

1Q24 RESULTS CONFERENCE

2024

FESA
B3 LISTED N1



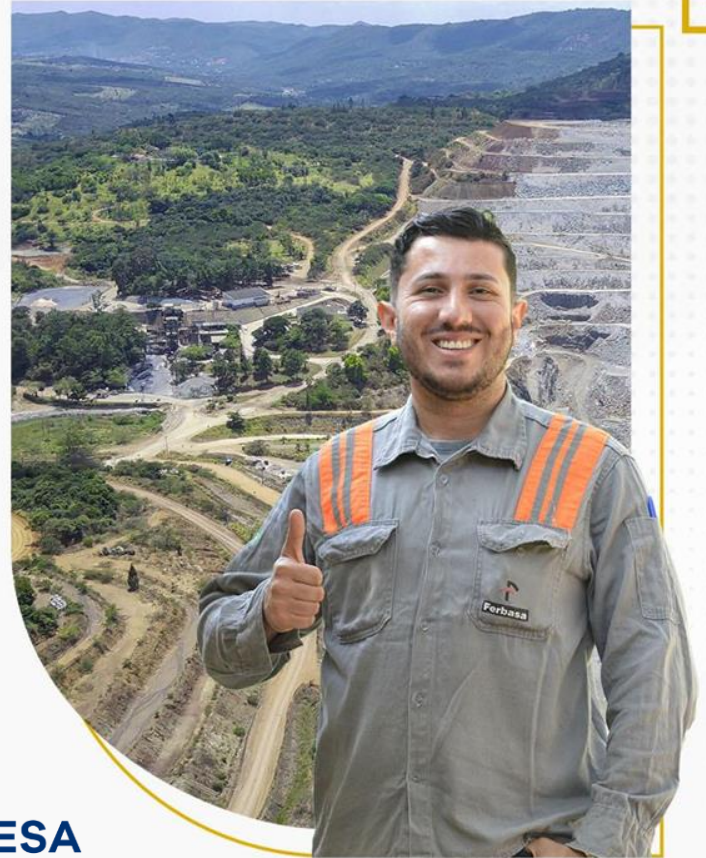
Notice



Companhia de Ferro Ligas da Bahia – FERBASA (B3: FESA3 e FESA4), Brazil's main supplier of ferroalloys and the only Ferrochrome producer in the Americas, discloses the results related to the **operational and financial performance of the first quarter of 2024**, whose quarterly 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 standards and the announcements of the *Comissão de Valores Mobiliários – CVM (Securities and Exchange Commission of Brazil)*, and the *Comitê de Pronunciamentos Contábeis - CPC (Accounting Announcements Committee)* and in the IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). This presentation contains forward-looking statements and information regarding the FERBASA, which are based on assumptions and expectations, which may or may not materialize, and are therefore not guarantees of the Company's future performance. Although FERBASA believes that the assumptions and expectations used are reasonable, we warn investors that this information is and will, as appropriate, be subject to risks and other factors related to the Company's operations and business environments, so that actual results may differ from the projections, expressed or implied, contained in this material. FERBASA expressly disclaims the duty to update the statements, prospects and expectations contained in this document.

AGENDA

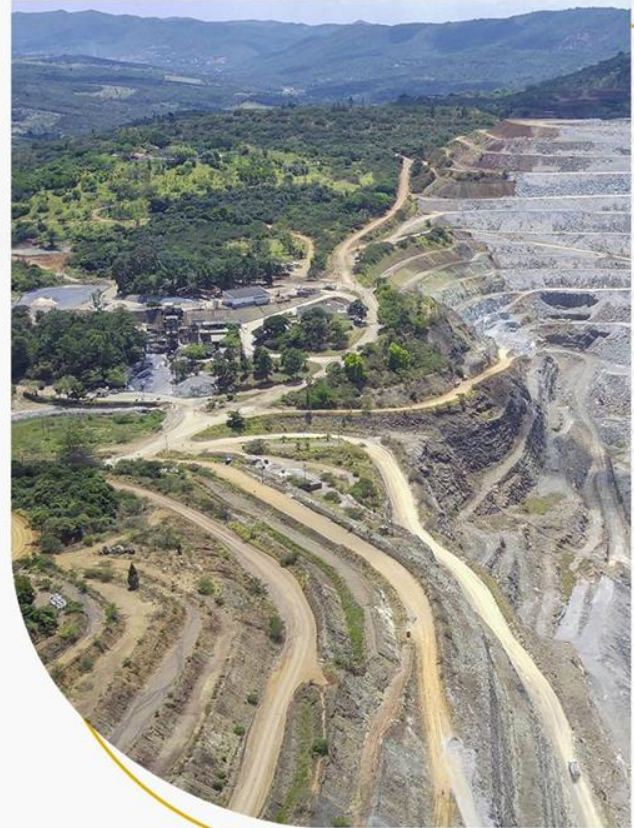
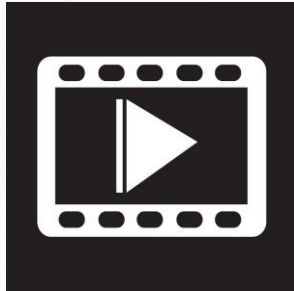
1. Institutional Vision
2. 1Q24 Highlights
3. Operational and Financial Performance
4. Capital Market
5. Market Overview



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Institutional Video



Unidades de negócio



4.813 JOBS CREATED
Among direct and indirect employees



26 TOWNS
Operating in the state of Bahia

Verticalization of the Operations

Security and quality in the production of Cr and Si alloys



Chromium Mining



Chromium – 510,000 t/year



Quicklime Production



Quicklime - 22,000 t/year



Quartz Production



Quartz - 100,000 t/year



Production of Bioreducer



Bioreducer - 139,000 t/year



Power Generation



Wind - 92 Wind Turbines

Metallurgy - FeCr



Ferrochrome

229 tsnd t/year in 8 furnaces



HC Ferrochrome



LC Ferrochrome



Ferrosilicon
Chrome

Metallurgy - FeSi



Ferrosilicon

113 tsnd t/year in 6 furnaces



Ferrosilicon STD and HP

7 Wind Farms

Power Installed – 170.2 MW

Physical guarantee - 81 average MW

PPA (CCEE) until 2036



1Q24 x 4Q23 Highlights



- **Adjusted EBITDA reached R\$78.4 million** and grew 66.8%.
- **Consolidated net profit reached R\$41.1 million** and declined 25.3%.
- **Cash consumption of R\$122.9 million in 1Q24.**



- **4.5% decrease in sales volume**, with a 13.3% decrease to the domestic market and a 5.1% increase in shipments to the foreign market.
- **1.1% increase in the average selling price**, in dollars, of ferroalloys.
- **Stability (- 0.4%) in the average dollar practiced.**



- **Reduction of 8.4% in the COGS of ferroalloys**, justified by the decrease in sales volume and lower costs with inputs and raw materials.



- **Retraction of 1.1% in the production of ferroalloys**, with a 4.0% decrease in the production of chromium alloys and an increase of 5.2% in silicon alloys. In the case of FeSi HP, production was identical to 4Q23.



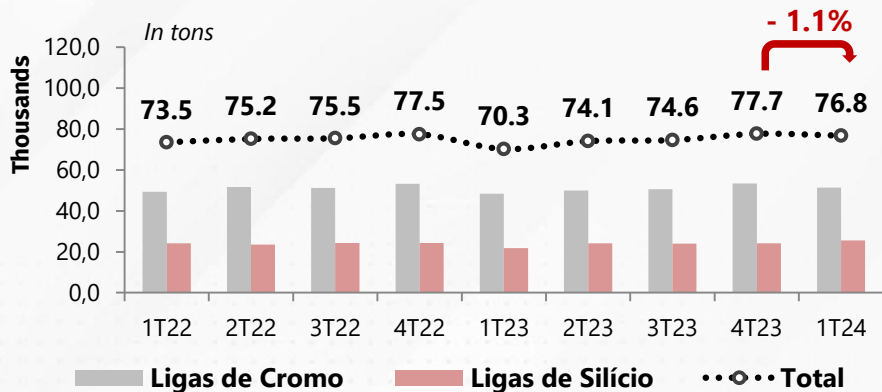
- **3.0% increase in financial results**, influenced by reductions in financial income and expenses, in addition to the positive effect of net exchange rate variation.



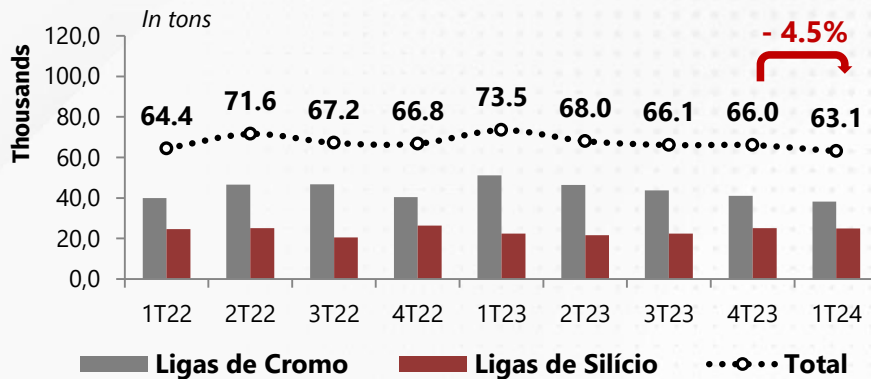
- **CAPEX reached R\$42.0 million** and contracted 62.4%.
- **Share split occurred** on 01/25/2024, in the proportion of 01 (one) to 04 (four) of the same type, as resolved at the ESM on 12/20/2023.



Production of Ferroalloys

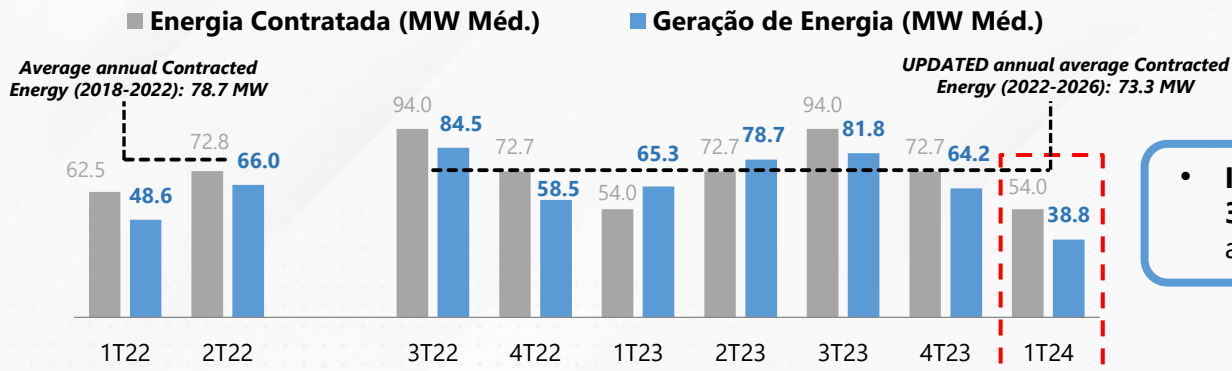


Sales of Ferroalloys



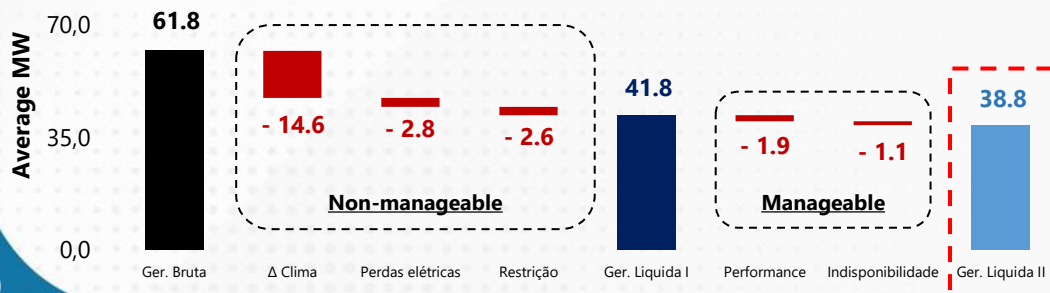
- **Decrease of 1.1% in the production of ferroalloys** compared to 4Q23, with an increase of 5.2% in the production of silicon alloys and a 4.0% reduction in chromium alloys. **FeSi HP** production recorded a **volume identical** to that of **4Q23**.
- **4.5% decline in ferroalloy sales in 1Q24**, when compared to the previous quarter, reflecting the:
 - Decrease of 13.3% in MI**, reflecting the increase in scrap consumption, to the detriment of the use of ferroalloys, in steel production campaigns in 1Q24.
 - Increase of 5.1% in ME** justified by the greater recognition of shipments from the previous quarter due to logistical limitations in that period;

Evolution of Contracted Energy x Net Generation



- In 1Q24, BWG's electricity generation reached **38.8 average MW**, 28.2% lower than the 54 average MW contracted for the quarter.

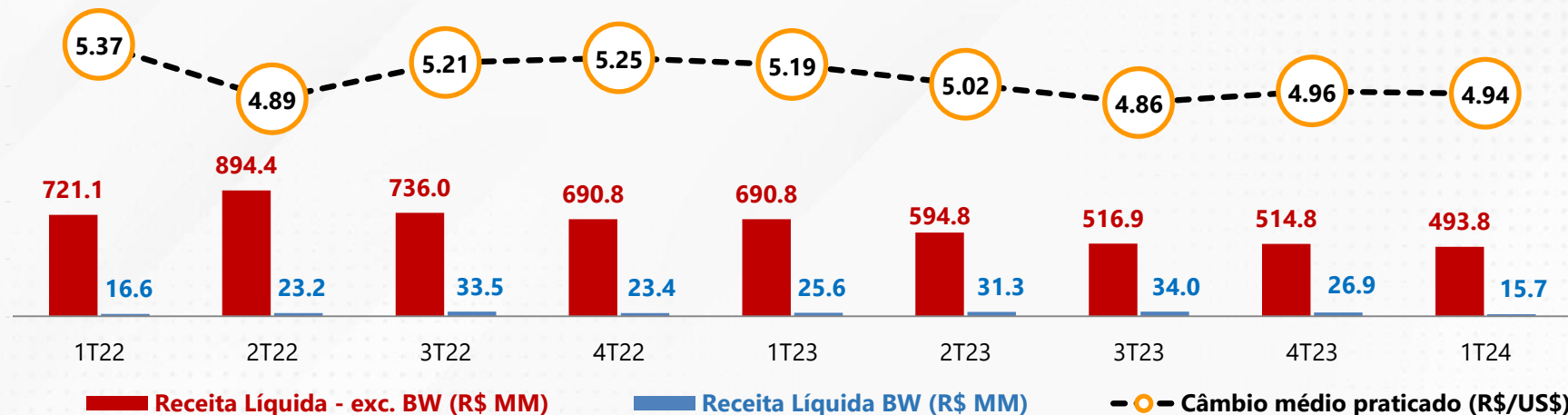
Expected Generation x Realized Generation – 1Q24



- The deviations recorded in **non-manageable factors (- 20.0 average MW)** were decisive for the performance observed in 1Q24, with a relevant negative highlight for the climate.
- The **manageable factors (- 3.0 average MW)** were impacted by the average performance of the equipment and by damage to wind turbines, especially problems with gearboxes.



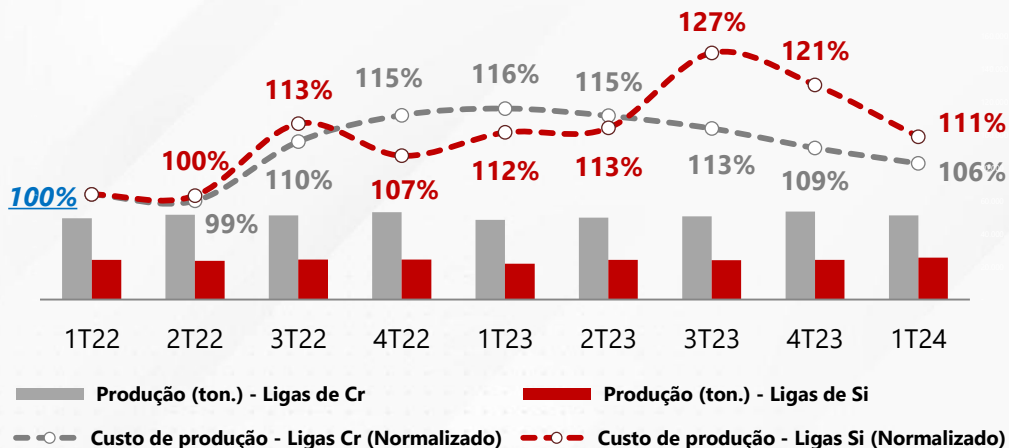
Net Revenue and Exchange Variation



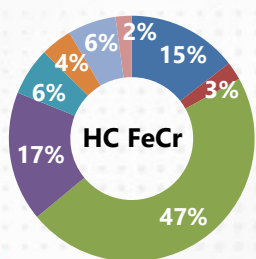
- Consolidated net revenue in 1Q24 totaled R\$509.5 million and fell 5.9% compared to 4Q23, basically following the **4.5% reduction in sales volume**, stability (-0.4%) in the **average dollar** practiced and the **1.1% increase in the average price** of ferroalloys in dollars.
- In 1Q24, the **Foreign Market represented 53% and the Domestic Market 47%** of total net revenue.



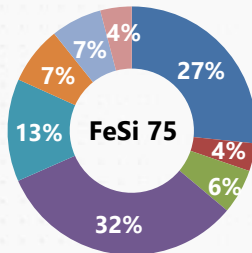
Evolution of production costs



Costs of Production Breakdown – 1Q24



- Energia Elétrica
- Mão de Obra Direta
- Minério (Quartzo)
- Redutores (Biorredutor)
- Outras MPs
- Manutenção
- Gastos Diretos
- Outros Custos

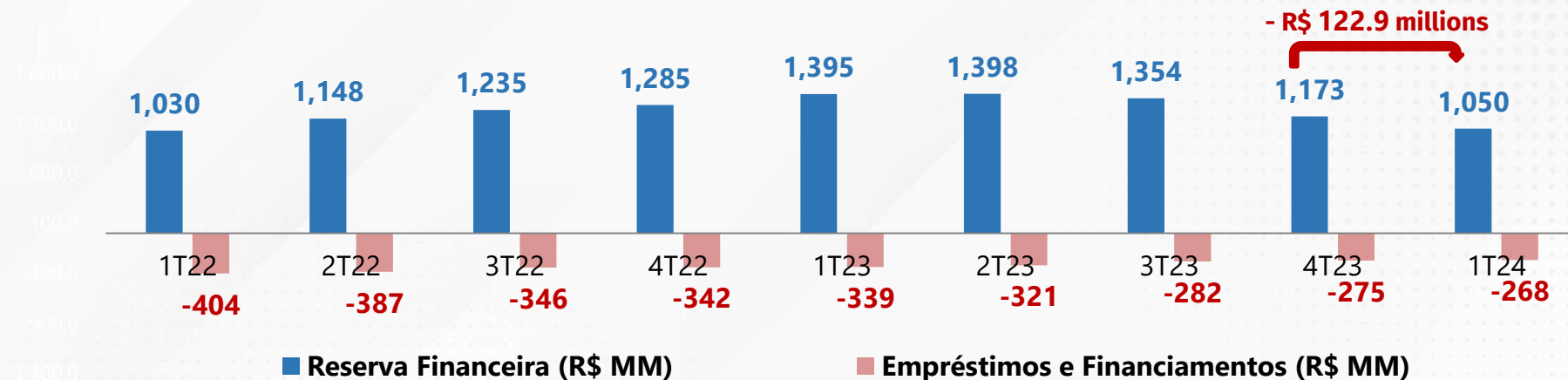


HIGHLIGHTS OF PRODUCTION COSTS 1Q24 x 1Q23

- **Reduction of 16.7% in the COGS of ferroalloys**, justified by the 14.1% decrease in sales volume, in addition to lower input costs, especially electricity and coke.
- **16.4% drop in the cost of electricity consumed**, basically as a result of the reduction in the medical tariff due to the optimization of the energy contract portfolio.
- **HC FeCr: reduction in coke costs**, mainly due to the decline in the international price of mineral coal.
- **LC FeCr: reduction in costs with FeSi Cr reducer**, produced internally, and directly related to the reduction in the cost of HC FeCr.
- **FeSi 75: cost stability** due, on the one hand, to the reduction in energy and electrodic paste expenses, in addition to the dilution in fixed costs due to greater production, which, on the other hand, increased the consumption of third-party bio-reducer



Financial Reserve and Indebtedness



HIGHLIGHTS OF THE CASH CONSUMPTION OF R\$ 122.9 MILLION IN 1Q24 :

- ✓ **Negative operating result of R\$42.5 million**, including variations in working capital, interest payments and taxes;
- ✓ **Amortization of loans and financing** in the amount of **R\$8.4 million**;
- ✓ Realization of **R\$ 42.0 million in CAPEX**.



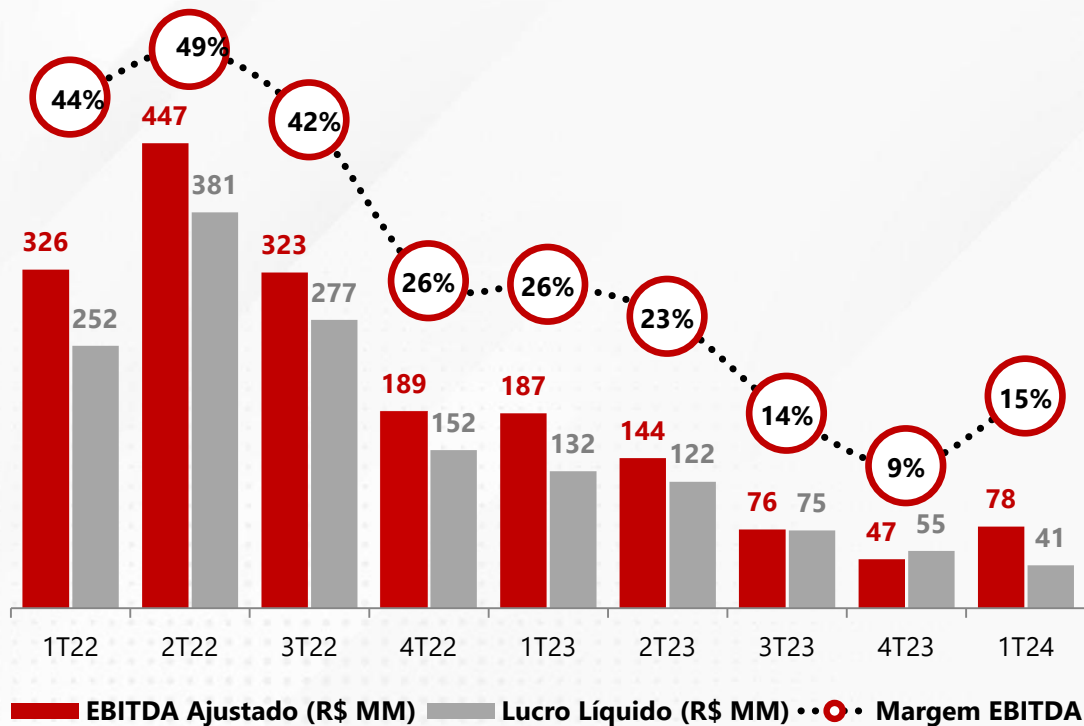
| Financial Result (R\$ millions) | 1Q24 | 4Q23 | Δ% | 1Q23 | Δ% |
|------------------------------------|-------------|-------------|-------------|-------------|--------------|
| Financial Performance | | | | | |
| Financial income | 34.8 | 40.4 | -13.9% | 37.4 | -7.0% |
| Financial expense | (9.5) | (11.3) | -15.9% | (13.8) | -31.2% |
| Net exchange variation | 2.4 | (2.2) | - | (0.3) | - |
| Total | 27.7 | 26.9 | 3.0% | 23.3 | 18.9% |

HIGHLIGHTS OF THE FINANCIAL RESULT 1Q24 x 1Q23

- **Financial revenue of R\$34.8 million** declined 13.9% due to the reduction in the basic interest rate and the high cash consumption in the period.
- **Financial expenses of R\$9.5 million** fell 15.9% due to the amortization of financing contracts.
- **The positive net exchange rate variation of R\$2.4 million** in 1Q24, impacted by the difference between the exchange rate for negotiation and that of the shipping documentation for material for export.
- The combination of these effects generated **R\$27.7 million in financial results** in 1Q24, a growth of 3.0%.



Profit and adjusted EBITDA - consolidated



PROFIT HIGHLIGHTS 1Q24 x 4Q23

- **4.5% decline in the sales volume** of ferroalloys.
- **Stability (- 0.4%) in the average dollar** practiced.
- **1.1% increase in the dollar-weighted average price** of ferroalloys.
- **8.4% contraction in the COGS** of ferroalloys.
- **3.0% increase in financial results**, totaling R\$27.7 million.
- **BWG loss** of R\$11.3 million.



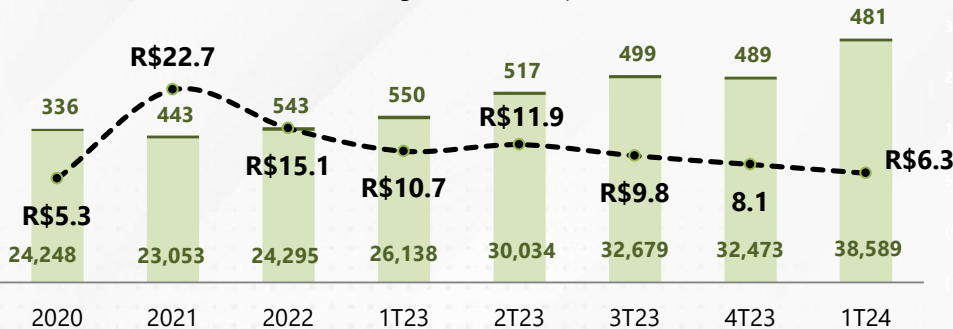
Share liquidity (ADTV) – FESA4

(ref. 03/31/2024)

■ Qtd. de Acionistas - PJ

■ Qtd. de Acionistas - PF

---●--- ADTV da FESA4 (Valor negociado médio por dia) - em R\$ milhões



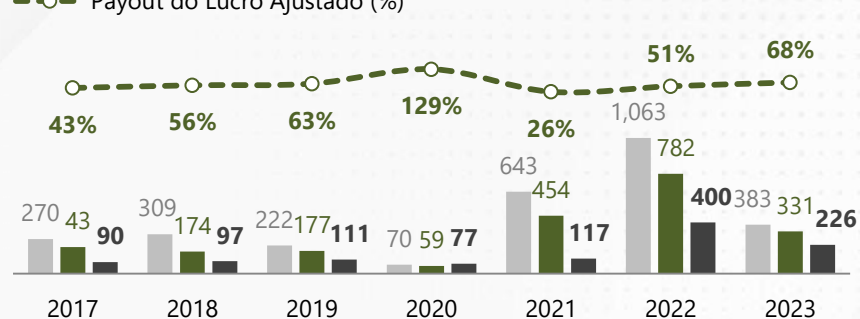
Earnings distributed by year – FESA4

■ Lucro Líquido consolidado (R\$ MM)

■ Lucro Ajustado - base para distribuição (R\$ MM)

■ Total de Proventos (R\$ MM)

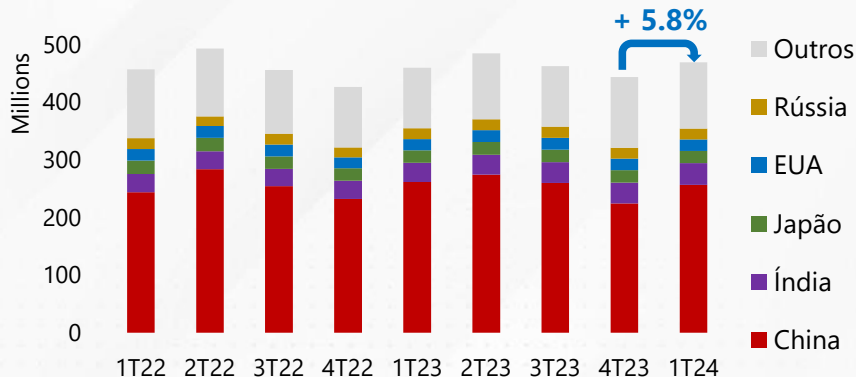
---○--- Payout do Lucro Ajustado (%)



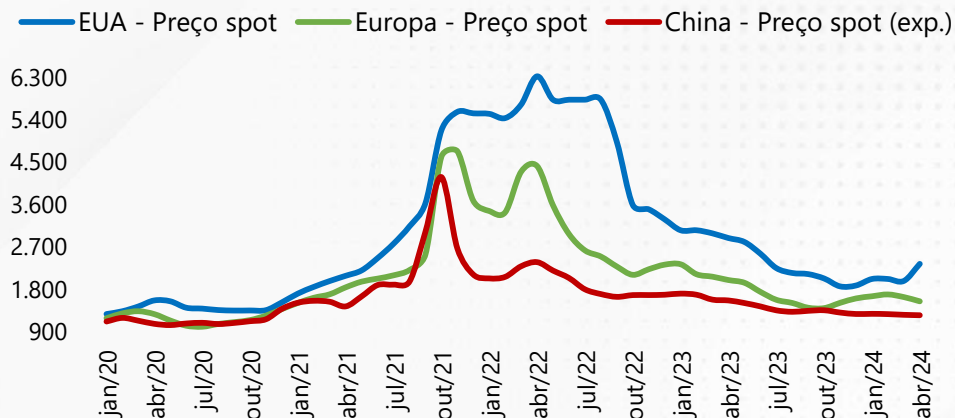
- Since the **Split** operation, in the last week of January/24, the shareholder base **grew 18.5%**, with an **increase of more than 6,000 shareholders by the end of 1Q24**.
- **ADTV reached R\$6.3 million in 1Q24** and **fell 21.4%** in relation to the last quarter of 2023, mainly influenced by reduction in the average FESA4 quotation (- 74.1%), besides the combination of the relevant increase in the average volume of PNs traded (+ 203.2%). Both of them were amplified by the split operation.



World production of crude steel – ton.



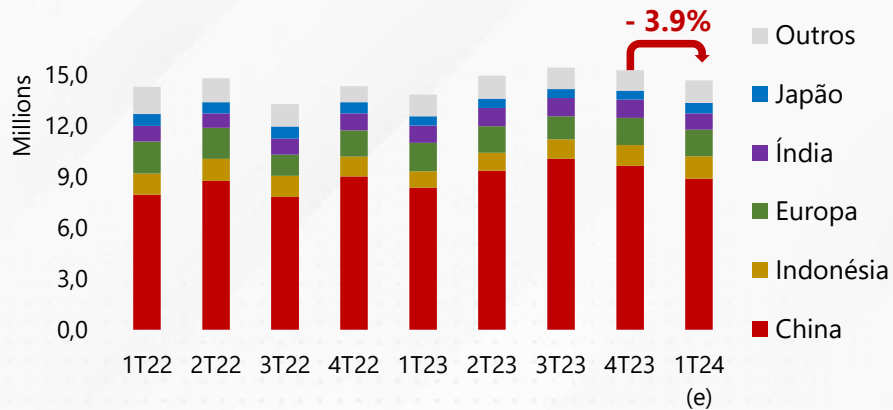
FeSi 75 price evolution (realized) – USD/t



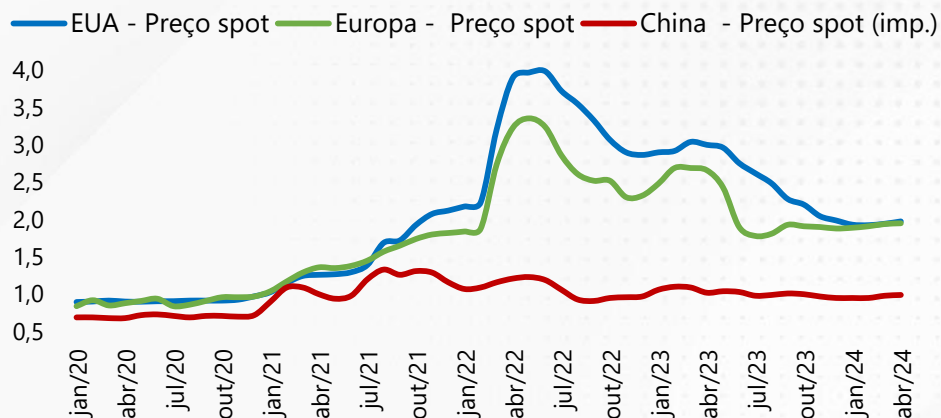
- **According to IABr, in 1Q24 Brazilian crude steel production increased 5.4% compared to 4Q23**, which reflects the slight improvement of 1.1% in apparent consumption, the 11.3% decline in exports and stability (+ 0.7%) on imports. Compared to 1Q23, production in 1Q24 grew 6.2%
- **FeSi 75 prices began to grow again in Europe and the USA**, influenced by the increase in energy tariffs between 4Q23 and 1Q24, in addition to the growth in European demand. **In China**, despite the increase in consumption and the decrease in supply, **prices continued to fall in 1Q24**, still reflecting the oversupply in the last two quarters (3Q23 and 4Q23), in addition to reductions in the price of coke.



Worldwide production of stainless steel – ton.



Evolution of the price of HC FeCr (realized) – USD/lb



- According to estimates from specialized reports, **in 1Q24 Brazilian production of stainless steel grew 2%** compared to 4Q23. Compared to 1Q23, production increased 12.2% in 1Q24.
- **The price of Chinese HC FeCr remained stable between December/23 and February/24** due to the oversupply of this material in the local market, which saw a reduction in demand (- 14.0%) and an increase in supply (+ 1.4%). After the Chinese New Year holiday, **the price of HC FeCr increased again in March/24**, a month in which its consumption increased (+ 24.0%) almost twice its supply (+ 13.8%).



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