
Non-current:		
Maintenance supplies (i)	14,627	15,407
Provision for obsolescence (ii)	(6,576)	(6,669)
	8,051	8,738
	517,856	587,899

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

(ii) The Company keeps a provision for obsolescence related to slow-moving items, it does not expect to use in the coming periods.

8. RECOVERABLE TAXES

In thousands of reais, unless indicated otherwise

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current:				
Income tax and Social Contribution	13,579	9,182	18,349	13,699
Recoverable ICMS	4,333	2,868	4,333	2,868
Recoverable PIS and COFINS	1,330	1,440	1,331	1,440
Others	280	280	315	317
	19,522	13,770	24,328	18,324
Non-current:				
Recoverable ICMS	7,613	6,597	7,613	6,597
Others	65	65	65	65
	7,678	6,662	7,678	6,662
	27,200	20,432	32,006	24,986

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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Deferred tax assets				
Provision for contingencies	(60,943)	(60,717)	(60,943)	(60,717)
Provision for losses in the inventories (note 7)	(6,576)	(6,669)	(6,576)	(6,669)
Provision for profit sharing and employee bonus (i)	(50,631)	(97,700)	(50,631)	(97,700)
Provision for environmental liabilities	(16,879)	(15,390)	(16,879)	(15,390)
Labor and actuarial obligations	(53,659)	(45,962)	(53,659)	(45,962)
Realization of capital gain	(24,300)	(20,986)	(24,300)	(20,986)
Provision PECLD	(222)	(234)	(222)	(234)
Suspended liability taxes (PIS/COFINS)	(4,358)	(4,358)	(4,358)	(4,358)
Tax Losses	-	-	(1,054)	(1,567)
Other temporary provisions	(1,333)	(24,231)	(1,333)	(24,231)
Calculation basis	(218,901)	(276,247)	(219,955)	(277,814)
Deferred income tax at the 25% tax rate	51,519	65,387	51,783	65,779
Deferred social contribution at the 9% tax rate	19,701	24,862	19,796	25,003
Deferred income tax and social contribution assets[(A)]	71,220	90,249	71,579	90,782

(i) Management profit sharing in the amount of R$ 12,825 (R$ 14,700 on December 31, 2022) is the only basis for calculating deferred CSLL (Social Contribution). In the case of the IRPJ (Income Tax), it is a permanent difference.

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Deferred tax liabilities (*)				
Fixed assets - “deemed cost”	58,811	58,811	63,385	63,385
Biological assets - “fair value”	83,590	72,515	83,590	72,515
Advantageous purchase	75,143	75,143	75,143	75,143
Accelerated depreciation	6,484	6,484	6,484	6,484

In thousands of reais, unless indicated otherwise

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Calculation Basis	224,028	212,953	228,602	217,527
Deferred income tax at the 25% tax rate	(56,007)	(53,238)	(57,151)	(54,382)
Deferred social contribution at the 9% tax rate	(20,163)	(19,166)	(20,574)	(19,577)
Deferred liabilities IRPJ/CSLL (B)	(76,170)	(72,404)	(77,725)	(73,959)
Liquid deferred IRPJ/CSLL (A+B)	(4,950)	17,845	(6,146)	16,823

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:

	Parent		Consolidated	
	IRPJ/CSLL - deferred		IRPJ/CSLL - deferred	
Calendar year	Asset	Liability	Asset	Liability
2023	4,352	7,414	4,352	7,414
2024	14,358	9,047	14,717	9,047
2025	292	1,218	292	1,218
2026	235	11,853	235	11,853
2027	177	272	177	272
2028 onwards	51,806	46,366	51,806	47,921
	71,220	76,170	71,579	77,725

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

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Lucro antes do IRPJ/CSLL	373,135	1,060,423	373,543	1,062,288
Alíquota combinada do IRPJ/CSLL	34%	34%	34%	34%
IRPJ/CSLL às alíquotas a legislação	(126,866)	(360,544)	(127,005)	(361,178)
Interest on equity	38,946	28,877	38,946	28,877
Equity	3,946	37	-	-
Donations	(1,424)	(652)	(1,443)	(667)
Others	(1,416)	(1,442)	(3,611)	(3,204)
SUDENE tax incentive (i)	41,363	183,638	44,675	184,366
	(45,451)	(150,086)	(48,438)	(151,806)
IRPJ and CSLL results				
SUDENE tax incentive (i)	41,363	183,638	44,675	184,366
Current	(61,699)	(322,294)	(67,824)	(324,591)
Deferred	(25,115)	(11,430)	(25,289)	(11,581)
IRPJ and CSLL expense	(45,451)	(150,086)	(48,438)	(151,806)

(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 1, 2015, to

In thousands of reais, unless indicated otherwise

December 31, 2024, according to Constitutive Report of No. 0200/2015.

- From the exploration and processing of Chromium ore and its by-products, from January 1, 2016, to December 31, 2025, according to Constitutive Report No. 0131/2016.
- From the generation of electricity, from January 1, 2018, to December 31, 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.

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 September of 2023 and September of 2022 are presented below:

	Parent	Consolidated
Balance on 12/31/2021 – Deferred Taxes Assets	17,806	16,982
Recognized in other comprehensive results	(3,300)	(3,300)
Recognized in the result	(11,430)	(11,581)
Balance on 09/30/2022 – Deferred Tax Liabilities	3,076	2,101
Balance on 12/31/2022 – Deferred Taxes Assets	17,845	16,823
Recognized in other comprehensive results	2,320	2,320
Recognized in the result	(25,115)	(25,289)
Balance on 09/30/2023 – Deferred Tax Liabilities	(4,950)	(6,146)

Uncertainty about Treatment of Taxes on Income

Non-incidence of IRPJ and CSLL on the update by Selic (Brazilian basic interest rate) on the return of unduly paid taxes

On September 24, 2021, the Federal Superior Court ("STF") judged the merits of Extraordinary Appeal (in Portuguese RE stands for *Recurso Extraordinário*) 1,063,187 that established the thesis of Theme No. 962 in the sense that the levy of IRPJ and CSLL on amounts relating to monetary restatement at the Selic rate received due to repetition of tax overpayment. The decision, under the general repercussion system, was unanimous among the ministers of the STF.

Although the judgment of the RE judged by the STF, published on December 16, 2021, has not become final and the PGFN (Attorney General of the National Treasury, in Portuguese it stands for *Procuradoria-Geral da Fazenda Nacional*) is left with the possibility of filing a motion for clarification and modulation of the effects of the decision to the STF, the decision on the merits has already been favorable to all taxpayers, with no material uncertainties regarding the merits of the matter that are not under the control of the entities.

Regarding to the eventual modulation of the effects of said decision, other judgments on tax matters by the STF indicate that it is likely that taxpayers who filed their own lawsuit by September 24, 2021, will be protected the right to refund the IRPJ and CSLL for the period of 5 years prior to the filing date of the lawsuit, even if the entities do not have their lawsuit final and unappealable.

The Company had filed a writ of mandamus in 2019, precisely aiming to question the levy of IRPJ and CSLL on the monetary restatement by Selic of tax undue debt (exclusion of ICMS from the PIS and COFINS calculation base), having made the respective judicial deposits that on December 31, 2021, totaled R$31,373. After the injunction was denied in a sentence, the Company was successful in its appeal before the Federal Court (TRF-1), judged on April 13, 2022, with a final and unappealable decision of the action being certified, with a favorable decision, on July 1, 2022, after the lower court records were lowered, the amount of the judicial deposit was fully reversed in favor of the Company in January 2023.

In thousands of reais, unless indicated otherwise

10. JUDICIAL DEPOSITS

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Labor	527	558	536	567
Tax (i)	8,289	45,890	8,830	45,977
	8,816	46,448	9,366	46,544

(i) 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 issued to redeem these deposits by one of the parties involved.

In January 2023, the Company obtained the refund of the amounts deposited in court related to the process that discussed the requirement to pay IRPJ and CSLL on financial income from credits related to the exclusion of the ICMS amount from the PIS and COFINS. These returns total R$38,231 (IRPJ R$28,111 and CSLL R$10,120).

11. INVESTMENTS

Information related to investments was presented in the Company's financial statements as of December 31, 2022, in Note 16. The summarized financial statements of subsidiaries are shown below:

	Participation %	Assets	Liabilities	Net worth	Revenues	Expenses	Profit (losses)	Participation in shareholders' equity of subsidiaries	Company interest (equity equivalence)	
September 30, 2022										
Silbasa	51.26	2,500	23	2,477	660	(363)	297	1,269	152	
Jacurici	100.00	27,292	1,495	25,797	3,152	(2,153)	999	25,797	999	
Reflora	99.98	3,657	17	3,640	293	(161)	132	3,640	132	
Damacal	100.00	2,808	280	2,528	173	(43)	130	2,528	130	
Ferbasa & CO	100.00	11	-	11	-	-	-	11	-	
BW Guirapá	100.00	822,396	363,181	459,215	86,681	(84,674)	2,007	519,371	(1,307)	(*)
								552,616	106	
September 30, 2023										
Silbasa	51.26	2,890	35	2,855	732	(368)	364	1,463	187	
Jacurici	100.00	28,393	1,141	27,252	3,507	(2,362)	1,145	27,252	1,145	
Reflora	99.98	3,904	8	3,896	335	(98)	237	3,896	236	
Damacal	100.00	2,959	263	2,696	206	(49)	157	2,696	157	
Ferbasa & CO	100.00	2,543	101	2,442	-	(349)	(349)	2,442	(349)	
BW Guirapá	100.00	818,615	345,119	473,496	104,667	(91,125)	13,542	529,234	10,228	(*)
								566,983	11,604	

(*) Adjusted for assets measured at fair value in the acquisition of BW Guirapá and its respective realization of the net amount of R$ 55,738 and R$ 3,314 (R$ 60,156 and R$ 3,314 on September 30, 2022).

The movement of investments is shown below:

	Silbasa	Jacurici	Reflora	Damacal	BW Guirapá	Ferbasa & CO	Others	Total

Balances on December 31, 2021	1,117	24,798	3,508	2,398	520,678	11	78	552,588
Equity:								
Period result	152	999	132	130	2,007	-	-	3,420
Realization of assets appraised at their fair value	-	-	-	-	(3,314)	-	-	(3,314)
Balances on September 30, 2022	1,269	25,797	3,640	2,528	519,371	11	78	552,694
Balances on December 31, 2022	1,276	26,107	3,660	2,539	519.006	(63)	78	552,603
Investiment (**)	-	-	-	-	-	2,651	15,000	17,651
Cumulative Conversion Adjustments	-	-	-	-	-	203	-	203
Equity:								
Period result	187	1,145	236	157	13,542	(349)	-	14,918
Realization of assets appraised at their fair value	-	-	-	-	(3,314)	-	-	(3,314)
Balances on September 30, 2023	1,463	27,252	3,896	2,696	529,234	2,442	15,078	582,061

(**) Refers to the payment of the share capital of the subsidiary Ferbasa & CO and advance for the purchase of land for investment, in the amounts of R$ 2,651 and R$ 15,000, respectively.

12. FIXED, INTANGIBLE AND RIGHT OF USE FOR LEASE

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Land for planting	124,302	115,419	124,454	115,571
Land	29,514	26,357	35,284	32,127
Buildings	155,482	148,189	292,278	286,892
Machinery and Equipment	335,986	259,289	845,103	786,222
Vehicles and tractors	14,356	823	14,356	823
Furniture and utensils	2,751	2,284	2,941	2,459
Computing	7,400	3,979	7,543	4,074
Mine development	87,099	76,328	87,099	76,328
Other fixed assets	149,425	191,367	186,206	231,568
Total fixed assets (12.1)	906,315	824,035	1,595,264	1,536,064
Intangible (12.2)	4,962	89	14,256	9,674

The table below shows the economic useful life of the assets, and the annual depreciation rates were calculated by the linear method (Consolidated):

	Average lifespan (years)
Fixed	
Machinery and equipment	21
Vehicles and tractors	5
Buildings	25

	Average lifespan (years)
Fixed	
Furniture and utensils	10
Computing	5
Others	5
Right of use on lease	
Right of use of machinery and equipment	4
Right of using the land	29
Right of using buildings	5

In thousands of reais, unless indicated otherwise

12.1. Fixed

	Parent									
	Land for planting	Land	Buildings	Machinery and equipment	Vehicles and tractors	Furniture and utensils	Computing	Mines	Other fixed assets	Total
Cost										
Balance on 12/31/2021	115,419	26,357	226,105	684,057	73,592	13,319	15,245	121,791	98,163	1,374,048
Additions and transfers	-	-	8,975	25,524	9	20	1,709	9,663	51,360	97,260
Casualties and reclassifications	-	-	-	(10)	(996)	-	(26)	-	-	(1,032)
Balance on 09/30/2022	115,419	26,357	235,080	709,571	72,605	13,339	16,928	131,454	149,523	1,470,276
Balance on 12/31/2022	115,419	26,357	235,817	720,755	71,967	13,356	17,108	136,087	214,778	1,551,644
Additions and transfers	8,883	3,222	13,467	107,724	14,609	966	4,954	14,953	(38,338)	130,440
Casualties	-	(65)	(52)	(86)	(623)	-	-	-	-	(826)
Reclassifications	-	-	838	-	-	-	-	-	(1,119)	(281)
Balance on 09/30/2023	124,302	29,514	250,070	828,393	85,953	14,322	22,062	151,040	175,321	1,680,977
Accumulated depreciation and depletion										
Balance on 12/31/2021			(78,653)	(426,953)	(72,098)	(10,424)	(11,722)	(54,235)	(20,882)	(674,967)
Depreciation and depletion expense			(6,721)	(26,782)	(553)	(492)	(1,069)	(4,110)	(1,862)	(41,589)
Casualties and reclassifications			-	7	996	-	26	-	-	1,029
Balance on 09/30/2022			(85,374)	(453,728)	(71,655)	(10,916)	(12,765)	(58,345)	(22,744)	(715,527)
Balance on 12/31/2022			(87,628)	(461,466)	(71,144)	(11,072)	(13,129)	(59,759)	(23,410)	(727,608)
Depreciation and depletion expense			(6,992)	(31,001)	(1,076)	(499)	(1,533)	(4,182)	(2,257)	(47,540)
Casualties			32	60	623	-	-	-	-	715
Reclassifications			-	-	-	-	-	-	(229)	(229)
Balance on 09/30/2023			(94,588)	(492,407)	(71,597)	(11,571)	(14,662)	(63,941)	(25,896)	(774,662)
Net balances on										
09/30/2022	115,419	26,357	149,706	255,843	950	2.423	4.163	73,109	126,779	754,749
09/30/2023	124,302	29,514	155,482	335,986	14,356	2,751	7,400	87,099	149,425	906,315

In thousands of reais, unless indicated otherwise

	Consolidated									
	Land for planting	Land	Buildings	Machinery and equipment	Vehicles and tractors	Furniture and utensils	Computing	Mines	Other fixed assets	Total
Cost										
Balance on 12/31/2021	115,571	32,127	384,218	1,406,960	82,379	13,512	15,560	121,791	134,937	2,307,055
Additions and transfers	-	-	8,975	28,612	9	20	1,709	9,663	54,651	103,639
Casualties and reclassifications	-	-	-	(3,487)	(996)	-	(26)	-	-	(4,509)
Balance on 09/30/2022	115,571	32,127	393,193	1,432,085	81,392	13,532	17,243	131,454	189,588	2,406,185
Balance on 12/31/2022	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	13,467	124,232	14,609	997	5,036	14,953	(42,840)	142,559
Casualties	-	(65)	(52)	(86)	(623)	-	-	-	-	(826)
Reclassifications	-	-	838	-	-	-	-	-	(1,119)	(281)
Balance on 09/30/2023	124,454	35,284	408,797	1,574,121	94,740	14,627	22,536	151,040	210,964	2,636,563
Accumulated depreciation and depletion										
Balance on 12/31/2021			(96,113)	(588,292)	(80,885)	(10,511)	(11,996)	(54,235)	(19,527)	(861,559)
Depreciation and depletion expense			(8,954)	(54,497)	(553)	(500)	(1,087)	(4,110)	(2,837)	(72,538)
Casualties and reclassifications			-	862	996	-	26	-	-	1,884
Realization of capital gain			311	(3,625)	-	-	-	-	-	(3,314)
Balance on 09/30/2022			(104,756)	(645,552)	(80,442)	(11,011)	(13,057)	(58,345)	(22,364)	(935,527)
Balance on 12/31/2022			(107,652)	(663,753)	(79,931)	(11,171)	(13,426)	(59,759)	(23,356)	(959,048)
Depreciation and depletion expense			(9,210)	(61,701)	(1,076)	(514)	(1,567)	(4,182)	(1,173)	(79,423)
Casualties and reclassifications			32	60	623	-	-	-	-	715
Realization of capital gain			-	-	-	-	-	-	(229)	(229)
Balance on 09/30/2023			311	(3,625)	-	-	-	-	-	(3,314)
			(116,519)	(729,019)	(80,384)	(11,685)	(14,993)	(63,941)	(24,758)	(1,041,299)
Net balances on										
09/30/2022	115,571	32,127	288,437	786,533	950	2,521	4,186	73,109	167,224	1,470,658
09/30/2023	124,454	35,284	292,278	845,102	14,356	2,942	7,543	87,099	186,206	1,595,264

In thousands of reais, unless indicated otherwise

Other fixed assets

Includes fixed assets in progress in the amount of R$ 143,555, Parent Company (R$ 184,942 as of December 31, 2022), and R$ 149,427, Consolidated (R$ 195,313 as of December 31, 2022), in addition to other fixed assets corresponding to demobilizations of wind farm, mine closure, environment, road maintenance, among others.

Additions and transfers

They include acquisitions of fixed assets made during the periods and ongoing projects transferred to operations.

Goods offered under warranty

In the period ended September 30, 2023, fixed assets that were offered as collateral for loan operations and legal proceedings totaled R$6,513 (R$10,937 as of December 31, 2022).

12.2. Intangible

	Parent			Consolidated
	Software	Right of use	Software	Total
Cost				
Balance on 12/31/2021	9,249	13,863	285	23,397
Additions and transfers	176	-	-	176
Balance on 09/30/2022	9,425	13,863	285	23,573
Balance on 12/31/2022	9,425	13,863	299	23,587
Additions and transfers	4,933	-	74	5,007
Reclassifications	642	-	-	642
Balance on 09/30/2023	15,000	13,863	373	29,236
Accumulated Amortization				
Balance on 12/31/2021	(8,836)	(4,032)	(82)	(12,950)
Amortization Expense	(405)	(292)	(57)	(754)
Balance on 09/30/2022	(9,241)	(4,324)	(139)	(13,704)
Balance on 12/31/2022	(9,337)	(4,421)	(155)	(13,913)
Amortization Expense	(597)	(292)	(74)	(963)
Reclassifications	(104)	-	-	(104)
Balance on 09/30/2023	(10,038)	(4,713)	(229)	(14,980)
Net balance on 09/30/2022	184	9,539	146	9,869
Net balance on 09/30/2023	4,962	9,150	144	14,256

12.3. Right of use on leasing

	Parent	Consolidated			
	Machinery and equipment	Machinery and equipment	Lands	Buildings	Total
Custo					
Cost on 12/31/2021	75,386	75,386	13,109	183	88,678
Addition/Remeasurement	40,250	40,250	301	(7)	40,544
Cost on 09/30/2022	115,636	115,636	13,410	176	129,222
Cost on 12/31/2022	127,397	127,397	13,151	176	140,724
Addition/Remeasurement	72,103	72,103	(1,475)	-	70,628

In thousands of reais, unless indicated otherwise

Cost on 09/30/2023	199,500	199,500	11,676	176	211,352
Depreciation					
Depreciation on 12/31/2021	(59,905)	(59,905)	(1,327)	(105)	(61,337)
Addition	(17,442)	(17,442)	(405)	(27)	(17,874)
Depreciation on 09/30/2022	(77,347)	(77,347)	(1,732)	(132)	(79,211)
Depreciation on 12/31/2022	(86,780)	(86,780)	(1,857)	(141)	(88,778)
Addition	(31,433)	(31,433)	(354)	(35)	(31,822)
Depreciation on 09/30/2023	(118,213)	(118,213)	(2,211)	(176)	(120,600)
Net balances on 09/30/2022	38,289	38,289	11,678	44	50,011
Net balances on 09/30/2023	81,287	81,287	9,465	-	90,752

The recognized amounts of additions and remeasurement in the individual amount of R$72,103 (R$40,250 as of September 30, 2022) and consolidated amount of R$70,628 (R$40,544 as of September 30, 2022) did not affect the cash flow statements and part of the depreciation of the right of use under lease in the amount of R$2,324 (R$2,563 as of September 30, 2022) was allocated to the inventory cost.

13. BIOLOGICAL ASSETS (PARENT AND CONSOLIDATED)

Biological assets are represented by forests formed and in formation, 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 results are shown below:

	09/30/2023	12/31/2022
At the beginning of the financial year	276,279	223,683
Planting and maintenance	54,666	64,519
Depletion (*)	(51,175)	(49,926)
Fair value variation	39,571	38,003
At the end of the financial year	319,341	276,279

(*) In the period ended September 30, 2023, the depletion of biological assets was R$51,175 (R$49,926 as of December 31, 2022), with (i) R$22,679 referring to the historical cost (R$16,918 as of December 31, 2023). December 2022) and (ii) R$28,496 of the fair value for sale/consumption (R$33,008 on December 31, 2022). Additionally, for September 30, 2023, there was a constitution in inventory in the amount of R$ 3,742 (R$ 1,984 on December 31, 2022, realization), both with an effect on cash flow.

Forests under two (2) years of age are maintained at historical cost due to the 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, we used the cash flow model, 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 designed according to the productivity cycle of forestry projects. The production volume of eucalyptus "standing wood" to be harvested was estimated considering the average productivity per m3 of wood of each garden at the cutting age.

In thousands of reais, unless indicated otherwise

The estimated average standard cost includes expenses with mowing activities, chemical control of weeds, combating ants and other pests, fertilization, road maintenance, inputs, services and own labor. The estimated costs for remuneration for the land used for cultivation were also considered.

The main assumptions considered in calculating the fair value of biological assets are:

	Parent and Consolidated	
	09/30/2023	12/31/2022
Effective planting area (hectare)	25,670	25,670
Average annual increment (IMA) - m³/hectare year	30.41	30.11
Average sales price – R$/m3	126.04	90.61
Remuneration for own land - R$/hectare	1,000.00	885.00
Deflated discount rate - %	7.19%	7.70%

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, ie, unobservable assumptions).

The Company has 5,222 hectares (about 12,903 acres) of biological assets pledged as guarantee for financing from the National Bank for Economic and Social Development (BNDES). The total amount of this credit facility available to the Company is R$19,340. In 2018, R$ 2,500 were released from this line. In the years 2019, 2020, 2021, 2022 and from January to September of 2023 there were no other releases.

The Company always evaluates the fair value of biological assets in the third quarter of each year and the complement on December 31.

14. SUPPLIERS

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Electrical energy	27,781	26,059	27,781	26,059
Raw material and inputs	81,050	82,267	81,050	82,267
Other suppliers (i)	9,102	14,291	13,475	21,312
	117,933	122,617	122,306	129,638

(i) These are various services (consulting, transport, research and prospecting, etc.) as well as suppliers not linked to production.

15. CASH ADVANCE FROM CUSTOMERS (PARENT COMPANY AND CONSOLIDATED)

	09/30/2023	12/31/2022
Cash advance from customers	10,129	61,209

The most relevant item refers to resources received for shipments of products in transit on the base date of September 30, 2023 and December 31, 2022, whose respective revenue recognition occurs upon completion of unloading at the destination, where it ceases. The delivery obligation and control of the products is effectively transferred to the customer.

16. LOANS AND FINANCING

In thousands of reais, unless indicated otherwise

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current:				
Financings (i)	45,121	43,071	45,121	43,071
Financing BNDES BW Guirapá (ii)	-	-	24,087	27,213
Subtotal Financing	45,121	43,071	69,208	70,284
Cost of Money raising	-	-	(455)	(455)
Current Total	45,121	43,071	68,753	69,829
Non-current:				
Financings (i)	16,268	61,116	16,268	61,116
Financing BNDES BW Guirapá (ii)	-	-	196,024	210,634
Subtotal Financing	16,268	61,116	212,292	271,750
Cost of Money raising	-	-	(3,245)	(3,587)
Non-current total	16,268	61,116	209,047	268,163
	61,389	104,187	277,800	337,992

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

(ii) Financing with the National Bank for Economic and Social Development (BNDES) raised by the subsidiary BW Guirapá and its subsidiaries on October 6, 2015 to finance the construction of wind farms. The guarantees offered for the payment of the debt were: pledge of BW Guirapá shares, pledge of credit rights (O&M contract), pledge of emerging rights (authorization of independent producer), pledge of machinery and equipment (wind turbines), fiduciary assignment of credit rights (revenues from the sale of energy and CER, and constitution of reserve accounts) and bank bail.

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	2023 to 2024	TJLP + 3.6% to 3.9%.	Monthly	Fiduciary alienation	374	374
FINEM	2024 to 2025	TJLP + 2.27%	Monthly	Land mortgage	11,949	11,949
FINEM	until 2032	TJLP + 2.65%	Monthly	See (ii) above	-	220,111
				TJLP subtotal (note 3.2.2)	12,323	232,434
NCE	2023 and 2024	CDI + 0.70%	Annual	Export History	27,454	27,454
CCB	2023 to 2025	CDI + 1.86%	Annual	Clean	21,084	21,084
				CDI subtotal (note 3.2.2)	48,538	48,538
FINAME	2023 to 2024	4% to 6%	Monthly	Fiduciary alienation	528	528
				Subtotal	61,389	281,500
				Captation cost	-	(3,700)
				Total	61,389	277,800

Restrictive contractual clauses – "covenants"

The Company has financings which include restrictive clauses requiring compliance with the performance of annual indices, subject to the anticipation of debt maturity in the event of non-compliance with the "covenants".

On September 30, 2023 and December 31, 2022, Ferbasa met the index required in the financing contracts (Finame) in which the ratio between net financial debt and EBITDA, consolidated, must be less than or equal to 2.5x during the entire period of validity of the contracts.

In thousands of reais, unless indicated otherwise

Specifically, BW Guirapá and the Wind Power Plants are required to maintain, throughout the term of the BNDES financing agreement, a consolidated annual debt service coverage ratio (ICSD) equal to or greater than 1.30, which was met on September 30, 2023 and December 31, 2022. 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; remain in good standing with the environmental bodies, CCEE, ANEEL, the MME, the National Electric System Operator ("ONS") and/or any other bodies 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 medicine. These clauses were met on September 30, 2023 and December 31st, 2022.

17. PAYABLE LEASINGS

	Parent	Consolidated			
	Machinery and Equipment	Machinery and Equipment	Lands	Buildings	Total
Balance on 12/30/2021	14,410	14,410	10,964	81	25,455
Additions/Remeasurement	40,250	40,250	301	(7)	40,544
Payments	(21,793)	(21,793)	(1,102)	(37)	(22,932)
Execution AVP (Adjustment to Present Value)	4,708	4,708	189	8	4,905
Balance on 09/30/2022	37,575	37,575	10,352	45	47,972
Balance on 12/31/2022	39,882	39,882	10,161	34	50,077
Additions/Remeasurement	72,103	72,103	(1,475)	-	70,628
Payments	(50,636)	(50,636)	(1,134)	(41)	(51,811)
Execution AVP (Adjustment to Present Value)	5,240	5,240	261	7	5,508
Balance on 09/30/2023	66,589	66,589	7,813	-	74,402
Current	50,945				51,594
Non-current	15,644				22,808

On September 30, 2023, the Company estimated discount rates, based on risk-free interest rates observed in the Brazilian market, for the term of its contracts. The weighted average rate used for the parent company is 16.05% p.a. and for the subsidiary BW it is 9.20% p.a.

The amounts classified in non-current liabilities are broken down as follows, by expiration year:

Expiration year	Parent	Consolidated
2024	6,373	6,529
2025 to 2029	9,271	12,027
2030 to 2034	-	2,146
2035 to 2039	-	1,671
2040 to 2044	-	370

In thousands of reais, unless indicated otherwise

Expiration year	Parent	Consolidated
2045 onwards	-	65
Total	15,644	22,808

The Company has the potential right to recover PIS/COFINS embedded in the consideration of leases. When measuring cash flows, tax credits were not highlighted, with the potential PIS/COFINS effects shown in the table below:

	Parent				Consolidated			
	Nominal		Adjustment to Present Value		Nominal		Adjustment to Present Value	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Consideration	82,294	47,445	66,589	39,882	96,501	62,208	74,402	50,077
PIS/COFINS potential (9.25%)	7,612	4,389	6,159	3,689	8,926	5,754	6,882	4,632

18. LABOR AND ACTUARIAL OBLIGATIONS

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current:				
Salaries and wages	10,637	11,648	10,835	11,884
Labor provisions and charges	44,903	26,280	45,289	26,448
Profit sharing (i)	50,631	97,700	50,631	97,848
	106,171	135,628	106,755	136,180
Non-current:				
Labor and actuarial obligations (ii)	53,659	45,962	53,659	45,962
	159,830	181,590	160,414	182,142

(i) The Company's Bylaws establish that the profit for the year is allocated up to 10% (ten percent) for distribution to employees and up to 10% (ten percent) of the resulting balance to reward the managers. On September 30, 2023, the balance in the caption of management participation is R$ 12,825 (R$ 14,700 on December 31, 2022) and the balance under employee participation is R$37,806 (R$61,000 on December 31, 2022). Additionally, for December 31, 2022, there was a bonus to employees in the amount of R$22,000.

(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 Health Insurance 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.

- 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.

In thousands of reais, unless indicated otherwise

- Healthcare: In the first quarter of 2022, there was a review and change in the rules of the Healthcare plan managed by *Bradesco Saúde*. The plan changed from a contributory to a non-contributory one, there were changes in the discounts table and the rules of permanence for the terminated and retired were revised, which caused a reduction in actuarial obligations, generating a reversal of R$ 22,056 in other operating income. Employees who join the Company as a result of the aforementioned changes 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 as long as they assume the full cost of the plan, will have the right to remain in the plan. . On the other hand, active employees before the changes, when terminated as retired or non-retired, will have the respective time limiters (1 year for each contribution year limited to 9 years and 1/3 of the contribution time with a minimum of 6 months and a maximum of 2 years, respectively) of permanence in the plan provided that the legal requirements established for such are met and assuming the full cost of the health care plan.

19. TAXES AND SOCIAL CONTRIBUTIONS

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current:				
IRPJ and CSLL	7,817	29,260	7,869	29,300
IPI	1,019	1,891	1,019	1,891
ICMS	9,732	12,781	9,820	12,820
IRRF to be collected	2,343	4,530	2,451	4,710
PIS and COFINS	918	7,080	1,344	7,568
Others	1,919	2,553	1,989	2,795
	23,748	58,095	24,492	59,084
Não circulante:				
IRPJ – Reinvestment (i)	3,500	-	3,500	-
PIS and COFINS	-	-	87	87
	3,500	-	3,587	87
	27,248	58,095	28,079	59,171

(i) The balance linked to tax incentive refers to reinvestment amounts at 30% of income tax due in calendar year 2022, plus another portion (50% of this 30%) of own funds. These amounts are provisioned until the projects are approved by SUDENE. In the event of approval, these amounts that would otherwise be collected as taxes are released for the Company to invest in projects. Therefore, if approved, they will be capitalized; otherwise, they will be passed on to the Federal Revenue Service as income tax.

20. PROVISION FOR ENVIRONMENTAL LIABILITIES

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

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

In thousands of reais, unless indicated otherwise

The movements in these provisions are shown below:

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Non-current				
At the beginning of the year	15,666	15,953	56,313	57,415
Losses	(540)	(944)	(540)	(1,759)
Monetary adjustment, AVP and others	1,753	657	1,753	657
In the end of the term	16,879	15,666	57,526	56,313

21. 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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Tax / Administrative	27,323	28,695	50,236	48,571
Labor	407	896	6,646	7,449
Civil	442	465	4,061	4,697
	28,172	30,056	60,943	60,717

The description of the main contingent liabilities of the Company, including those that were considered as a possible loss by management and its legal advisors, was presented in the financial statements of December 31, 2022, in explanatory note 27 and there were no significant changes in its possible contingencies in that period.

22. REIMBURSEMENT ACCOUNT - CCEE (CONSOLIDATED)

	Consolidated	
	09/30/2023	12/31/2022
Opening balance	73,515	49,515
Reimbursement	(2,108)	18,015
Penalty	-	2,443
Loss	(1,492)	-
Update	3,013	4,825
Constrained-off rollback	-	(1,283)

In thousands of reais, unless indicated otherwise

Final Balance	72,928	73,515
Non-current asset	810	-
Current asset	73,738	12,870
Non-current asset	-	60,645
	73,738	73,515

Under authorization, the BW Guirapá Wind Complex has all its production contracted for a period of twenty years with the Electric Energy Commercialization Chamber ("CCEE"), within the scope of the Reserve Auction – 2011 ("LER 2011") in the regulated environment. 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 energy contracted, as shown below:

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

(b) If the energy supplied is less than 90% of the contracted energy, a penalty will be applied, equivalent to the application of 115% of the current contractual price on the amount in MWh that is less than 90%. If the energy supplied exceeds 130% of the contracted energy, the Companies will receive 70% of the contracted price on the amount in MWh that exceeds 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 will begin reassessing the reimbursement calculations considering the energy not supplied by constrained off wind farms. The effects of constrained off will be calculated for CCEARs and CERs with the contractual year ending by September 2021. For the period from October 2021, the recalculation schedule has not yet been released, since the ANEEL Public Consultation process no. 22/2022 was not completed. The Company reflected in the segregation between current and non-current the schedule already disclosed.

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Result			Assets		Liabilities
	Leasing costs (i)	Sales revenue (ii)	Other (revenues)/expenses operational (iii)	Accounts receivable from customers (ii)	Investiment (iv)	Other suppliers (iii)
Parent:						
José Carvalho Foundation	-	71	6,979	17	-	-
Subsidiaries:						
BW Guirapá S.A.	-	-	(412)	-	-	-
Silício de Alta Pureza da Bahia S.A.	630	-	-	-	-	-
Mineração Vale do Jacurici S.A.	1,143	-	-	-	-	-
Reflorestadora e Agrícola S.A.	45	-	-	-	-	-

In thousands of reais, unless indicated otherwise

Indústria de Minérios Damacal Ltda.	27	-	-	-	-	-
Ferbasa & CO (iv)	-	-	-	-	2,651	-
Related party:						
Marubeni Corporation (v)	-	359,504	-	10,807	-	-
Total on September 30, 2023	1,845	359,575	6,567	10,824	2,651	-
Total on December 31, 2022	2,460	563,029	9,213	15,931	-	1,238
Total on September 30, 2022	1,845	393,651	5,716	26,674	-	1

(i) Refers to the leasing of operations of the subsidiaries.

(ii) Refers to revenue and accounts receivable from the sale of alloys (FeSi75) to the related company abroad and accounts receivable from the sale of wood, quicklime and slag dust to the Parent.

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

(iv) Payment of share capital paid up in January 2023.

(v) Maurubeni Corporation has a stake in *Silício de Alta Pureza da Bahia S.A. (“Silbasa”)* along with Ferbasa and Japan Metals & Chems - JMC. E,

Additionally, the Company has, among its employees, close family members of key management personnel, who occupy managerial positions and receive remuneration compatible with their respective functions. Ferbasa made payments as remuneration in the amount of R$1,780 in the nine months of 2023 (R$1,981 in the nine months of 2022).

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

23.1. Management Compensation

Approved at the Annual Shareholders' Meeting, the overall compensation of key management personnel, which includes statutory directors and officers, is shown below:

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022

In thousands of reais, unless indicated otherwise

Global Compensation	26,555	22,091	29,114	24,560
Social security charges	2,565	2,082	3,079	2,573
	29,120	24,173	32,193	27,133

The Company and its subsidiaries do not have key personnel who are not statutory, nor do they have share-based compensation plans or other long-term benefits, in addition to what is disclosed in explanatory note 29 of the 2022 Financial Statements.

24. NET WORTH

24.1. Share Capital

At a meeting of the Board of Directors 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 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 is represented by 88,320 thousand nominative shares with no par value, of which 29,440 thousand common shares and 58,880 thousand preferred shares, distributed as follows:

	09/30/2023		12/31/2022	
Shareholders	Ordinary shares	Preferred shares	Ordinary shares	Preferred shares
José Carvalho Foundation	29,086,696	15,300,800	29,086,696	15,162,000
Trígono Capital	3,000	7,873,843	3,000	8,296,600
Vanguard Group	-	1,555,711	-	1,525,772
BlackRock	-	1,523,712	-	887,737
Other Shareholders	310,304	29,442,634	310,304	29,824,591
Actions in Treasury	40,000	3,183,300	40,000	3,183,300
	29,440,000	58,880,000	29,440,000	58,880,000

The Company may, by deliberation 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 the shares non-voting preferred shares, or subject to restrictions on such right.

24.2. Shares in treasury

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 taken in due course and will be duly communicated to the market. The volume of treasury shares and respective market values, considering the closing price quoted on B3, is as follows:

	09/30/2023		12/31/2022	
	PN	ON	PN	ON
Number of shares in treasury	3,183,300	40,000	3,183,300	40,000
Quote on B3 – BRL/share	50.03	57.01	59.17	53.47
Average acquisition cost - BRL/share	8.07	0.06	8.07	0.06

Preferred shares are non-voting and have a statutory guarantee of payment of dividends 10% higher than those paid to holders of common shares and priority in capital reimbursement.

24.3. Profit Reserves

(a) The legal reserve is constituted with an increase in capital stock and the allocation of 5% of the profit for the year, until it reaches 20% of the capital stock, and its use is restricted to offsetting losses, after the profit balances have been absorbed accrued and other profit reserves.

(b) The SUDENE tax incentive profit reserves, related to income tax, refers to the portion of the tax incentive of the income tax (exploitation profit) and ICMS DESENVOLVE related to the gain of the tax incentive of the debit balance of the tax on circulation of goods. These reserves are constituted by transferring the tax incentive portion that affected the income tax and ICMS expense for the year and cannot be distributed to shareholders. The reserve referring to SUDENE also includes the value of reinvestment of income tax.

(c) Profits, after appropriation of the legal reserve, profit reserve (tax incentive) and allocation 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 2022, the prescribed dividends in the amount of R$1, were reversed to the profit reserve account according to Law 6.404/76.

24.4. 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 guidelines issued by the CPC (*Brazilian Civil Procedure*). Created by Law No. 11,638/07, the group of “Equity valuation adjustments” held in the Company's equity includes valuation adjustments with increases and decreases in assets and liabilities, when applicable, while not included in the income for the year, until their effective execution.

24.5. Unearned profit reserve

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

24.6. Dividends and interest on equity

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

As decided by the Company's Board of Directors, interest on equity was approved, gross of Income Tax Withheld at Source (IRRF):

- At a meeting on May 29, 2023, the amount of R$72,752, being R$23,591 for common shares and R$49,161 for preferred shares; and

In thousands of reais, unless indicated otherwise

- At a meeting on August 28, 2023, the amount of R$41,795, of which R$13,553 for common shares and R$28,242 for preferred shares.

25. 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 profit for the three-month period attributable to holders of common and preferred shares of the Company, by the weighted average number of common shares and preferred options available during the period. In the case of the Company, diluted earnings per share is equal to basic earnings per share, as it does not have dilutive potential common or preferred shares.

	09/30/2023	09/30/2022
Profit from operations attributable to the Parent's shareholders	327,684	910,337
Reconciliation of distributable income, by class (numerator):		
Attributable profit from operations:		
To common shares	106,257	295,191
To preferred shares	221,427	615,146
Weighted average number of shares, by class (denominator):		
Weighted average number of shares in treasury:		
Ordinaries issued	29,400,000	29,400,000
Preferred issued	55,696,700	55,696,700
Basic results/diluted* earnings per share (in BRL)		
Ordinary shares	3.61417	10.04051
Preferred shares	3.97559	11.04457

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

26. NET REVENUE OF SALES

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Gross sales revenue				
Domestic Market	1,143,482	1,439,899	1,237,868	1,516,481
Foreign Market	912,986	1,248,308	912,986	1,248,308
	2,056,468	2,688,207	2,150,854	2,764,789
Sales deductions				
Returns and reductions	(16,101)	(42,169)	(16,101)	(42,169)
Sales tax	(237,706)	(294,346)	(241,330)	(297,765)
	(253,807)	(336,515)	(257,431)	(339,934)

In thousands of reais, unless indicated otherwise

	1,802,661	2,351,692	1,893,423	2,424,855

27. COSTS OF GOODS SOLD AND EXPENSES

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Cost of Goods Sold (i)	(1,373,864)	(1,197,820)	(1,433,576)	(1,251,998)
Selling Expenses	(14,463)	(15,407)	(14,463)	(15,407)
General and Administrative Expenses	(81,585)	(62,703)	(85,977)	(65,710)
Employee profit sharing	(37,806)	(52,153)	(37,806)	(52,153)
Management compensation	(29,120)	(24,173)	(32,193)	(27,133)
Total general and administrative expenses	(148,511)	(139,029)	(155,976)	(144,996)
Other revenue (expenses) (iv)	(37,522)	(24,833)	(41,665)	(26,876)
	(1,574,360)	(1,377,089)	(1,645,680)	(1,439,277)

Henceforth, the breakdown by nature of costs of goods sold and operating expenses:

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Variable costs and indirect product expenses	(810,474)	(730,041)	(816,629)	(733,630)
Personnel expenses (ii)	(341,723)	(320,617)	(348,447)	(326,641)
Depreciation and depletion expenses	(129,327)	(95,384)	(161,965)	(127,114)
Expenses with provision of services	(143,614)	(109,985)	(162,525)	(126,945)
Maintenance and repair expenses	(78,961)	(68,333)	(81,626)	(70,099)
Fuels and lubricants	(22,351)	(25,922)	(22,435)	(25,998)
Cost of idle capacity	(10,388)	(1,974)	(10,388)	(1,974)
Other revenue (expenses) (iii)	(37,522)	(24,833)	(41,665)	(26,876)
	(1,574,360)	(1,377,089)	(1,645,680)	(1,439,277)

(i) Costs of goods sold include:

a) Electricity cost for consumption in the 14 electric furnaces. In addition to electric furnaces, energy is consumed in the areas of auxiliary and other services, as well as in mining;

b) The Company imports reactive metallurgical coke (met coke) (commodity available on the international market) for the production of ferrochrome;

c) Cost of transporting Chrome ore between the mines (City of Campo Formoso) and the metallurgy (Pojuca - BA), by rail;

d) The consolidated includes depreciation, amortization, energy transmission, system use, operation and maintenance costs, etc. for the generation of wind energy in the amount R$ 61,355 (R$ 55,787 on September 30, 2022).

(ii) Includes personnel expenses, management fees and employee and administrators' profit sharing.

In thousands of reais, unless indicated otherwise

(iii) Next, the breakdown by nature of other net income (expenses):

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Post-employment benefit (Note 18)	(873)	17,667	(873)	17,667
Other taxes and contributions	(6,729)	(4,926)	(8,161)	(5,986)
Social and business responsibility	(11,073)	(8,023)	(11,127)	(8,065)
Consulting and research	(9,770)	(11,953)	(9,902)	(12,071)
Realization of Capital Gain	-	-	(3,314)	(3,314)
Transfer of energy	(5,932)	(10,273)	(5,932)	(10,273)
Others expenses	(3,145)	(7,325)	(2,356)	(4,834)
	(37,522)	(24,833)	(41,665)	(26,876)

28. FINANCIAL RESULT

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Financial income				
Income from financial investments (*)	111,434	84,939	127,206	97,899
Exchange variation	15,422	47,878	15,422	47,878
Other financial income	1,850	5,070	1,941	5,340
	128,706	137,887	144,569	151,117
Financial expenses				
Exchange variation	(15,478)	(48,060)	(15,478)	(48,060)
Interest incurred	(8,040)	(10,513)	(24,454)	(27,510)
Other financial expenses	(11,529)	(12,966)	(15,651)	(18,203)
	(35,047)	(71,539)	(55,583)	(93,773)
Derivative and non-derivative financial instrument				
Active variation	-	141	-	141
Passive variation	-	(9,201)	-	(9,201)
	-	(9,060)	-	(9,060)
	93,659	57,288	88,986	48,284

(i) There was an increase in income from financial investments due to the increase in the amount invested and the change in the mix of financial investments with an increase in IPCA-linked securities, as well as the growth in the interest rate.

29. OPERATING SEGMENTS

The Company proceeded with the segmentation of its operational structure, considering the way in which Management manages its business. The operating segments defined by Management are shown below:

- Ferroalloys segment - involves the operations of high carbon chrome ferroalloys, low carbon ferroalloys and chrome ferrosilicon, special silicon 75 and standard silicon 75;

In thousands of reais, unless indicated otherwise

- Wind energy segment – involves the operations of the subsidiary BW Guirapá;
- Other segments include - forestry activity, with the sale of standing timber and mining activities, with the sale of Chrome ore, chromite sand, quicklime and hydrated lime.

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

	Consolidated							
	Ferroalloys		Wind energy		Other segments		Total	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Liquid Sales								
Domestic Market	856,204	1,093,134	90,932	73,334	46,450	37,046	993,586	1,203,514
Foreign Market	899,837	1,221,341	-	-	-	-	899,837	1,221,341
	1,756,041	2,314,475	90,932	73,334	46,450	37,046	1,893,423	2,424,855
Cost of Goods Sold	(1,321,820)	(1,149,948)	(61,355)	(55,787)	(50,401)	(46,263)	(1,433,576)	(1,251,998)
Variation in the fair value of biological assets	-	-	-	-	39,571	28,426	39,571	28,426
Gross profit	434,221	1,164,527	29,577	17,547	35,620	19,209	499,418	1,201,283
Operational expenses	(200,714)	(181,492)	(6,081)	(2,882)	(5,309)	(2,905)	(212,104)	(187,279)
Operational result before the financial result	233,507	983,035	23,496	14,665	30,311	16,304	287,314	1,014,004
Product sales (tons)								
Domestic Market	109,282	102,899						
Foreign Market	98,318	100,252						
	207,600	203,151						

30. LONG TERM COMMITMENTS

On September 30, 2023, the Company has long-term commitments with suppliers in the form of take or pay with rail transport and power reserve and energy transmission contracts. The contracts provide for termination clauses and suspension of supply for reasons of non-compliance with essential obligations. There are no liabilities recorded other than the amount that is recognized monthly. These long-term commitments total R$ 89,347 in the parent company and R$ 99,514 in the consolidated.

Additionally, the Company has a commitment to acquire land for investment, in the amount of R$ 61,500, Parent Company.

31. INSURANCE COVERAGE

In thousands of reais, unless indicated otherwise

The Company and its subsidiaries have insurance coverage against equipment fire, explosions, electrical damage, vehicles, international transport, import, civil and corporate liability, guarantee insurance and operational risks of wind energy generation, on September 30, 2023, in the amount of R$ 234,429 (R$ 170,865 on December 31, 2022) in the parent company and R$ 1,224,455 (R$ 1,033,503 on December 31, 2022) in the consolidated.

32. TRANSACTIONS THAT DID NOT AFFECT THE CASH

During the nine months of 2023 and at the end of 2022, 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	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Increase in share capital	24	244,952	-	244,952	-
Gain (loss) with actuarial liabilities	18 and 23(*)	(6,824)	1,135	(6,824)	1,135
Right of use in leases according to IFRS 16	17.2	33,152	52,011	33,152	52,011
Depreciation Right-of-use appropriate to inventory cost	17.2	(2,324)	3,931	(2,324)	3,931
Depletion appropriate to inventory cost	18(*)	-	1,984	3,742	1,984
Realization of Capital Gain	17.1	3,314	4,418	3,314	4,418
Execution of Added value		(203)	-	(203)	-

(*) Notes to the Financial Statement as of December 31, 2022.

33. SUBSEQUENT EVENTS

(i) Split of shares

The Company's Board of Directors, at an ordinary meeting held on October 3, 2023, approved the submission of the proposal to split all its shares for consideration at the Company's Extraordinary General Meeting (“AGE”).

Through the proposed operation, the total of the current 88,320,000 shares will be split, in the proportion of 01 (one) share for 04 (four) shares of the same type (“Split Factor”), without changing the share capital. Thus, if approved by the EGM, after the split, the Company's share capital will remain in the amount of R$ 1,470,395,617.65. The split operation will preserve all Shareholders' rights.

The purpose of carrying out this share split is to make them more accessible to investors and, consequently, favor an increase in share liquidity.

The Chairman of the Company's Board of Directors will call, in 2023, the EGM to submit the split proposal for examination, discussion and deliberation by shareholders.

(ii) Memorandum of understanding with *AES Brasil Energia S.A.*

Through a communication to the market, dated October 23, 2023, regarding the signing of the memorandum of understanding with *AES Brasil Energia S.A.* to carry out a business feasibility study involving the BW Guirapá wind farm, the Company informed that it has finalized the analysis process, deciding not to continue with the aforementioned commercial negotiation.

(iii) Corporate partnership with a company controlled by Auren - Approval by CADE

The General Superintendence of the Administrative Council for Economic Defense (in Portuguese CADE – Conselho Administrativo de Defesa Econômica), on November 3, 2023, decided to approve, without restrictions, the formation of a corporate partnership with a company controlled by Auren Energia S.A., which will have as its purpose the exploration of wind farms of electricity generation, Ventos de São Ciro and Ventos de São Bernardo, for the Company's consumption in its production units, under the self-production by matching (APE) regime. The corporate partnership, when formed, will also provide FERBASA, through energy supply contracts to be signed after the conclusion of the deal, with an average volume of 35MW, over 20 years, with supply starting from 2025. The Company It also clarified that the announced volume of energy will not represent a significant change in the annual amount contracted for the continuity of its operations.

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

Ferbasa

3Q23 EARNINGS Release

A vida e a Obra de JOSÉ CARVALHO

FESA

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3Q23 EARNINGS *Release*

*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 third quarter of 2023**, 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.*

SHARES

IBOVESPA: FESA3/FESA4
PFDs in the stock market: 40,353 thousand
Market Value: R$ 4,600 million

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AGENDA

Earnings Release
November 13, 2023
3 p.m. (Brasília time)
1 p.m. (New York time).
Access: click here

1. HIGHLIGHTS OF CONSOLIDATED RESULTS

The table below shows the highlights of the quarterly and nine-month-term results, using the 2Q23 as a reference and the accumulated in 9M23.

Highlights (in R$ million)	3Q23	2Q23	Δ%	3Q22	Δ%	9M23	9M22	Δ%
Average US dollar practiced	4.86	5.02	*-3.2%*	5.21	*-6.7%*	5.02	5.16	*-2.7%*
Net Revenue	550.9	626.1	*-12.0%*	769.5	*-28.4%*	1,893.4	2.424.8	*-21.9%*
Cost of Goods Sold	478.1	459.6	*4.0%*	445.7	*7.3%*	1,433.6	1.252.0	*14.5%*
Cost over revenue	*86.8%*	*73.4%*		*57.9%*		*75.7%*	*51.6%*	
Adjusted EBITDA	75.7	144.4	*-47.6%*	323.0	*-76.6%*	407.4	1.095.9	*-62.8%*
EBITDA Margin	*13.7%*	*23.1%*		*42.0%*		*21.5%*	*45.2%*	
Net Income	74.6	121.7	*-38.7%*	277.3	*-73.1%*	327.9	910.5	*-64.0%*
Profit margin	*13.5%*	*19.4%*		*36.0%*		*17.3%*	*37.5%*	

PRODUCTION – In 3Q23, 74.6 thousand tons of ferroalloys were produced, a slight increase of 0.7% compared to 2Q23, due to the 1.5% growth in chromium alloys and the 0.9% reduction in silicon alloys. FeSi HP achieved an increase of 5.4%. In the comparison between 9M22 and 9M23, the stability of production levels can be noted, with a modest 2.3% decrease in total. As already communicated to the market, since the beginning of August an amendment to the contract signed with *Companhia Hidro Elétrica do São Francisco* – CHESF (Portuguese acronym that stands for Hydroelectric Company of the São Francisco River) has come into force, which eliminates the cost increase that restricted production during peak hours (6 p.m. to 9p.m.), enabling FERBASA to operate for 24 hours, uninterruptedly.

SALES VOLUME – 66.1 thousand tons of ferroalloys were sold in the third quarter of the year, a volume 2.8% below compared to 2Q23. This variation results from the 20.7% reduction in sales to the foreign market and the 12.8% increase in sales to the domestic market. In 9M23, sales registered an increase of 2.2% compared to 9M22, with a 6.2% increase in volume in the Brazilian market and a 1.9% decline in exports.

NET REVENUE – In 3Q23, net revenue totaled R$550.9 million, 12.0% lower than in 2Q23, due to reductions of 2.8% in sales volume and 7.8% in the average price of ferroalloys in dollars and 3.2% in the average dollar charged. Net revenue in 9M23 fell 21.9% when compared to 9M22, with a contraction in revenue in the domestic and foreign markets.

COST OF GOODS SOLD – Consolidated COGS reached R$478.1 million in 3Q23, an increase of 4.0% compared to 2Q23. When considering exclusively data from ferroalloys, COGS decreased by 2.0% and followed the 2.8% decline in sales volume. Compared to 9M22, consolidated COGS in 9M23 increased 14.5%, reflecting an increase in volumes sold and production costs. Considering only the ferroalloys segment, the relationship between COGS and net revenue went from 49.7% in 9M22 to 75.3% in 9M23, due to the increase in production costs and, mainly, to the decrease in sales revenue.

SALES AND GENERAL/ADMINISTRATIVE EXPENSES – Sales expenses in 9M23 fell 5.8% compared to 9M22, and general/administrative expenses, which include profit sharing provisions and management remuneration, rose 7.6% in the same period.

OTHER OPERATING INCOME/EXPENSES – Operating expenses in 9M23 were R$41.7 million, compared to R$26.9 million recorded in 9M22. This variation reflects the positive effect of the recovery of actuarial obligations in the amount of R$22.0 million, which occurred in 9M22. Excluding the aforementioned effect of actuarial obligations, operating expenses fell 8.5% in the period.

ADJUSTED EBITDA – In 3Q23, operational cash generation, measured by EBITDA, reached R$75.7 million (of which R$21.1 million related to the BWG wind complex) and an EBITDA margin of 13.7%, an amount 47.6% below the recorded in 2Q23. In 9M23, consolidated EBITDA reached R$407.4 million and a margin of 21.5%, a decrease of 62.8% compared to 9M22.

CASH GENERATION – Cash generation, cash equivalents and financial investments totaled R$68.7 million in 9M23, totaling a consolidated financial reserve of R$1.354 billion at the end of the period. Deducting the consolidated debt of R$281.5 million, the resulting net cash position was R$1.072 billion in 3Q23 compared to R$943.1 million at the end of 4Q22.

FINANCIAL RESULT – The consolidated financial result was R$36.2 million in 3Q23, an amount 22.7% higher than 2Q23, due to the positive impact of the exchange rate variation and the 18.1% reduction in financial expenses. In 9M23, the financial result of R$89.0 million exceeded that of 9M22 by 84.6%, basically due to the 25.1% increase in financial revenue, which reflected the good performance of the financial investment portfolio and the greater amount applied.

CAPEX – In 9M23, R$217.2 million were invested, a value 38.8% higher than the R$156.5 million made in 9M22.

NET PROFIT – Consolidated net profit reached R$74.6 million in 3Q23, a reduction of 38.7% compared to 2Q23. Between 9M22 and 9M23, there was a 64.0% decline in net income. This impact derives from the effects mentioned above, which will be detailed in the following sections of this report.

2. CORPORATE PROFILE

FERBASA is a national leader in the production of ferroalloys, the only producer of ferrochrome in the Americas and one of the 10 largest industries operating in Bahia, according to the *Anuário Valor 1000* ranking. With an integrated production cycle in the areas of Mining, Metallurgy, Forestry Resources and Renewable Energy, the Company seeks to ensure the verticalization of its main supply chain of raw materials, to ensure quality and predictability in the respective supply.

The Company is based on an Integrated Management System certified under ISO 9001, ISO 45001 and ISO 14001 standards, and its main products include high carbon ferrochrome alloys (HC FeCr), low carbon ferrochrome (LC FeCr), ferrosilicon (FeSi75), high purity ferrosilicon 75 (HP FeSi75) and chromium ferrosilicon (FeSiCr), intended mainly for the steel industry and the manufacture of stainless and special steels. With 62 years of experience, **FERBASA** serves the domestic and foreign markets, in this case, mainly China, Japan, the United States and the European Union.

Holding about 95% of the national chromite resources, Mining currently has two chromium ore extraction units (one underground and one in the open), two quartz mines and a plant dedicated to the production of quicklime, all located in the Center North of Bahia.

The Forestry area comprises 64,000 hectares (about 158,000 acres), of which 25,000 (about 61,776 acres) are plantations of renewable eucalyptus forests. Of the forest assets, the Company preserves as a reserve of native forests more than what is established by law (20%), with 1,243 hectares (about 3070 acres) of approved areas as a Private Natural Heritage Reserve (PNHR – in Portuguese: RPPN – *Reserva Particular do Patrimômio Natural*).

The production of ores and bioreducer aims to supply the Metallurgical unit (Pojuca/BA), where ferroalloys are produced in its 14 electric furnaces, equipped with baghouse filters designed to neutralize the release of particulate matter into the atmosphere.

The BW Guirapá Wind Complex, installed in the municipalities of Caetité and Pindaí, in the state of Bahia, is part of the verticalization strategy. With an installed capacity of 170 MW, the 07 wind farms will have their clean and renewable energy available to meet part of **FERBASA**'s own consumption from 2036 onwards, with the end of the current supply contract entered into with the Electric Energy Trading Chamber – CCEE (in Portuguese - *Câmara de Comercialização de Energia Elétrica*).

The Company's corporate office is in Salvador/BA, where the services to all the operational units of the group are concentrated.

Recognized for its citizenship trajectory, which distinguishes and forges its culture, **FERBASA**, since its origin, acts responsibly and consciously in favor of the socioeconomic development of the surrounding communities. In this sense, the Social Responsibility ***Program Ferbasa Is Here*** makes annual investments to equip the communities served with the conditions capable of promoting effective changes in the social fabric, mainly in actions aimed at raising the educational level. The Program has 06 lines of action - Education, Culture, Rural and Community Development, Sports, Environment and Health -, in parallel with the social work carried out by its parent company, José Carvalho Foundation, which annually offers free and quality education, to around 4,000 children and adolescents in its 6 own schools and 2 socio-educational projects.

3. MARKET ENVIRONMENT

CRUDE STEEL: According to data from the World Steel Association (WSA), in 9M23 global crude steel production reached 1,406.4 Mt (million tons) and remained stable (+ 0.1%) in relation to 9M22. Of this total, China contributed 795.1 Mt (57% of the total produced in 9M23), which represents an increase of 1.7% compared to 9M22. Among the world's largest producers, the good performances of countries such as India (+ 11.6%), Russia (+ 4.8%), South Korea (- 0.4%) and Iran (- 0.6%) also stood out. %). Brazil (- 8.0%) was among the worst performers in the period analyzed, as well as Turkey (- 10.1%), Germany (- 3.6%), Japan (- 3.6%) and the USA (- 1.4%).

In South America, the volume produced in 9M23 reached 30.9 Mt, a decrease of 6.2% compared to 9M22, of which Brazil contributed with 24.0 Mt - a decrease of 8.0%. According to statistics from the Brazilian Steel Institute (IABr), steel imports jumped 57.9% between 9M22 and 9M23, which is a negative indicator for local production. Furthermore, national apparent consumption remained stable (+0.5%) and exports fell 4.4% in the same period.

FeSi: In China, which accounts for around 70% of the world's supply of silicon alloys, produced volumes reached 4.0 Mt in 9M23, a decrease of 10.4% compared to 9M22, according to specialized reports. Between 8M22 and 8M23, when analyzing the demand for Chinese FeSi, local steel production increased by 2.6% and exports of silicon alloys fell by 42.6%. It is worth mentioning that Chinese FeSi production grew 7.5% between 2Q23 and 3Q23, while domestic steel production declined 5.4%, causing an oversupply in the silicon alloys market.

According to the World Bank, in 2023, the price of coal showed a downward trend until June. Since then, as winter approaches in the Northern Hemisphere, coal and energy commodity prices have resumed their upward trend, increasing electricity costs in important ferroalloy producing regions. Furthermore, the price of coal also correlates with the costs of coke, consequently, the price of metallurgical coke in China rose by around 13% between June/23 and September/23. These factors have been further compressing the margins of FeSi producers and explain the small improvement in the Chinese price in September/23, after 7 months of decline.

Between 2Q23 and 3Q23, the average price of FeSi, in dollars, fell 18.6% in Europe and 18.3% in the USA, in line with the 12.4% decrease in the export price from China, the country where the domestic price, in yuan, reduced 7.5% in the period.

STAINLESS STEEL: Specialized reports estimate that global stainless steel production totaled 43.3 Mt in 9M23, an expansion of 3.6% compared to 9M22. Of this total, China was responsible for 26.2 Mt (61% of the total for the period), which means an increase of 9.6% compared to 9M22. In addition to China, the positive highlights in production were the estimated 14.0% growth in India and the stability in Japan (+ 0.3%). On the other way, Indonesia (- 15.4%), USA (- 12.6%) and South Korea (- 11.2%) stood out for their negative results. In Brazil, growth of 13.9% is estimated between 9M22 and 9M23 (270 thousand tons).

In Europe, stainless steel production was estimated at 4.9 Mt in 9M23, decreasing 3.4% compared to 9M22, while in the USA it was estimated at 1.4 Mt, decreasing 12.6% compared to 9M22.

FeCr: World production of HC FeCr, which normally remains in line with the volumes produced of stainless steel, registered 12.3 Mt in 9M23, an increase of 2.7% compared to 9M22, according to estimates from specialized publications. Of this volume, China was responsible for 5.8 Mt (47% of the total in 9M23), which represents a jump of 8.2% compared to 9M22.

In 3Q23, after reaching the lowest level of the year in July/23, the price of Chinese HC FeCr showed a gradual and consistent upward trend. The main factors responsible for this movement were variations in the cost of ore and coke, in addition to the record quarterly production of stainless steel in China.

Even so, between 2Q23 and 3Q23, the Chinese price for HC FeCr imports fell by 3.9%, while the domestic price, in yuan, remained stable (+0.6%). In Europe, the price followed the same downward projection, recording a decline of 3.4%. In the USA, the decline was 15.0% in the period, which is explained by the reduction in the still high premium of this price in relation to the European market, currently at just over 20% and historically closer to 10%.

Also worth highlighting is the price of type UG2 ore, which remained high and put pressure on FeCr production costs in China. To a large extent, the price of UG2 continued to be determined by the level of ore stocks in China, which closed the first nine months of the year with 1.92 Mt and remained below the average levels of the last 6 years (min.: 2.1 Mt and max: 3.8 Mt). Between 2Q23 and 3Q23 the price of UG2 grew 0.8%.

We reiterate that the prices practiced by **FERBASA** have as a parameter a "basket" of international prices, among which those practiced by the European, American and mainly Asian markets.

4. PRODUCTION

In 3Q23, 74.6 thousand tons of ferroalloys were produced, a slight increase of 0.7% compared to the previous quarter. This result is due to the conjunction between the 1.5% increase in chromium alloys and the 0.9% decrease in silicon alloys. HP FeSi, which accounted for 48% of the total silicon alloys produced in 3Q23, recorded growth of 5.4% compared to 2Q23.

Between 9M22 and 9M23, there was a small reduction of 2.3% in the production of ferroalloys, the effect of declines of 2.1% in chromium alloys and 2.8% in silicon alloys. Regarding HP FeSi, there was a 12.6% jump in accumulated production in the first nine months of 2023, confirming the improvement in the production mix of FeSi alloys.

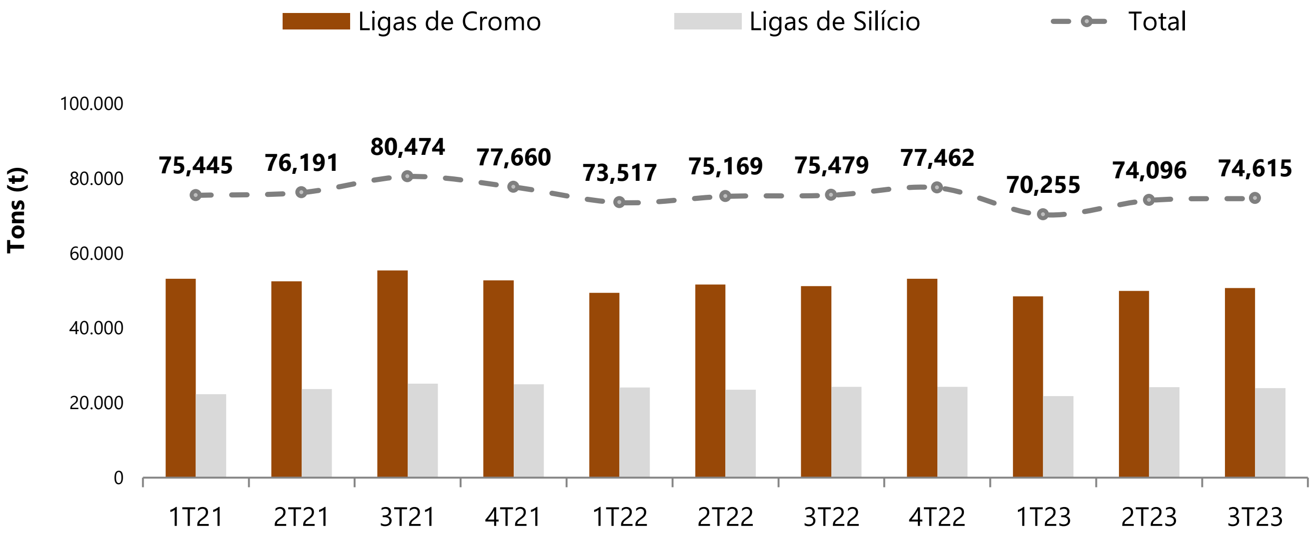
All production variations are aligned with inventory conditions and the marketing plan. It is worth mentioning that a portion of the ferroalloys manufactured is consumed internally, as an input in the other production chains.

Production (tons)	3Q23	2Q23	Δ%	3Q22	Δ%	9M23	9M22	Δ%
Chromium Alloys	50,652	49,911	*1.5%*	51,164	*-1.0%*	149,025	152,185	*-2.1%*
Silicon Alloys	23,963	24,185	*-0.9%*	24,315	*-1.4%*	69,941	71,980	*-2.8%*
Total	74,615	74,096	*0.7%*	75,479	*-1.1%*	218,966	224,165	*-2.3%*
Use of Installed Capacity (MWh) %	***80.3%***	***80.2%***		***81.4%***		***79.1%***	***82.5%***	

The installed capacity, measured based on the potential consumption of electricity in MWh, is based on the daily and uninterrupted operation of the furnaces at normal power (without power reduction or shutdowns of any kind) and the mix of products that makes it possible to operate furnaces at maximum power.

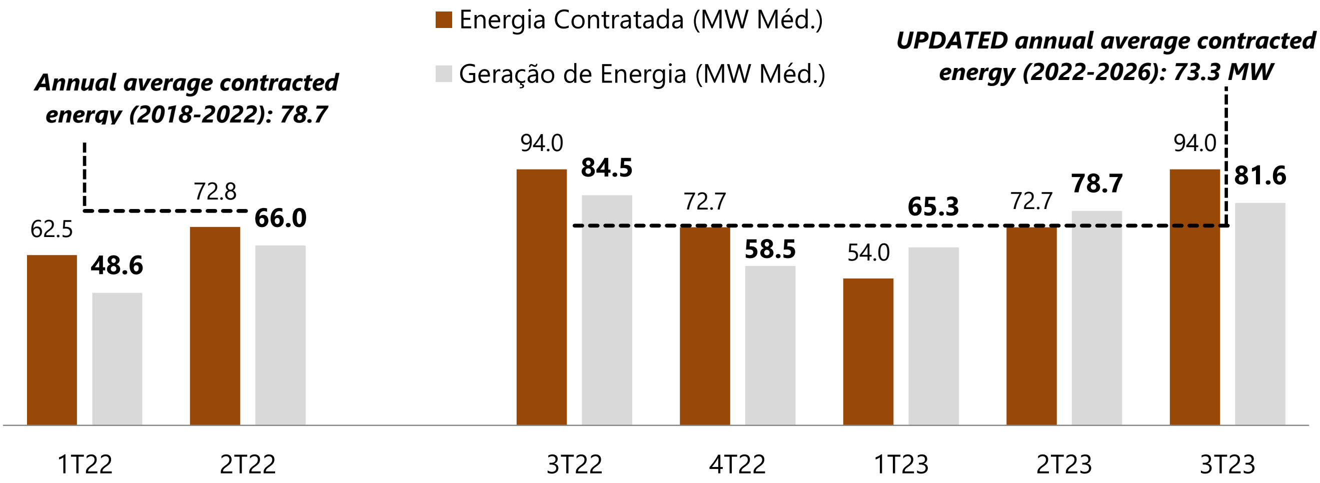
The use of installed capacity may be affected by (i) furnace shutdown or power reduction to carry out maintenance, renovation or operational intervention; (ii) production of alloys that require power reduction in a furnace and (iii) sale of part of the energy contracted on the Free Market. The use of installed capacity was also impacted by the reduction in power or stoppage of furnaces during peak hours (6pm to 9pm), which stopped happening from 08/01/2023, when an amendment to the energy supply contract signed with CHESF, which eliminated this restriction and allowed FERBASA to operate uninterruptedly.

In 3Q23, **FERBASA** used 80.3% of Metallurgy's installed capacity, a circumstance explained by the furnace renovation that lasted 30 days and the "blackout" that occurred in the country on August 15, which caused the shutdown of all furnaces in the Metallurgical Unit.



4.1 Electrical Power Generation – BW Guirapá

In 3Q23, net electricity generation in BW Guirapá's parks was 81.6 average MW, 3.4% lower than 3Q22 and 13.2% lower than the 94.0 average MW related to energy contracted for the quarter. Climate effects were the main negative highlight for the period analyzed.



The results mentioned above must be analyzed in the 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 effective generation (availability by energy); (ii) wind turbine performance, measured by the relationship between the actual and expected generation, depending on the theoretical power curve of the turbine; (iii) climatic conditions of the atmosphere regarding wind quality (speed and density), which is the determining factor for the level of power generation of wind farms; (iv) systemic restrictions imposed by the National Electric System Operator - ONS; and (v) internal and external electrical losses.

In relation to the predicted gross generation (best expectation) of 103.2 average MW for 3Q23, the net generation actually realized, of 81.6 average MW, can be explained as follows:

<u>Manageable factors (- average 5.2 MW)</u>:

- Availability reached 96.3%, which caused an average decrease of 3.4 MW in energy generation. This result is mainly related to damage to wind turbines, especially due to the breakage of a gearbox and the malfunction in the bearing of another.

- Average performance achieved of 98.1% in the period, implying a decrease of 1.8 average MW. This performance reflects the adjustment to the calibration of existing measuring equipment in the Parks, which guides the use of wind turbines.

<u>Non-manageable factors (- average 16.4 MW):</u>

- The weather negatively impacted the expected gross generation by an average of 8.6 MW, as the average wind speed (20.6 mph) was below what was expected for the period.

- Internal and external electrical losses referring, respectively, to equipment and the transmission system (External Systemic Losses – ONS apportionment) suppressed a total of 6.0 average MW from gross generation.

- The systemic restrictions imposed by the ONS for the real-time management of the National Interconnected System - SIN (in Portuguese – *Sistema Interligado Nacional*) impacted the Farm’s generation by an average of 1.9 MW.

5. SALES

Sales in 3Q23 reached 66.1 thousand tons of ferroalloys, a decrease of 2.8% compared to 2Q23. This number resulted from the combination of a 12.8% increase in volume destined for the domestic market (MI) and a 20.7% decline for the external market (ME).

In 9M23, transacted quantities increased 2.2% compared to 9M22, reflecting the scenario of 6.2% growth in volumes destined for MI and a 1.9% reduction for ME. Chromium alloys performed positively in the domestic market and suffered a decline in exports, both due to the increase in domestic demand and the drop in consumption seen during the holiday months in Europe and the USA. In the same period, silicon alloys showed a 13.2% lower performance in MI, mainly due to the difficulties that national steel producers face as a result of the increase in imports, especially those originating in China. In ME, despite volumes close to those seen in 2022, this was a period of many challenges also due to the summer holidays in Europe, in addition to the oversupply of FeSi in the global market, mainly of Asian origin.

The Company remains flexible to direct products between the Brazilian market and exports, according to market circumstances.

Sales (tones)	3Q23	2Q23	Δ%	3Q22	Δ%	9M23	9M22	Δ%
DOMESTIC MARKET (MI)								
Chromium Alloys	35,461	31,263	*13.4%*	33,235	*6.7%*	95,727	87,241	*9.7%*
Silicon Alloys	5,395	4,942	*9.2%*	5,432	*-0.7%*	13,555	15,658	*-13.4%*
MI Total	40,856	36,205	*12.8%*	38,667	*5.7%*	109,282	102,899	*6.2%*
FOREIGN MARKET (ME)								
Chromium Alloys	8,204	15,114	*-45.7%*	13,455	*-39.0%*	45,395	45,847	*-1.0%*
Silicon Alloys	17,044	16,723	*1.9%*	15,040	*13.3%*	52,923	54,405	*-2.7%*
ME Total	25,248	31,837	*-20.7%*	28,495	*-11.4%*	98,318	100,252	*-1.9%*
TOTAL (MI + ME)	66,104	68,042	*-2.8%*	67,162	*-1.6%*	207,600	203,151	*2.2%*

5.1 Net Revenue

Net revenue in 3Q23 totaled R$550.9 million, 12.0% lower than in 2Q23, resulting in a 13.4% decrease in total revenue from ferroalloys. These variations were due to the 2.8% drop in sales volume, the 7.8% reduction in the average price of ferroalloys in dollars and the 3.2% devaluation in the average dollar.

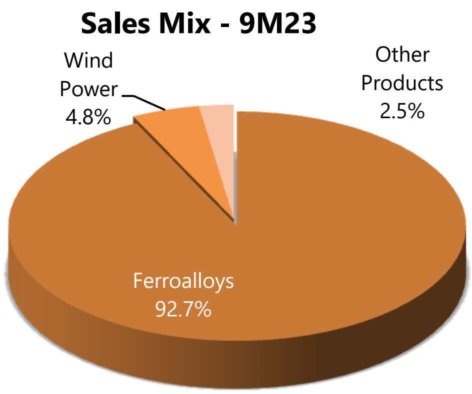
Net revenue in 9M23 showed a decline of 21.9% when compared to 9M22, following the 24.1% decline in revenue from ferroalloys, a variation basically caused by the 24.7% decline in the average price of ferroalloys in dollars .

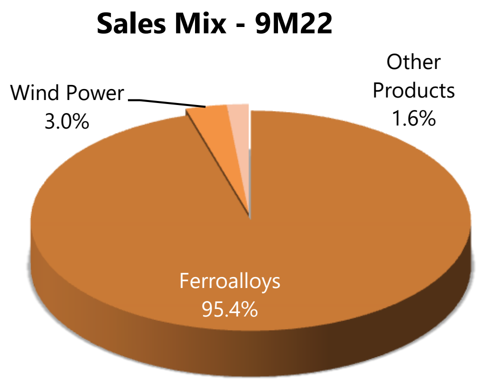
Net Revenue (R$ millions)	3Q23	2Q23	Δ%	3Q22	Δ%	9M23	9M22	Δ%
DOMESTIC MARKET (MI)								
Ferroalloys	290.0	294.1	*-1.4%*	374.5	*-22.6%*	856.2	1,093.0	*-21.7%*
Wind Power	34.0	31.3	*8.6%*	33.5	*1.5%*	90.9	73.3	*24.0%*
Other Products (*)	15.9	16.6	*-4.2%*	12.6	*26.2%*	46.5	37.1	*25.3%*
Total MI	339.9	342.0	*-0.6%*	420.6	*-19.2%*	993.6	1,203.4	*-17.4%*
FOREIGN MARKET (ME)								
Ferroalloys	211.0	284.1	*-25.7%*	348.9	*-39.5%*	899.8	1,221.4	*-26.3%*
Total ME	211.0	284.1	*-25.7%*	348.9	*-39.5%*	899.8	1,221.4	*-26.3%*
TOTAL (MI+ME)	550.9	626.1	*-12.0%*	769.5	*-28.4%*	1,893.4	2,424.8	*-21.9%*
Average US dollar practiced (R$/USD)	4.86	5.02	*-3.2%*	5.21	*-6.7%*	5.02	5.16	*-2.7%*

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

5.2 Net Revenue by Product and Market (%)

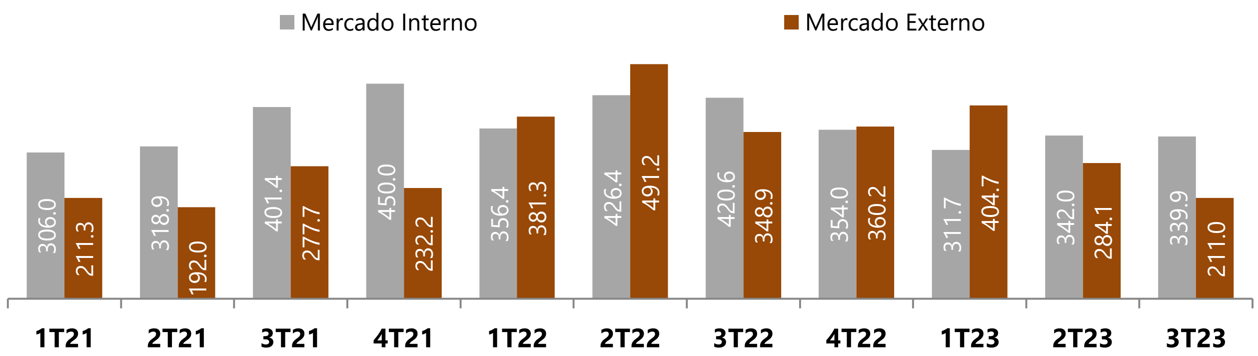
As it follows, there is the Net Revenue by Product:





The graph below shows the trajectory of net revenue between 1Q21 and 3Q23, distributed between the national market and exports, demonstrating that since 4Q22 revenue from the Domestic Market has maintained a linear trajectory, with almost no variations. In the Foreign Market, the gradual reduction in revenue since 1Q23 stands out, as a result of the decline recorded in the world market as a result of the reduction in consumption, the increase in inventories and the decline in ferroalloy prices.

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



6. COST OF GOODS SOLD

The cost of products sold (COGS), considering exclusively ferroalloy data, totaled R$422.9 million in 3Q23, which denotes a decrease of 2.0% compared to that recorded in 2Q23, following the decrease of 2.8 % in sales volume. Still in 3Q23, the line “exhaustion of the fair value of biological assets” showed an increase of R$24.8 million. As a result, consolidated COGS in the quarter totaled R$478.1 million, an increase of 4% compared to the previous quarter.

When analyzing the period between 9M22 and 9M23, the COGS of ferroalloys reached R$ 1,321.7 million, an increase of 15% justified by the 2.2% increase in sales volume and increases in the costs of inputs and raw materials, especially reducers and chromium ore, in addition to remaining impacts of the inflationary process on the vertical business chain. In the same period, consolidated COGS totaled R$1,433.6 million and grew 14.5%.

Specifically dealing with electrical energy consumed in the production of ferroalloys, between 9M22 and 9M23 there was a slight increase of 0.8% in its average cost, as a result of the 11.1% increase in the average contracted energy tariff and the drop of 15.9% in spending on sectoral charges due to more favorable conditions in water reservoirs.

In relation to the increase in the production cost of high-carbon ferrochrome seen between 9M22 and 9M23, the main responsible for this increase were the increases in expenditure on chromium ore, resulting from the expansion of operational reserves at the mine, and the deficit in production of ore caused by mining with a waste/ore ratio higher than expected. Furthermore, there was an impact from metallurgical coke, which, although declining during the year, still maintained price levels higher than the practiced one in 9M22..Regarding low-carbon ferrochrome, the increases in the costs of chrome ore and FeSiCr reducer (produced internally) stand out, the latter being impacted by the rise in HC FeCr and bioreducer consumed in its production. Other inputs and auxiliary materials also showed an increase in costs related to the inflationary process.

Regarding the production cost of ferrosilicon, between 9M22 and 9M23, we highlight the increases in the costs of the bioreducer and, to a lesser extent, the other raw materials, due to the improvement of its production mix. Regarding the bioreducer, its own production has been experiencing operational problems due to stoppages for maintenance of the carbonization furnaces, which impacts production levels and leads to the need to purchase more bioreducer from third parties. Furthermore, regarding the production of ferroalloys, the specific consumption of bioreducer has increased due to the greater production of FeSi HP.

Specifically dealing with the COGs ratio of ferroalloys / Net revenue from ferroalloys, between 9M22 and 9M23, there was an increase from 49.7% to 75.3%, justified by the increase in production costs, as already mentioned and, mainly , due to the reduction in net revenue, caused by the drop in sales prices in dollars for our products and the devaluation in the average dollar in practice.

The “Wind Energy” line presented in the consolidated COGS table refers to the COGS of the BW Guirapá wind complex, which covers its main cost components, which are associated with the operation of wind turbines, equipment maintenance, energy transmission and depreciation.

COGS (R$ millions)	3Q23	%NR(*)	2Q23	%NR(*)	3Q22	%NR(*)	9M23	%NR(*)	9M22	%NR(*)
Ferroalloys	422.9	84.4%	431.5	74.6%	393.5	54.4%	1,321.7	75.3%	1,149.8	49.7%
Wind Power	22.1	65.0%	20.3	64.9%	18.0	53.7%	61.4	67.5%	55.8	76.1%
Other Products (i)	11.1	69.8%	10.1	61.0%	7.8	61.9%	30.5	65.6%	23.3	62.8%
Subtotal products	**456.1**		**461.9**		**419.3**		**1,413.6**		**1,228.9**	
Exhaustion of the fair value of the biological asset	24.8		-		25.5		24.8		25.5	
Idle Capacity	4.7		3.1		0.5		10.4		2.0	
Others	(7.5)		(5.4)		0.4		(15.2)		(4.4)	
Subtotal others	**22.0**		(2.3)		26.4		**20.0**		23.1	
Total General	**478.1**		459.6		445.7		**1,433.6**		1,252.0	
%Net Revenue	86.8%		73.4%		57.9%		75.7%		51.6%	

(*) 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 Selling Expenses

Sales expenses in 9M23 totaled R$14.5 million, showing a decrease of 5.8% compared to 9M22, due to lower export volumes and the optimization of logistics costs. In relation to Net Revenue, the percentage of sales expenses corresponded to 0.8% in 9M23 and 0.6% in 9M22.

7.2 General and Administrative Expenses

Consolidated general and administrative expenses include portions relating to salaries, benefits, management fees, social charges, consultancy services and the provision for profit sharing. In 9M23, such expenses totaled R$ 156.0 million (with R$ 5.5 million referring to BWG), an increase of 7.6% in relation to R$ 145.0 million (with R$ 4.4 million referring to to BWG) registered in 9M22.

7.3 Other Expenses/Operating Revenues

Operating expenses in 9M23 were R$41.7 million, compared to R$26.9 million recorded in 9M22. This variation refers to the positive effect of the recovery of actuarial obligations relating to the health plan in the amount of R$22 million, which occurred in 9M22. Excluding the effect of actuarial obligations, operating expenses fell 8.5% in the period. The main disbursements in 9M23 were the lines of social and business responsibility (R$ 11.1 million), consultancy and research (R$ 9.9 million), other taxes and fees (R$ 8.2 million) and the result of the assignment of energy (R$ 5.9 million).

8. ADJUSTED EBITDA

EBITDA is not a measure defined by Brazilian and international accounting standards, representing the profit for the period calculated before interest, Income Tax, Social Contribution, Depreciation, Amortization, and Depletion. **FERBASA** presents its adjusted EBITDA in accordance with **CVM* Resolution 156/22**, that is, with the respective 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 - Consolidado (R$ milhões)	3Q23	2Q23	*Δ%*	3Q22	*Δ%*	9M23	9M22	*Δ%*
Net Profit	74.6	121.7	*-38.7%*	277.3	*-73.1%*	327.9	910.5	*-64.0%*
(+/-) Net financial result (ex-derivative and non-derivative financial instruments)	(36.2)	(29.5)	*22.7%*	(31.2)	*16.0%*	(89.0)	(57.3)	*55.3%*
(+/-) Income derivative and non-derivative financial instruments[1]	-	-	-	(0.1)	-	-	9.1	-
(+/-) IRPJ/CSLL	9.1	5.8	*56.9%*	45.9	*-80.2%*	48.4	151.8	*-68.1%*
(+/-) Depreciation, amortization, exhaustion, and capital gain[2]	47.8	46.8	*2.1%*	34.3	*39.4%*	140.5	104.9	*33.9%*
EBITDA	95.3	144.8	*-34.2%*	326.2	*-70.8%*	427.8	1,119.0	*-61.8%*
(+/-) Provision for contingencies and other provisions[3]	(1.3)	(0.4)		0.9		(2.1)	4.4	
(+/-) Receipt of Insurance Claim[4]	-	-		(1.2)		-	(2.6)	
(+/-) Actuarial adjustment effect[5]	(14.8)	-		(2.9)		(14.8)	(2.9)	
Adjusted EBITDA	(3.5)	-		-		(3.5)	(22.0)	
EBITDA Margin	**75.7**	**144.4**	***-47.6%***	**323.0**	***-76.6%***	**407.4**	**1,095.9**	***-62.8%***
Net Profit	***13.7%***	***23.1%***		***42.0%***		***21.5%***	***45.2%***	

1) Derivative financial instruments correspond to Purchase NDFs and Sale NDFs and non-derivative financial instruments correspond to Export Hedge.
2) Capital gain refers to the effect of the realization of assets valued at their fair value, reflecting the acquisition of BWG.

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

EBITDA - BW (R$ millions)	3Q23	2Q23	Δ%	3Q22	Δ%	9M23	9M22	Δ%
Net Profit (Loss)	8.0	5.4	*48.1%*	12.1	*-33.9%*	13.6	2.0	*580.0%*
(+/-) Net Financial Result	1.0	2.5	*-60.0%*	3.9	*-74.4%*	2.7	11.6	*-33.6%*
(+/-) IRPJ/CSLL	1.1	0.8	*37.5%*	0.9	*22.2%*	2.2	1.0	*120.0%*
(+/-) Depreciation and Amortization	11.0	10.8	*1.9%*	10.3	*6.8%*	32.4	31.5	*2.9%*
EBITDA	21.1	19.5	*8.2%*	27.2	*-22.4%*	55.9	46.1	*21.3%*
(+/-) Receipt of Insurance Claim	-	-	-	(1.2)	-	-	(2.6)	-
Adjusted EBITDA	21.1	19.5	*8.2%*	26.0	*-18.8%*	55.9	43.5	*28.5%*
EBITDA Margin	*62.1%*	*62.3%*		*77.6%*		*61.5%*	*59.3%*	

9. FINANCIAL STRUCTURE

9.1 Net Cash and Cash Consumption

According to the Statement of Cash Flow (DFC, CPC – 03 R2), which considers only the variation of cash accounts and cash equivalents, the amount generated by operational, investment and financing activities in 9M23 was R$ 1.5 million, mainly impacted by:

(+) R$ 432.9 million of operating income generated in the year, including changes in working capital, interest payments and taxes;

(-) R$ 206.2 million of investment activities, a result influenced by (the): (i) transfer of Financial Investments in the amount of (+) R$ 9.0 million to Cash and Cash Equivalent; (ii) acquisitions for fixed assets and investment property, which together totaled (-) R$ 217.2 million; (iii) and others in the amount of (+) R$ 2.0 million.

(-) R$ 225.2 million of financing activities, impacted by: (i) amortization of loans and consolidated financing in the amount of (-) R$ 58.8 million (with emphasis on the R$ 19.5 million related to BWG's debt with BNDES Brazilian Bank of Development, in Portuguese – *Banco Nacional do Desenvolvimento*); (ii) payment of leases/rentals in the amount of (-) R$ 51.8 million; (iii) Interest on Equity (JCP) payments in the amount of (-) (-) R$ 114.6 million.

Also considering the balance of the "Financial Investments" account, whose variation was positive at R$ 67.2 million, in 9M23 a total cash generation of R$ 68.7 million was conducted. As of September 30, 2023, the consolidated financial reserve reached R$1.354 billion (including cash, cash equivalents and financial investments) and the consolidated debt R$281.5 million (of which R$220.1 million related to BWG's debt with BNDES). Thus, the Company ended 9M23 with a net cash position of R$1.072 billion.

Net Cash (R$ millions)	09/30/2023	12/31/2022	Δ
Cash and cash equivalents	475.6	474.1	1.5
Financial investments	878.2	811.0	67.2
Total Financial Reserve	**1,353.8**	**1,285.1**	**68.7**
Loans and financing*	(281.5)	(342.0)	60.5
Net (Debt) Cash	**1,072.3**	**943.1**	**129.2**

(*) amount of IOF on the funding is R$ 3.7 and R$ 4.,0 million for 09/30/23 and 12/31/22, respectively.

9.2 Net Financial Results

The financial result generated R$36.2 million in 3Q23, an amount 22.7% above the R$29.5 million recorded in 2Q23, basically due to the positive net effect of exchange rate variation, in addition to the 18.1% reduction in financial expenses of the quarter due to lower interest rates (TJLP and CDI), indexers of financing contracts, and their amortization.

In 9M23, the 84.6% increase in financial results compared to 9M22 was mainly due to the 25.1% increase in financial revenue. This result was driven by the higher amount invested, the increase in the basic interest rate in this period and the change in the mix of financial investments, respecting the Financial Risk Policy.

Financial Results (R$ million)	3Q23	2Q23	Δ%	3Q22	Δ%	9M23	9M22	Δ%
Financial performance								
Financial revenue	45.0	46.7	*-3.6%*	39.6	*13.6%*	129.1	103.2	*25.1%*
Financial expense	(11.8)	(14.4)	*-18.1%*	(15.2)	*-22.4%*	(40.0)	(45.7)	*-12.5%*
Net Exchange variation	3.0	(2.8)	-	6.8	*-55.9%*	(0.1)	(0.2)	*-50.0%*
Subtotal	36.2	29.5	*22.7%*	31.2	*16.0%*	89.0	57.3	*55.3%*
Result of Settled Financial Instruments	-	-	-	0.1	-	-	(9.1)	-
Total general	**36.2**	**29.5**	***22.7%***	**31.3**	***15.7%***	**89.0**	**48.2**	***84.6%***

10. FIXED, INTANGIBLE ASSETS AND BIOLOGICAL ASSETS

10.1 CAPEX

In 9M23, CAPEX of R$217.2 million was 38.8% higher than in 9M22. Below we present the values segregated by business unit:

CAPEX (R$ millions)	Metallurgy	Mining	Forestry	Wind Power	9M23	9M22
Machinery and Equipment	24.4	57.5	8.3	11.9	102.1	76.1
Biological Asset	-	-	54.7	-	54.7	52.7
Land	-	-	23.4	-	23.4	-
Mines	-	15.1	-	-	15.1	9.7
Buildings	2.1	3.4	4.2	0.2	9.9	11.2
Vehicles and tractors	1.1	3.4	-	-	4.5	2.1
Others (i)	4.5	1.0	1.9	0.1	7.5	4.7
Total	32.1	80.4	92.5	12.2	217.2	156.5

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

The highest amounts of investments in the period were allocated to the acquisition of machinery and equipment (47.0%), mainly in Mining and Metallurgy, in addition to the maintenance of the biological asset (25.2%) and the acquisition of land (10.8%) in Forestry. Together, these lines represented 83.0% of the CAPEX performed by **FERBASA** in 9M23.

11. NET PROFIT AND CASH GENERATION

As a result of the effects mentioned in this report, we presented a consolidated net profit of R$74.6 million (net margin of 13.5%) in 3Q23. Thus, in 9M23, accumulated net profit totaled R$327.9 million (net margin of 17.3%). The main variations in 9M23 in relation to the same period of the previous year were:

(i) Decrease of 24.7% in the weighted average dollar price of ferroalloys;

(ii) Devaluation of 2.7% in the average dollar practiced;

(iii) Increase of 2.2% in the total sales volume of ferroalloys, considering the national market and exports;

(iv) 15% increase in the cost of goods sold (COGS) of ferroalloys;

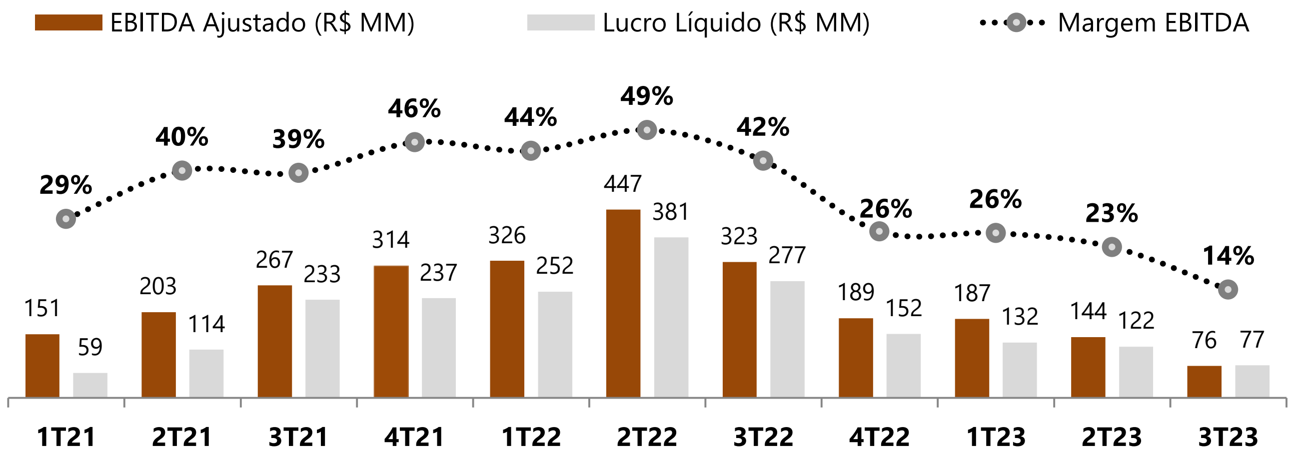
(v) Growth of R$40.8 million in financial results;

(vi) Increase of R$ 11.6 million in Profit at BW Guirapá;

(vii) In 3Q23, we recorded a positive effect of R$14.8 million referring to the calculation of the fair value of the biological asset for the period, with (+) R$39.6 million reflecting the price and growth of the forest, and (-)R$ 24.8 million for exhaustion (sale/consumption).

Additionally, FERBASA generated consolidated cash generation of R$68.7 million in 9M23.

Below are the changes in adjusted EBITDA, EBITDA margin and net profit since 1Q21.



12. STATEMENT OF ADDED VALUE

The following table shows the wealth generated by the Company in 9M23 and its respective distribution to related parties:

DVA (*Statement of Added Value*) (R$ millions)	9M23	9M22	Δ%
Employees	311.9	292.7	*6.6%*
Government	157.5	300.2	*-47.5%*
Others (1)	35.4	104.7	*-66.2%*
Net Profit (2)	327.9	910.5	*-64.0%*
Total	832.7	1,608.1	*-48.2%*

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

(2) Shareholders and retained earnings.

13. CAPITAL MARKET

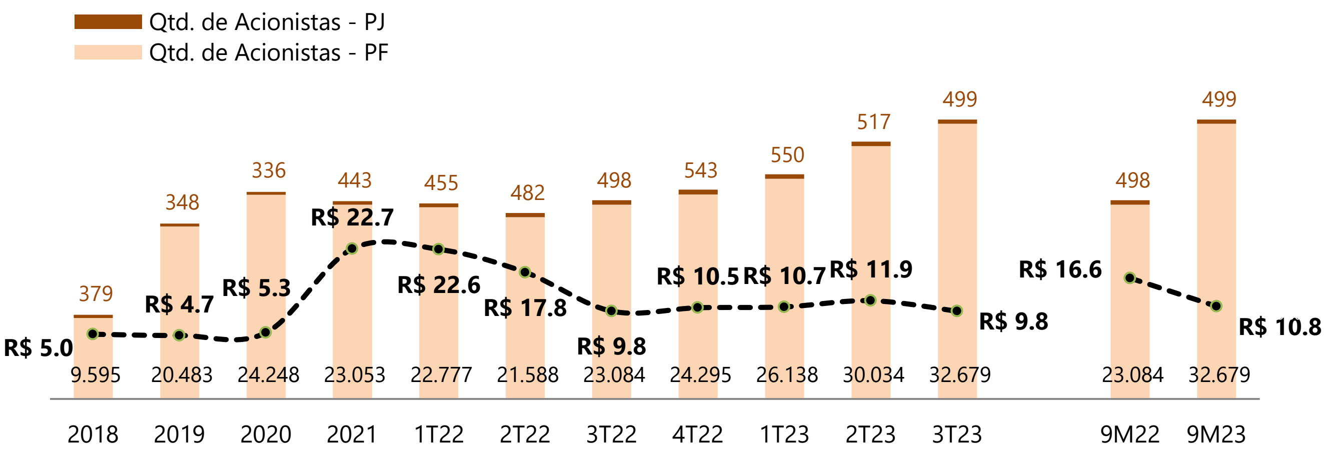
13.1 FESA4 performance on B3

Some indicators on the performance of **FERBASA**'s shares in the capital market are shown in the table below:

	9M23	9M22	*Δ%*
Volume of shares traded (thousand)	39,974	65,047	*-38.5%*
Transacted value (R$ thousand)	2,025,530	3,140,553	*-35.5%*
Market value (R$ thousand) (1)	4,641,216	4,650,342	*-0.2%*
Shares in *Free Float* Circulation (thousand) (2)	40,353	40,802	*1.1%*
Last quotation of the period (R$ PN)	50.32	51.98	*-3.2%*
Book value per share (R$)	38.20	35.73	*6.9%*

Notes:
(1) Number of shares (by ON and PN class) multiplied by their respective stock prices on 09/30/2023 and 09/30/2022;
(2) Total volume of Company shares, excluding the shares of the treasury (ON: 40,000; PN: 3,183,300), of the Controlling shareholder (ON: 29,086,700; PN: 15,300,800) and of the Management (ON: 98; PN: 43,000).

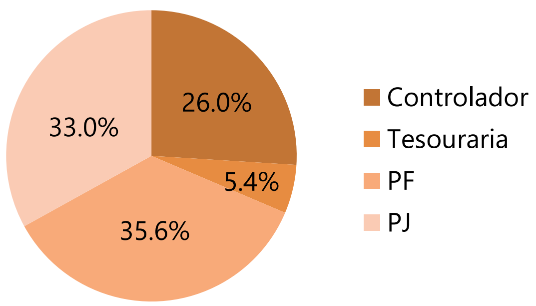
The graph below shows the Evolution of the shareholder base by type of shareholder, referring to the last day of each period, and of the ADTV index (Average Daily Trading Volume), which represents the average volume (in R$ million) traded per day, acronym in English.

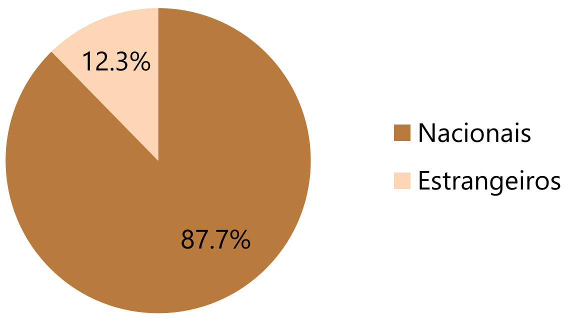


FERBASA's shareholder base ended the first nine months of 2023 with a record number of investors, registering more than 32 thousand shareholders and an ADTV of R$10.8 million. The 35.2% decrease in ADTV in relation to 9M22 derives from the reductions in the average volume of PNs traded (38.5%) and the 3.2% reduction in the FESA4 quotation, as indicated in the table above. The variation in ADTV between 9M22 and 9M23 had an impact related to the dispersion of the shareholder base, notably, with the increase in individuals.

13.2 Investor Profile

That is the shareholder profile of **FERBASA**'s preferred shares **(FESA4)**, considering the **shareholder base on 09/30/2023**:





14. ESG AGENDA

Historically, FERBASA was born with a quite different social concern. Even when the concept of Corporate Social Responsibility was rarely addressed in Brazil, the Company focused on minimizing problems relating to the quality of education in the surrounding communities, regardless of any internal or governmental requirements. The genuine relationship with its employees led to pioneering practices, including the distribution of results, which are now widely disseminated. Its culture values the honorability of the commitments made, reflected not only in its relationship with customers, but with all stakeholders, after all, one of José Carvalho's great motivations for creating Ferbasa and leaving the construction industry was to dedicate himself to a project where it could “put down roots”, therefore this organizational essence that aims at the long term, sustainability and perpetuity of the business has been complemented over the years to other issues related to the ESG Agenda. Therefore, we take advantage of this Report to inform that the Company, to date, does not have:

- (i) Loans or financing linked to ESG targets and indicators;
- (ii) Insurance related to ESG aspects;
- (iii) Carbon credit transactions;
- (iv) Provisions or contingent liabilities constituted related to ESG, in addition to the environmental provision already disclosed by the Company; and
- (v) Risk of discontinuing its operations.

Continuing our commitment to sustainability and in order to inform the Company's main updates related to the matter, in September we published the fourth edition of the FERBASA Sustainability Report, with data referring to the 2022 financial year. It covers, in detail, the socio-environmental initiatives undertaken by the company during the period, as well as the advances resulting from the implementation of relevant actions regarding the corporate governance agenda. To access our report, click here.

The Company remains committed to the quality of the relationship with its shareholders and with the market in general, based on the principles of integrity, transparency, equity, independence and responsibility, always seeking the best practices of investor relations.

15. ANNOUNCEMENTS TO THE MARKET AND SUBSEQUENT EVENTS

In 3Q23 we recorded 02 subsequent events, as follows:

(i) Split of shares

The Company's Board of Directors, at an ordinary meeting held on October 3, 2023, approved the submission of the proposal to split all of its shares for consideration at the Company's Extraordinary General Meeting (AGE- Portuguese acronym that stands for *Assembleia Geral Extraordinária*). Through the proposed operation, the total of the current 88,320,000 will be split, in the proportion of 01 (one) share for 04 (four) shares of the same type ("Split Factor"), without changing the share capital. Thus, if approved by the EGM, after the split, the Company's share capital will remain in the amount of R$ 1,470,395,617.65. The split operation will preserve all Shareholders' rights. The purpose of carrying out this share split is to make them more accessible to investors and, consequently, favor an increase in share liquidity. The chairman of the Company's Board of Directors will convene, in 2023, the EGM to submit the split proposal for examination, discussion and deliberation by shareholders.

(ii) Memorandum of understanding with *AES Brasil Energia S.A*.

We communicated to the market, on October 23, 2023, that the Company completed the analysis process and decided not to continue the commercial negotiation that was signed on December 30, 2022, through the signing of the memorandum of understanding, with *AES BRASIL ENERGIA S.A*. to carry out a business feasibility study involving the BW Guirapá wind farm.

(iii) Corporate partnership with a company controlled by Auren - Approval by CADE

The General Superintendence of the Administrative Council for Economic Defense (in Portuguese CADE – Conselho Administrativo de Defesa Econômica), on November 3, 2023, decided to approve, without restrictions, the formation of a corporate partnership with a company controlled by Auren Energia S.A., which will have as its purpose the exploration of wind farms of electricity generation, Ventos de São Ciro and Ventos de São Bernardo, for the Company's consumption in its production units, under the self-production by matching (APE) regime. The corporate partnership, when formed, will also provide FERBASA, through energy supply contracts to be signed after the conclusion of the deal, with an average volume of 35MW, over 20 years, with supply starting from 2025. The Company It also clarified that the announced volume of energy will not represent a significant change in the annual amount contracted for the continuity of its operations.

16. GLOSSARY

High Carbon Ferrochrome (HC FeCr) - Iron and chromium alloy that features carbon content, also known as "*Charge Chrome*", it is used in the manufacture of stainless steels and special alloys. Stainless steel is used in food, chemical, cellulose, petroleum, in addition to the so-called "white good" products, household items, civil construction and other.

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, Ferrosilicon 75 Standard 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.

ASSETS – (in R$ thousands)			CONSOLIDATED
	9M23	**2022**	**9M22**
Current Assets	1,686,372	1,694,947	1,709,441
Cash and cash equivalents	475,611	474,102	436,062
Financial Investments	489,214	393,461	393,399
Receivables from customers	172,193	211,934	268,875
Stocks	509,805	579,161	579,283
Taxes to be recovered	24,328	18,324	13,980
Prepaid expenses	3,258	5,595	3,914
Advances to suppliers – electric power	667	2,000	2,000
Other assets	11,296	10,370	11,928
Non-current Assets	2,450,437	2,372,438	2,262,591
Advance to supplier – electric power	-	167	667
Financial investments	388,969	417,569	405,408
Stocks	8,051	8,738	6,015
Taxes to be Recovered	7,678	6,662	4,642
Deferred income tax and social contribution	-	17,845	3,076
Judicial Deposits	9,366	46,544	45,117
Other credits	1,636	826	632
Investments	15,124	124	124
Fixed and Intangible	1,609,520	1,545,738	1,480,527
Right of use on lease	90,752	51,946	50,011
Biological Asset	319,341	276,279	266,372
Total Assets	4,136,809	4,067,385	3,972,032

LIABILITIES AND EQUITY - (in R$ thousands)			CONSOLIDATED
	9M23	2022	9M22
Current Liabilities	468,214	505,951	434,079
Suppliers	122,306	129,638	124,432
Advances from customers	10,129	61,209	-
Loans and financing	69,208	70,284	66,691
Cost of funding	(455)	(455)	(455)
Labor and actuarial obligations	106,755	136,180	115,282
Taxes and social contributions	24,492	59,084	39,904
CCEE reimbursement account	73,738	12,870	33,802
Proposed dividends and JCP	-	47	-
Leases to pay	51,594	27,417	26,791
Other liabilities	10,447	9,677	27,632
Non-current Liabilities	418,694	520,547	496,021
Loans and financing	212,292	271,750	278,879
Cost of funding	(3,245)	(3,587)	(3,701)
Obligations with acquisition of subsidiaries	4,978	4,978	4,978
Labor and actuarial obligations	53,659	45,962	47,350
Taxes and social contributions	3,587	87	87
Taxes and deferred social contributions	6,146	1,022	975
CCEE reimbursement account	-	60,645	31,866
Provision for contigencies	60,943	60,717	55,612
Provision for environmental liabilities	57,526	56,313	58,794
Leases to pay	22,808	22,660	21,181
Total Equity	3,249,901	3,040,887	3,041,932
Controlling Shareholders' Equity	3,248,512	3,039,676	3,040,727
Share capital	1,470,396	1,225,444	1,225,444
Profit reserve	1,547,639	1,792,591	1,042,461
Equity valuation adjustments	43,094	47,395	46,671
Treasury shares	(25,754)	(25,754)	(25,754)
Retained earnings	213,137	-	751,905
Participation of non-controlling shareholders	1,389	1,211	1,205
Total Liabilities and Shareholders' Equity	4,136,809	4,067,385	3,972,032

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

RESULTS REPORT (in R$ thousands)								CONSOLIDATED
	9M23		9M22		3Q23		3Q22	
	R$ thousand	%NR	R$ thousand	%NR	R$ thousand	%NR	R$ thousand	%NR
GROSS REVENUE	2,150,854	100.0	2,764,789	100.0	637,702	100.0	890,901	100.0
Domestic Market	1,237,868	57.6	1,516,481	54.8	421,551	66.1	526,990	59.2
Foreign Market	912,986	42.4	1,248,308	45.2	216,151	33.9	363,911	40.8
Sales tax, returns and rebates.	(257,431)	(12.0)	(339,934)	(12.3)	(86,781)	(13.6)	(121,402)	(13.6)
NET REVENUE	1,893,423	100.0	2,424,855	100.0	550,921	100.0	769,499	100.0
Cost of Goods Sold	(1,433,576)	(75.7)	(1,251,998)	(51.6)	(478,123)	(86.8)	(445,662)	(57.9)
Variation in the fair value of the biological asset	39,571	2.1	28,426	1.5	39,571	7.2	28,426	3.7
GROSS PROFIT	499,418	26.4	1,201,283	49.5	112,369	20.4	352,263	45.8
Operating expenses								
With sales	(14,463)	(0.8)	(15,407)	(0.6)	(4,834)	(0.9)	(5,943)	(0.8)
Administrative	(85,977)	(4.5)	(65,710)	(2.7)	(29,676)	(5.4)	(24,456)	(3.2)
Adm's payment, Profit Sharing and Employee Allowance	(69,999)	(3.7)	(79,286)	(3.3)	(19,766)	(3.6)	(9,288)	(1.2)
Other (expenses) operating income	(41,665)	(2.2)	(26,876)	(1.1)	(10,609)	(1.9)	(20,743)	(2.7)
Operating Income Before Financial Result	287,314	15.2	1,014,004	41.8	47,484	8.6	291,833	37.9
Financial Revenue	129,147	6.8	103,239	4.3	45,006	8.2	39,588	5.1
Financial Expense	(40,105)	(2.1)	(45,713)	(1.9)	(11,799)	(2.1)	(15,214)	(2.0)
Net Exchange variation	(56)	(0.0)	(182)	(0.0)	3,018	0.5	6,841	0.9
Derivative and non-derivative financial instruments (settlement)	-	-	(9,060)	(0.4)	-	-	141	0.0
Financial result	88,986	4.7	48,284	2.0	36,225	6.6	31,356	4.1
Profit before IRPJ/CSLL	376,300	19.9	1,062,288	43.8	83,709	15.2	323,189	42.0
IRPJ/CSLL	(48,438)	(2.6)	(151,806)	(6.3)	(9,182)	(1.7)	(45,879)	(6.0)
Profit for the period	327,862	17.3	910,482	37.5	74,527	13.5	277,310	36.0

RESULTS REPORT (in R$ thousands)								BW
	9M23		9M22		3Q23		3Q22	
	R$ thousand	%NR	R$ thousand	%NR	R$ thousand	%NR	R$ thousand	%NR
NET REVENUE	90,932	100.0	73,334	100.0	34,017	100.0	33,475	100.0
Cost of Goods Sold	(61,355)	(67.5)	(55,787)	(76.1)	(22,027)	(64.8)	(17,960)	(53.7)
GROSS PROFIT	29,577	32.5	17,547	23.9	11,990	35.2	15,515	46.3
Operating Expenses								
General, administrative, and Other operating revenues/expenses	(6,081)	(6.7)	(2,882)	(3.9)	(1,892)	(5.6)	1,457	4.4
Operating profit before financial result	23,496	25.8	14,665	20.0	10,098	29.7	16,972	50.7
Financial Revenue	12,759	14.00	10,626	14.5	4,941	14.5	4,166	12.4
Financial Expense	(20,531)	(22.6)	(22,228)	(30.3)	(6,053)	(17.8)	(8,032)	(24.0)
Financial Result	(7,772)	(8.5)	(11,602)	(15.8)	(1,112)	(3.3)	(3,866)	(11.5)
Profit (Loss) before IRPJ/CSLL	15,724	17.3	3,063	4.2	8,986	26.4	13,106	39.2
IRPJ/CSLL	(2,182)	(2.4)	(1,056)	(1.4)	(1,092)	(3.2)	(984)	(2.9)
Profit (Loss) for the term	13,542	14.9	2,007	2.7	7,894	23.2	12,122	36.2

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

CASH FLOW STATEMENT - (in R$ thousands)	CONSOLIDATED	
CASH AND CASH EQUIVALENT	**9M23**	**9M22**
Cash flow from operating activities		
Profit for the period	327,862	910,482
Net profit adjustments		
Interest and monetary and exchange variations	(39,790)	(27,650)
Depreciation, amortization, and depletion	114,532	88,603
Depletion of biological asset	47,433	38,511
Change in fair value of biological assets	(39,571)	(28,426)
Deferred taxes	25,289	11,581
Provision for profit holdings	50,631	63,178
Post-employment benefit update	873	(17,667)
Constitution (reversal) of provision for contingencies	(1,924)	(2,381)
Others	4,483	5,462
	489,818	1,041,693
Reduction (increase) in asset accounts:		
Accounts to receive from customers	40,279	20,186
Stocks	71,554	(153,703)
Taxes to be recovered	9	55,721
Advance to suppliers	1,500	1,500
Judicial Deposits	31,440	3,523
Other Assets	(368)	2,556
Increase (decrease) in liabilities accounts:		
Suppliers	(6,763)	13,621
Taxes and social contributions	(14,095)	(2,658)
Income tax and social contribution to pay	23,098	141,504
Labor and actuarial obligations	(80,106)	(61,743)
CCEE reimbursement accounts	(3,600)	12,080
Advances from customers	(51,080)	13,879
Other liabilities	227	3,364
Income tax and social contribution paid	(40,663)	(169,009)
Interest paid in the year	(28,310)	(29,552)
Net cash generated by operating activities	432,940	892,962
Cash flow from investment activities		
Capex	(202,232)	(156,564)
Properties for investments	(15,000)	-
Sales of properties	1,784	785
Movement in financial investments	8,983	(136,394)
Net cash invested in investment activities	(206,465)	(292,173)
Cash flow from financing activities		
Amortization of loans and financing	(58,764)	(64,800)
Amortization of leases	(51,811)	(22,932)
Dividends and JCP paid	(114,594)	(293,507)
Net cash invested in financing activities	(225,169)	(381,239)
Exchange variation on cash and cash equivalents	203	-
Increase in cash and cash equivalents	1,509	219,550
Cash and cash equivalent at the beginning of the year	474,102	216,512
Cash and cash equivalent at the end of the term	475,611	436,062
Net Increase of the cash balance and cash equivalent	1,509	219,550
Net increase in the balance of financial investments	67,153	201,668
Net increase in financial reserve	68,662	421,218

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

		Parent		Consolidated	
ASSETS	Note	09/30/2023	12/31/2022	09/30/2023	12/31/2022
CURRENT					
Cash and cash equivalent	4	340.445	355.370	475.611	474.102
Financial Investments	5	489.214	393.461	489.214	393.461
Accounts receivable	6	161.444	201.761	172.193	211.934
Inventories	7	509.805	579.161	509.805	579.161
Recoverable taxes	8	19.522	13.770	24.328	18.324
Prepaid expenses		3.258	5.595	3.258	5.595
Advances to suppliers		667	2.000	667	2.000
Other assets		7.701	6.572	11.296	10.370
Total current assets		1.532.056	1.557.690	1.686.372	1.694.947
NON-CURRENT					
Advances to suppliers		-	167	-	167
Financial Investments	5	337.434	365.358	388.969	417.569
Inventories	7	8.051	8.738	8.051	8.738
Recoverable taxes assets	8	7.678	6.662	7.678	6.662
Deferred taxes	9	-	17.845	-	17.845
Judicial deposits	10	8.816	46.448	9.366	46.544
CCEE reimbursement account	22	-	-	810	-
Other credits		819	819	826	826
		362.798	446.037	415.700	498.351
Investiments	11	582.061	552.603	15.124	124
Permanent and Intangible Assets	12	911.277	824.124	1.609.520	1.545.738
Right of use in leasing	12	81.287	40.617	90.752	51.946
Biological Asset	13	319.341	276.279	319.341	276.279
		1.893.966	1.693.623	2.034.737	1.874.087
Total non-current assets		2.256.764	2.139.660	2.450.437	2.372.438
TOTAL ASSET		3.788.820	3.697.350	4.136.809	4.067.385

		Parent		Consolidated	
LIABILITIES AND EQUITY	Note	09/30/2023	12/31/2022	09/30/2023	12/31/2022
CURRENT					
Suppliers	14	117.933	122.617	122.306	129.638
Advances from customers	15	10.129	61.209	10.129	61.209
Loans and Financing	16	45.121	43.071	68.753	69.829
Labor and actuarial obligations	18	106.171	135.628	106.755	136.180
Taxes and social contributions	19	23.748	58.095	24.492	59.084
CCEE reimbursement account	22	-	-	73.738	12.870
Proposed dividends and interest on equity		-	-	-	47
Leases payable	17	50.945	26.643	51.594	27.417
Other liabilities		9.440	8.733	10.447	9.677
Total current liabilities		363.487	455.996	468.214	505.951
NON-CURRENT					
Loans and financing	16	16.268	61.116	209.047	268.163
Obligations with acquisition of subsidiary		4.978	4.978	4.978	4.978
Labor and actuarial obligations	18	53.659	45.962	53.659	45.962
Taxes and social contributions	19	3.500	-	3.587	87
Deferred taxes liabilities	9	4.950	-	6.146	1.022
CCEE reimbursement account	22	-	-	-	60.645
Provisions for contingencies	21	60.943	60.717	60.943	60.717
Provision for environmental liabilities	20	16.879	15.666	57.526	56.313
Leases payable	17	15.644	13.239	22.808	22.660
Total non-current liabilities		176.821	201.678	418.694	520.547
EQUITY	24				
Share capital		1.470.396	1.225.444	1.470.396	1.225.444
Retained earnings		1.547.639	1.792.591	1.547.639	1.792.591
Equity assessment adjustment		43.094	47.395	43.094	47.395
Treasury shares		(25.754)	(25.754)	(25.754)	(25.754)
Accumulated profit		213.137	-	213.137	-
Equity attributable to owners of the Company		3.248.512	3.039.676	3.248.512	3.039.676
Participation of non-controlling shareholders		-	-	1.389	1.211
Total Equity		3.248.512	3.039.676	3.249.901	3.040.887
TOTAL LIABILITIES AND EQUITY		3.788.820	3.697.350	4.136.809	4.067.385

The notes are an integral part of these interim financial statements.

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

Income statements

Term of three and nine months ended September 30

(In thousands of Reais - R$, except earnings per share)

	Note	Parent 01/01/2023 to 09/30/2023	Parent 07/01/2023 to 09/30/2023	Parent 01/01/2022 to 09/30/2022	Parent 07/01/2022 to 09/30/2022	Consolidated 01/01/2023 to 09/30/2023	Consolidated 07/01/2023 to 09/30/2023	Consolidated 01/01/2022 to 09/30/2022	Consolidated 07/01/2022 to 09/30/2022
NET SALES REVENUE	26	1.802.661	516.960	2.351.692	736.081	1.893.423	550.921	2.424.855	769.499
Cost of sales	27	(1.373.864)	(456.649)	(1.197.820)	(428.239)	(1.433.576)	(478.123)	(1.251.998)	(445.662)
Variation in the fair value of biological assets		39.571	39.571	28.426	28.426	39.571	39.571	28.426	28.426
GROSS PROFIT		468.368	99.882	1.182.298	336.268	499.418	112.369	1.201.283	352.263
OPERATING EXPENSES	27								
Selling expenses		(14.463)	(4.834)	(15.407)	(5.943)	(14.463)	(4.834)	(15.407)	(5.943)
General and administrative expenses		(148.511)	(46.680)	(139.029)	(31.519)	(155.976)	(49.442)	(144.996)	(33.744)
Other operating income (expenses)		(37.522)	(9.481)	(24.833)	(22.586)	(41.665)	(10.609)	(26.876)	(20.743)
		(200.496)	(60.995)	(179.269)	(60.048)	(212.104)	(64.885)	(187.279)	(60.430)
Equity	11	11.604	7.137	106	11.489	-	-	-	-
OPERATING PROFIT		279.476	46.024	1.003.135	287.709	287.314	47.484	1.014.004	291.833
FINANCIAL RESULT	28								
Financial income		128.706	44.710	137.887	48.356	144.569	50.720	151.117	53.538
Financial costs		(35.047)	(8.440)	(71.539)	(14.286)	(55.583)	(14.495)	(93.773)	(22.323)
Hedging financial instrument		-	-	(9.060)	141	-	-	(9.060)	141
		93.659	36.270	57.288	34.211	88.986	36.225	48.284	31.356
PROFIT BEFORE PROFIT TAXES		373.135	82.294	1.060.423	321.920	376.300	83.709	1.062.288	323.189
INCOME TAX AND SOCIAL CONTRIBUTION	9								
Exemption and reduction		-	-	-	-	-	-	-	-
Current		(20.336)	(3.063)	(138.656)	(45.987)	(23.149)	(4.361)	(140.225)	(47.147)
Deferred		(25.115)	(4.768)	(11.430)	1.322	(25.289)	(4.821)	(11.581)	1.268
		(45.451)	(7.831)	(150.086)	(44.665)	(48.438)	(9.182)	(151.806)	(45.879)
NET PROFIT FOR THE PERIOD		327.684	74.463	910.337	277.255	327.862	74.527	910.482	277.310
Profit attributed to controlling shareholders						327.684	74.463	910.337	277.255
Profit attributed to non-controlling shareholders						178	64	145	55
BASIC/DILUTED PROFIT PER ON SHARE - BRL	25					3,61417	0,82128	10,04051	3,05797
BASIC/DILUTED PROFIT PER PN SHARE - BRL	25					3,97559	0,90341	11,04457	3,36377

The notes are an integral part of these interim financial statements.

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

Statements of comprehensive income
Term of three and nine months ended September 30
In thousands of Reais

		Parent				Consolidated			
	Note	01/01/2023 to 09/30/2023	07/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	07/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2022 to 09/30/2022
NET INCOME FOR THE PERIOD		327.684	74.463	910.337	277.255	327.862	74.527	910.482	277.310
Other comprehensive results:									
Actuarial obligations	18	(6.824)	(6.824)	34	-	(6.824)	(6.824)	34	-
Effect of income tax and social contribution on actuarial obligations	18	2.320	2.320	(12)	-	2.320	2.320	(12)	-
Derivative and non-derivative financial instruments		-	-	9.669	-	-	-	9.669	-
Effect of income tax and social contribution on financial instruments		-	-	(3.288)	-	-	-	(3.288)	
Cumulative Conversion Adjustment	11	203	(32)	-	-	203	(32)	-	-
		(4.301)	(4.536)	6.403	-	(4.301)	(4.536)	6.403	-
TOTAL COMPREHENSIVE INCOME		323.383	69.927	916.740	277.255	323.561	69.991	916.885	277.310
Profit attributed to controlling shareholders						323.383	69.927	916.740	277.255
Profit attributed to non-controlling shareholders						178	64	145	55

The notes are an integral part of these interim financial statements.

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

Statements of changes in equity
Term of three and nine months ended September 30
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, 2021		1.225.444	152.069	315.565	612.032	49.595	40.268	(25.754)	-	2.369.219	1.060	2.370.279
Complementary dividends		-	-	-	(86.800)	-	-	-	-	(86.800)	-	(86.800)
Other comprehensive results		-	-	-	-	-	6.403	-	-	6.403	-	6.403
Net income for the period		-	-	-	-	-	-	-	910.337	910.337	145	910.482
Interest on equity		-	-	-	-	-	-	-	(84.933)	(84.933)	-	(84.933)
Proposed dividends		-	-	-	-	-	-	-	(73.499)	(73.499)	-	(73.499)
BALANCES ON SEPTEMBER 30, 2022	24	1.225.444	152.069	315.565	525.232	49.595	46.671	(25.754)	751.905	3.040.727	1.205	3.041.932
BALANCES ON DECEMBER 31, 2022		1.225.444	205.182	542.706	995.108	49.595	47.395	(25.754)	-	3.039.676	1.211	3.040.887
Reserve capitalization		244.952			(244.952)					-		-
Other comprehensive results							(4.301)			(4.301)	-	(4.301)
Net income for the period									327.684	327.684	178	327.862
Interest on equity									(114.547)	(114.547)	-	(114.547)
Proposed dividends										-	-	-
BALANCES ON SEPTEMBER 30, 2023	24	1.470.396	205.182	542.706	750.156	49.595	43.094	(25.754)	213.137	3.248.512	1.389	3.249.901

The notes are an integral part of these interim financial statements.

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

Cash flow demonstrations
Term of three and nine months ended September 30
In thousands of Reais

	Note	Parent		Consolidated	
		09/30/2023	09/30/2022	09/30/2023	09/30/2022
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period		327.684	910.337	327.862	910.482
Adjustments to reconcile net income for the period with					
net cash generated by operating activities:					
Interest and net monetary and exchange variations		(54.435)	(44.385)	(39.790)	(27.650)
Depreciations, amortizations and depletions	12	81.894	56.873	114.532	88.603
Depletion of biological assets	13	47.433	38.511	47.433	38.511
Change in fair value of biological assets	13	(39.571)	(28.426)	(39.571)	(28.426)
Equity	11	(11.604)	(106)	-	-
Residual value of permanent assets written off		111	3	111	2.625
Deferred taxes	9	25.115	11.430	25.289	11.581
PIS and COFINS credits (exclusion of ICMS from the calculation base)					
Update (ICMS exclusion from PIS/COFINS base)					
Provision for profit sharing	18	50.631	63.178	50.631	63.178
Update lease payable	16		-		-
Update of postemployment benefit plans	18	873	(17.667)	873	(17.667)
Reversal of provision for contingencies	21	(1.924)	(2.381)	(1.924)	(2.381)
Others		448	(819)	4.372	2.837
Decrease (increase) in asset accounts:					
Accounts receivable		40.868	20.745	40.279	20.186
Inventories		71.554	(153.703)	71.554	(153.703)
Recoverable taxes assets		(423)	55.186	9	55.721
Advance to suppliers		1.500	1.500	1.500	1.500
Judicial deposits		31.894	3.523	31.440	3.523
Other assets		(717)	2.938	(368)	2.556
Increase (decrease) in liability accounts:					
Suppliers		(4.078)	13.859	(6.763)	13.621
Taxes and social contributions		(12.904)	(1.972)	(14.095)	(2.658)
Income tax and social contribution		20.336	139.934	23.098	141.504
Labor and actuarial obligations		(80.088)	(61.573)	(80.106)	(61.743)
CCEE reimbursement account		-	-	(3.600)	12.080
Advances from customers		(51.080)	13.879	(51.080)	13.879
Other liabilities		167	3.618	227	3.364
Income tax and social contribution paid		(38.279)	(168.311)	(40.663)	(169.009)
Interest paid in the period		(13.749)	(13.636)	(28.310)	(29.552)
Net cash generated by operating activities		391.656	842.535	432.940	892.962
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Acquisition of Permanent Assets	12	(135.373)	(97.436)	(147.566)	(103.815)
Cost of planting and maintenance of biological assets	13	(54.666)	(52.749)	(54.666)	(52.749)
Property for Investment		(15.000)	-	(15.000)	-
Receipt from the sale of permanent assets		1.784	785	1.784	785
Dividends Received		141	8	-	-
Financial applications and redemption		3.606	(138.725)	8.983	(136.394)
Investment in subsidiaries		(2.651)	-	-	-
Net cash used in investing activities		(202.159)	(288.117)	(206.465)	(292.173)
CASH FLOWS FROM FINANCING ACTIVITIES					
Funding	15		-		-
Amortization of financing	16	(39.239)	(45.408)	(58.764)	(64.800)
Amortization of leases	17	(50.636)	(21.793)	(51.811)	(22.932)
Dividends and interest on shareholders' equity paid		(114.547)	(293.500)	(114.594)	(293.507)
Net cash invested in financing activities		(204.422)	(360.701)	(225.169)	(381.239)
EXCHANGE VARIATION WITHOUT CASH AND EQUIVALENTS		-	-	203	-
(DECREASE) NET INCREASE IN THE BALANCE OF CASH AND CASH EQUIVALENTS		(14.925)	193.717	1.509	219.550
Cash and cash equivalents at the beginning of the term	4	355.370	129.806	474.102	216.512
Cash and cash equivalents at the end of the term	4	340.445	323.523	475.611	436.062
NET INCREASE (REDUCTION) IN THE BALANCE OF CASH AND CASH EQUIVALENTS		(14.925)	193.717	1.509	219.550

The notes are an integral part of these interim financial statements.

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

Statements of added value
Term of three and nine months ended September 30
In thousands of Reais

	Note	Parent		Consolidated	
		09/30/2023	09/30/2022	09/30/2023	09/30/2022
SALES REVENUE		2.040.367	2.646.038	2.134.752	2.722.620
Other income		6.999	5.821	8.148	8.557
		2.047.366	2.651.859	2.142.900	2.731.177
INPUTS PURCHASED FROM THIRD PARTIES					
Cost of goods sold (includes raw materials)		(783.545)	(689.605)	(722.839)	(633.597)
Materials, energy, third-party services and others		(475.689)	(429.633)	(566.722)	(510.322)
GROSS VALUE ADDED		788.132	1.532.621	853.339	1.587.258
Depreciation, amortisation and depletion	12 e 13	(129.327)	(95.384)	(161.965)	(127.114)
Capital gain	11	-	-	(3.314)	(3.314)
NET VALUE ADDED PRODUCED BY THE COMPANY		658.805	1.437.237	688.060	1.456.830
ADDED VALUE RECEIVED IN TRANSFER					
Financial income	28	128.706	138.029	144.569	151.259
Equity	11	11.604	106	-	-
TOTAL ADDED VALUE TO DISTRIBUTE		799.115	1.575.372	832.629	1.608.089
DISTRIBUTION OF ADDED VALUE					
Employees:					
Salaries and wages		250.847	241.541	254.980	245.087
Benefits		41.057	33.976	41.454	34.296
FGTS (*Service Time Guarantee Fund*)		15.374	13.272	15.474	13.352
		307.278	288.789	311.908	292.735
Taxes, fees and contributions:					
Federal		116.013	226.013	123.600	232.032
State		32.421	67.586	32.640	67.612
Municipal		1.080	403	1.243	563
		149.514	294.002	157.483	300.207
Third-party capital remuneration		14.639	82.244	35.376	104.665
Equity remuneration					
Interest on equity/Dividends		114.547	158.432	114.547	158.432
Retained earnings		213.137	751.905	213.137	751.905
Participation of non-controlling				178	145
		327.684	910.337	327.862	910.482
DISTRIBUTED VALUE ADDED		799.115	1.575.372	832.629	1.608.089

The notes are an integral part of these interim financial statements.