

3Q24 RESULTS CONFERENCE

2024

FESA
B3 LISTED N1



Notice



Cia de Ferro Ligas da Bahia – FERBASA (B3: FESA3 and FESA4), the main supplier of ferroalloys in Brazil and the only producer of ferrochrome in the Americas, announces the results of the **financial performance for the third quarter of 2024**, whose quarterly interim information of the individual and consolidated was prepared in accordance with the accounting practices adopted in Brazil, based on the *Lei das Sociedades por Ações* (a Model Business Corporation Act – MBCA-like law), the rules and pronouncements of the *Comissão de Valores Mobiliários – CVM (Securities and Exchange Commission of Brazil)*, and the *Comitê de Pronunciamentos Contábeis - CPC (Accounting Announcements Committee)* and IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB). This document contains forward-looking statements and information about FERBASA, based on assumptions and expectations that may or may not materialize, and are therefore not a guarantee of the Company's future performance. Although FERBASA believes that the assumptions and expectations used are reasonable, we caution investors that such information is and will be, as the case may be, subject to risks and other factors related to the Company's operations and business environments, so that actual results may differ from the projections, express or implied, contained in this material. Thus, FERBASA expressly disclaims the duty to update the statements, prospects and expectations contained in this document.

AGENDA

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



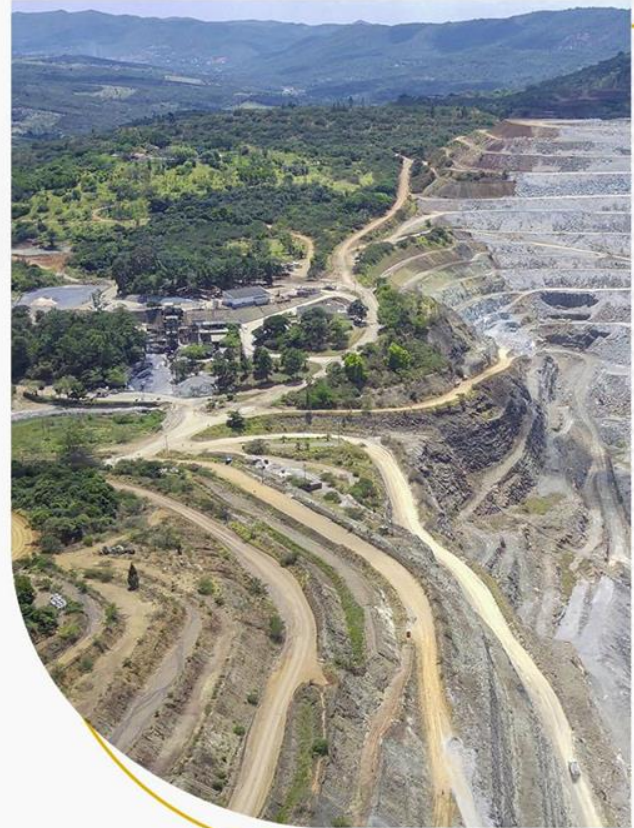
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Institutional Video



Business Units



Coke supply



Mineração de Cromo
Hard Lump/ Concentrado

510,000 t/year

Mineração de Calcário

22,000 t/year

Mineração de Quartzo

100,000 t/year

Produção Florestal
Biorredutor

135,000 t/year

Metalurgia
Ferroligas

342,000 t/year

Corporativo
128 employees

Complexo Eólico

92 Wind Turbines

- ✓ **5.012 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 - 135,000 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 – 73 average MW
PPA (CCEE) until 2036



3Q24 x 2Q24 Highlights



- **Adjusted EBITDA reached R\$ 127.1 million** and grew 27.7%.
- **Consolidated net income reached R\$ 103.6 million and** increased 82.4%.
- **Cash consumption of R\$105.6 million in 9M24.**



- **An increase of 7.7% in sales volume**, with a 26.5% increase in shipments to the domestic market and an 8.6% reduction in exports.
- **Stability (-0.8%) in the average** selling price, in dollars, of ferroalloys.
- **Appreciation of 7.2% in the** average dollar practiced.



- **An increase of 10.2% in the COGS** of ferroalloys, following the growth in sales volume and the increase in the cost of electricity consumed.



- **Growth of 2.1% in the production of ferroalloys**, with an increase of 12.6% in the manufacture of silicon alloys and a decrease of 3.1% in chromium alloys. In the case of HP FeSi, there was an increase of 3.5%.



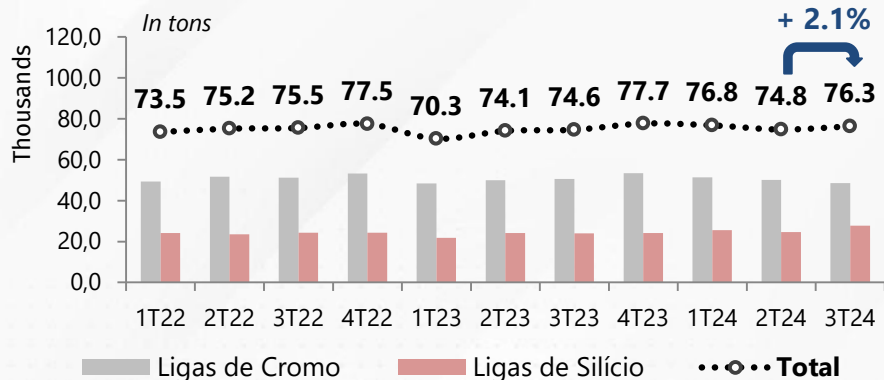
- **An increase of 17.2% in the financial result**, basically coming from the addition of 21.7% in financial revenue.



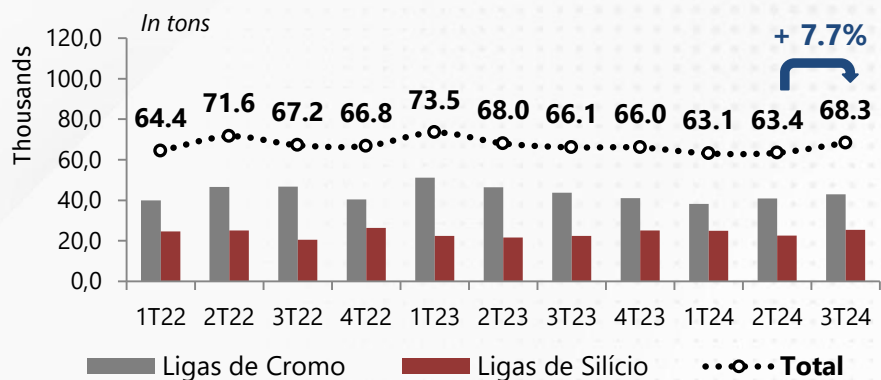
- **CAPEX reached R\$107.4 million** and advanced 49.2%.
- **Distribution of dividends in the amount of R\$18.0 million**, in the form of JCP, in September 2024.



Production of Ferroalloys



Sales of Ferroalloys

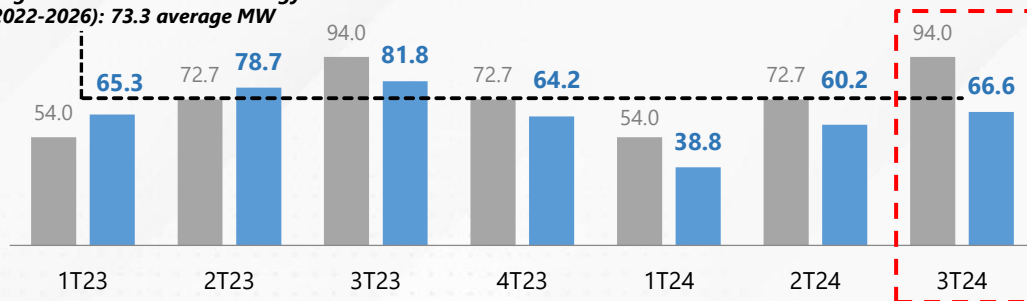


- **Ferroalloy production increased 2.1%** compared to 2Q24, with silicon alloys increasing 12.6% and chromium alloys decreasing 3.1%. **HP FeSi** production grew 3.5% in 3Q24, reaching 38.4% of the total silicon alloys produced.
- **Increase of 7.7% in the sale of ferroalloys in 3Q24**, compared to 2Q24, with the following configuration:
 - An increase of 26.5% in MI** due to increases of 25.6% in sales of chromium alloys and 30.7% in silicon alloys;
 - Reduction of 8.6% in ME** due to the reduction in demand for chromium alloys in China and the intensification of logistics challenges, such as limited ships and containers, in addition to higher freight costs.

Evolution of Contracted Energy x Net Generation

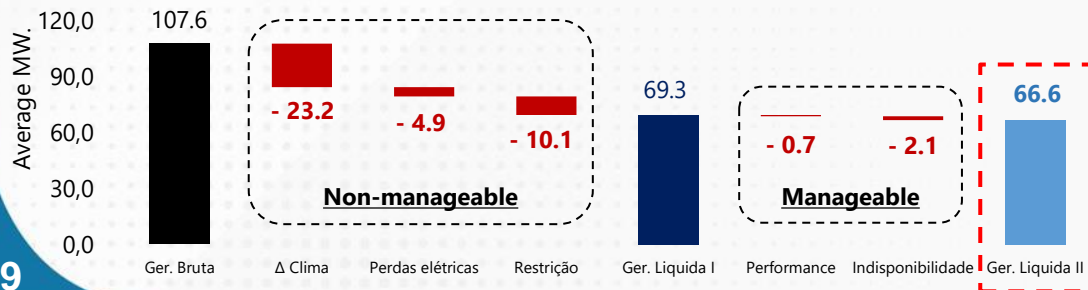
■ Energia Contratada (MW Méd.) ■ Geração de Energia (MW Méd.)

Average annual Contracted Energy
(2022-2026): 73.3 average MW



- In 3Q24, BWG's electricity generation reached **66.6 average MW**, a level 29.2% lower than the 94 average MW contracted for the period.

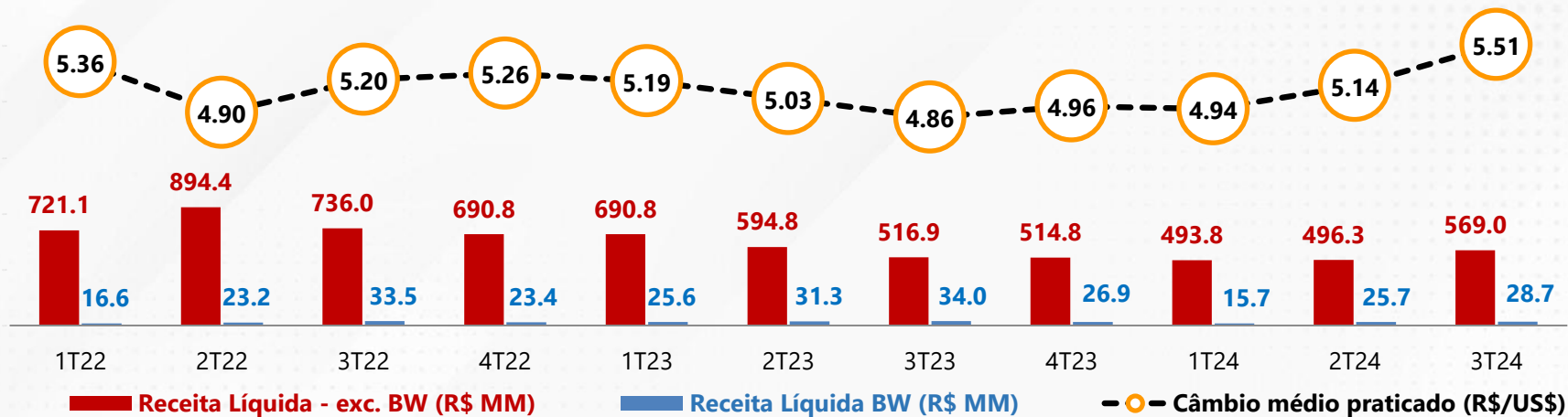
Expected Generation x Realized Generation – 3T24



- The deviations recorded in **non-manageable factors** (-38.2 average MW) were decisive for the energy generation observed in 3Q24, with a negative highlight for the weather.
- The **manageable factors** (-2.8 average MW) were influenced by the performance of the equipment and by damage to wind turbines, blade maintenance and scheduled shutdowns in wind turbines.



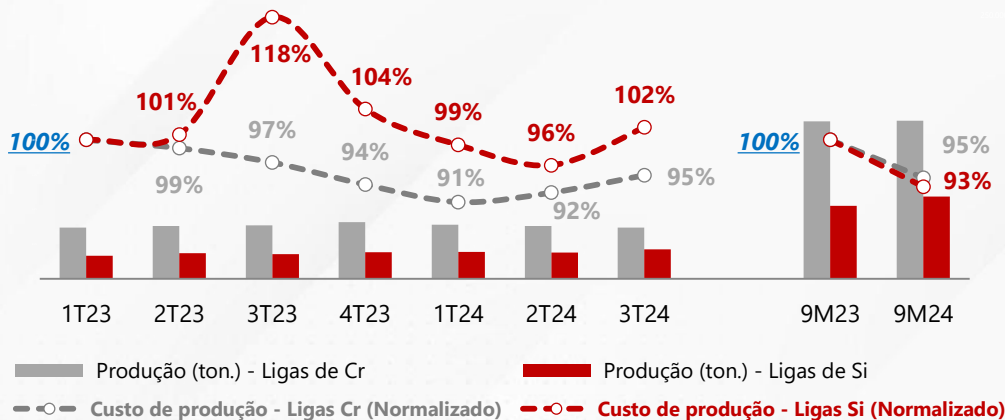
Net Revenue and Exchange Variation



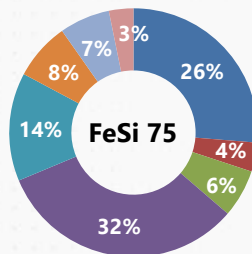
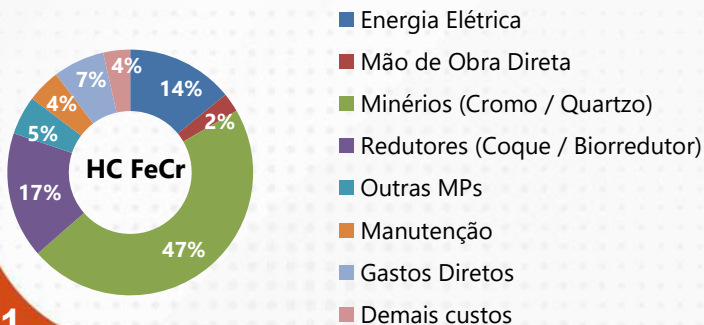
- Consolidated net revenue in 3Q24 totaled R\$ 597.7 million and increased 14.5% compared to 2Q24, as a result of the combination of the **7.7% increase in sales volume**, **7.2% appreciation in the average dollar practiced** and the **stability (-0.8%) in the average selling price** of ferroalloys in dollars.
- In 3Q24, **the Foreign Market (ME) represented 44%** and **the Domestic Market (MI) 56%** of total net revenue.



Evolution of production costs



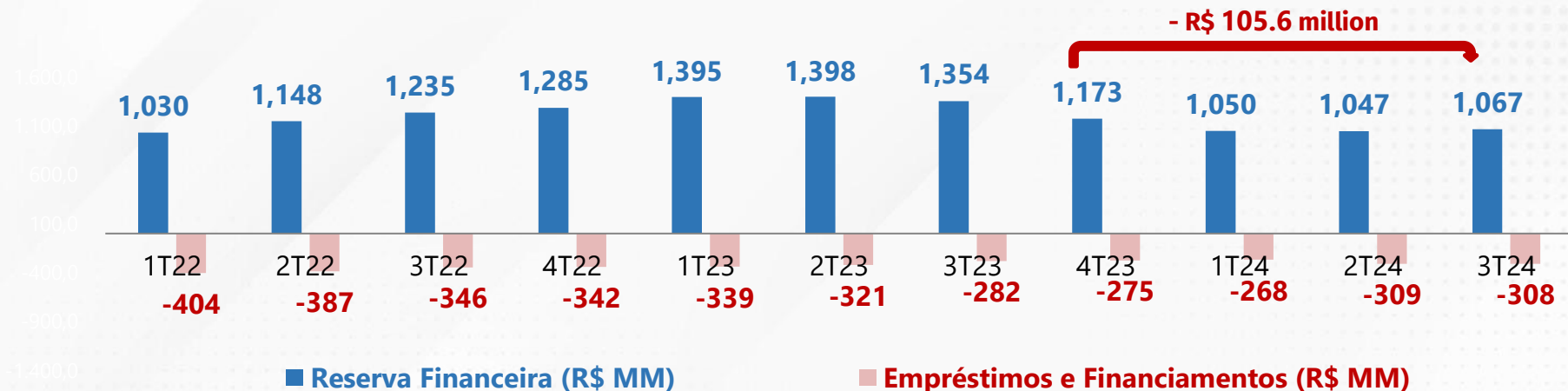
Composition of Production Costs – 9M24



PRODUCTION COST HIGHLIGHTS 9M24 x 9M23

- **Reduction of 10.1% in the COGS of ferroalloys**, justified by the reduction of 6.2% in sales volume, in addition to reflecting lower production costs with electricity and coke.
- **A drop of 20.9% in the cost of electricity consumed**, basically as a result of reductions of 25.0% in the average contracted tariff and 14.1% in sectoral charges.
- **HC FeCr: reduction in energy and coke costs**, the latter due to the decline in the price of coal.
- **LC FeCr: reduction in energy expenditures and reducer, FeSi Cr**, produced internally and directly benefited by the reduction of the cost with HC FeCr.
- **FeSi 75: retraction in expenses with electricity and electronic pulp**, in addition to the dilution of fixed costs as a result of the increase in production.

Financial Reserve and Indebtedness



HIGHLIGHTS OF CASH CONSUMPTION OF R\$105.6 MILLION IN 9M24:

- ✓ **Operating income** of R\$ 141.4 million;
- ✓ **Earnings distribution** in the amount of R\$ 35.6 million;
- ✓ **Amortization of loans and financing** in the amount of R\$ 62.4 million;
- ✓ Realization of R\$ 221.4 million in **CAPEX** and R\$ 37.8 in acquisition of **equity interest**;
- ✓ **Raising of financial resources** via advance of exchange contract (ACC) in the amount of R\$ 94.3 million.

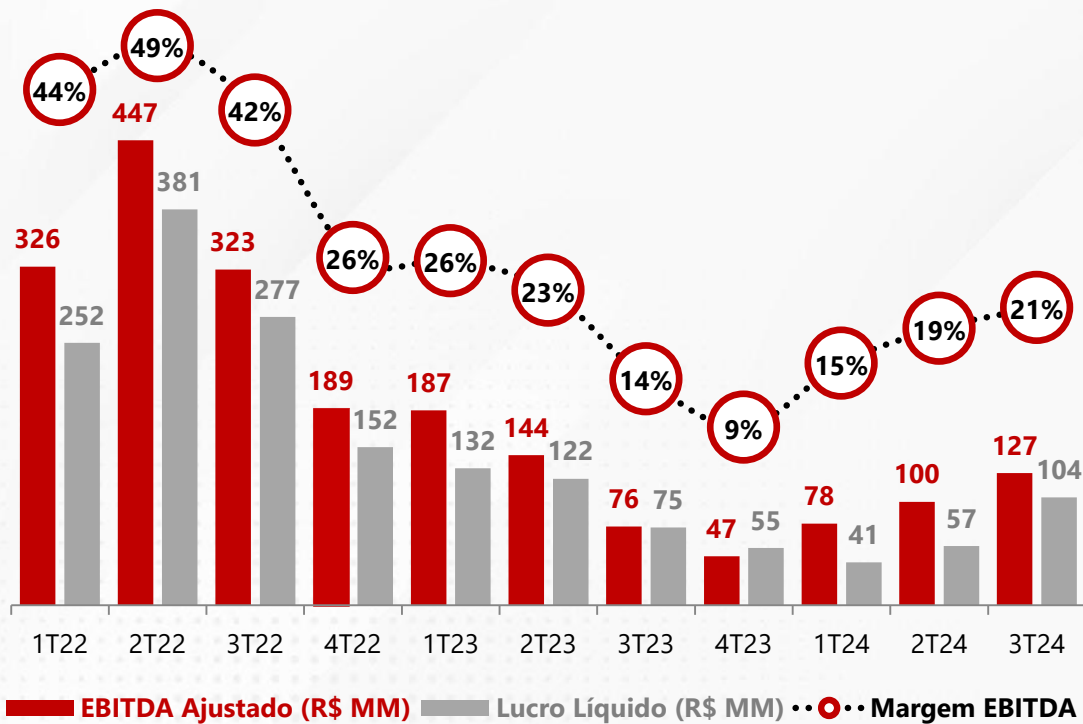


Financial result (R\$ millions)	3Q24	2Q24	Δ%	3Q23	Δ%	9M24	9M23	Δ%
Financial performance								
Financial income	38.1	31.3	21.7%	45.0	-15.3%	104.2	129.1	-19.3%
Financial expense	(15.1)	(12.6)	19.8%	(11.8)	28.0%	(37.2)	(40.0)	-7.0%
Net exchange rate variation	2.2	2.8	-21.4%	3.0	-26.7%	7.4	(0.1)	-
Total	25.2	21.5	17.2%	36.2	-30.4%	74.4	89.0	-16.4%

HIGHLIGHTS OF THE FINANCIAL RESULTS – 3Q24

- **Financial revenue of R\$38.1 million** grew 21.7% compared to 2Q24, due to the income from financial investments and the monetary adjustment of tax credits.
- **Financial expenses of R\$15.1 million** increased 19.8% compared to 2Q24, due to the raising of financial resources via advances on foreign exchange contracts (ACC).
- **The positive net exchange variation of R\$ 2.2 million** in 3Q24, impacted by the fluctuation of the exchange rate in the period.
- Between **9M24** and **9M23**, there was a **reduction of 16.4%** in the financial result.

Profit and adjusted EBITDA - consolidated



PROFIT HIGHLIGHTS 3Q24 x 2Q24

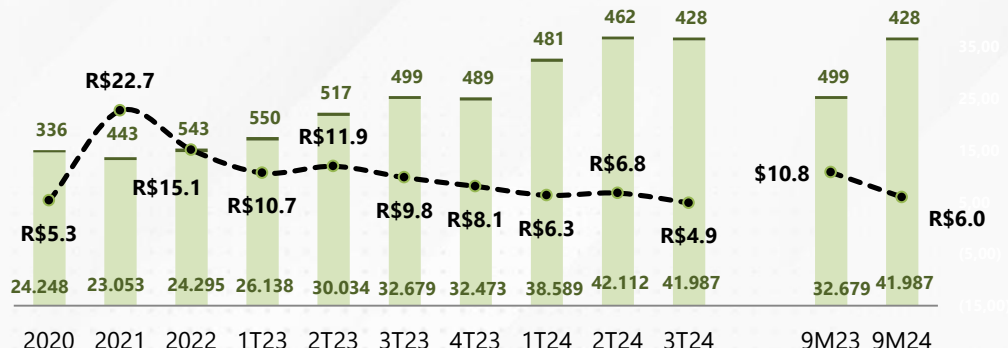
- **Growth of 7.7% in ferroalloys sales volume.**
- **Appreciation of 7.2% in the average dollar practiced.**
- **Maintenance (-0.8%) in the average selling price, in dollars, of ferroalloys.**
- **Increase of 10.2% in the COGS of ferroalloys.**
- **An increase of 17.2% in the financial result.**



Share liquidity (ADTV) – FESA4

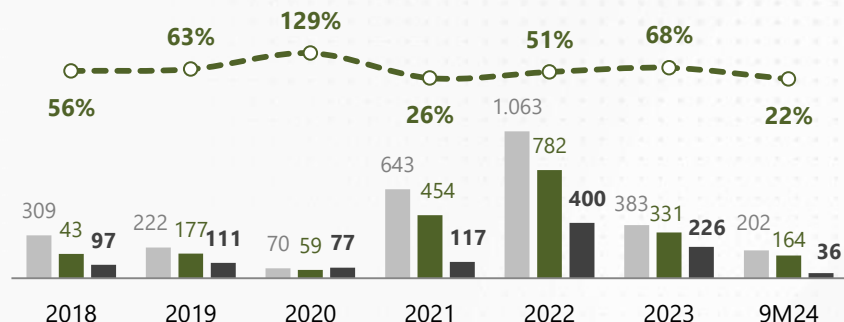
(ref. 09/30/2024)

■ Qtd. de Acionistas - PJ
■ Qtd. de Acionistas - PF
- - - ADTV da FESA4 (Valor negociado médio por dia) - em R\$ milhões



Earnings distributed per fiscal year– FESA4

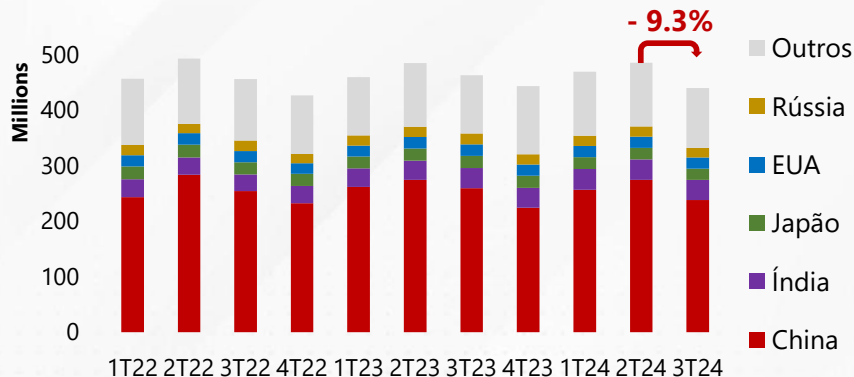
■ Lucro Líquido consolidado (R\$ MM)
■ Lucro Ajustado - base para distribuição (R\$ MM)
■ Total de Proventos (R\$ MM)
- - - Payout do Lucro Ajustado (%)



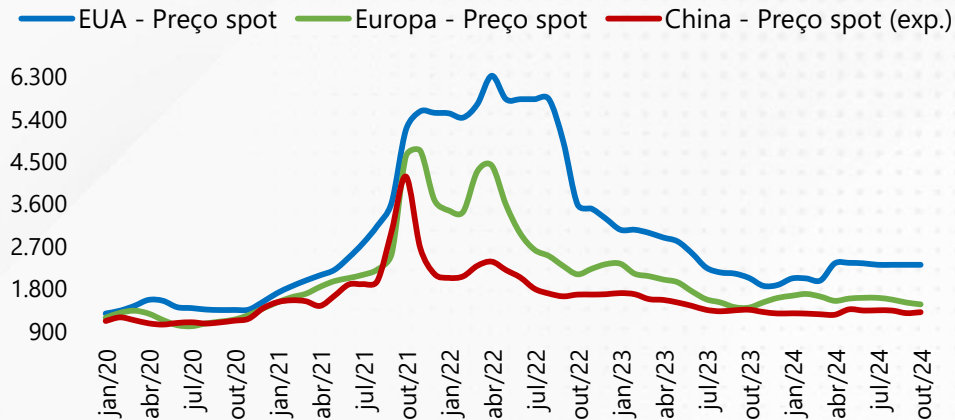
- **ADTV reached R\$6.0 million in 9M24 and decreased 44.6%** compared to the same period in 2023 due to the 27.5% retraction in the average price of FESA4, which exceeded the effect of growth in the average volume of Preferred Shares traded.
- Until **September/24**, FERBASA paid **R\$ 35.5 million in dividends** in the form of JCP, reaching a **payout of 22%** in relation to the **adjusted profit of 9M24**.



World production of crude steel – ton.



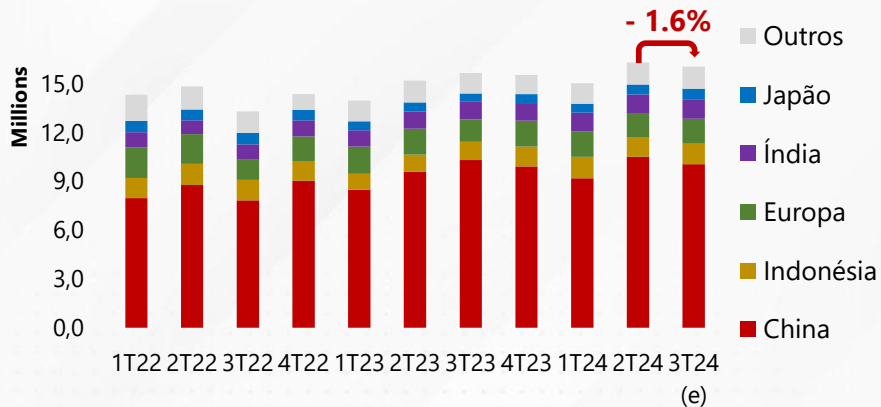
FeSi 75 price evolution (realized) – USD/t



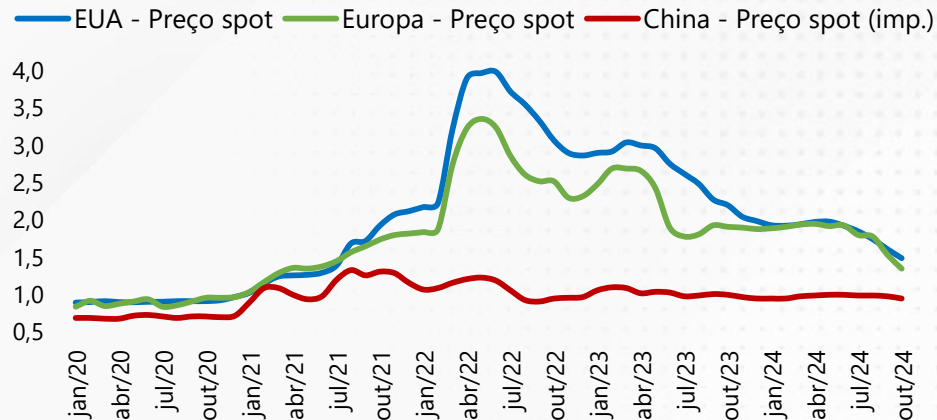
- **According to IABr, in 3Q24 Brazilian crude steel production grew 9.4% compared to 2Q24**, driven by the good momentum of domestic consumption and exports, which grew 8.8% and 43.3%, respectively. In 9M24, production grew 4.4% compared to 9M23, stimulated by the increase in demand (+8.4%) and contained by the combination of more imports (+24.0%) and fewer exports (-13.1%);
- **Local FeSi 75 prices decreased in the three main markets between 2Q24 and 3Q24** due to lower crude steel production in Europe and China. In the US, the price of FeSi has been gradually reducing since its peak in May/24, reached due to the start of the antidumping investigation. **The export price of the Chinese FeSi was stable (+0.5%)** due to the appreciation of the dollar.



Worldwide production of stainless steel – ton.



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



- According to estimates from specialized reports, **in 3Q24 the Brazilian production of stainless steels remained constant (-0.1%)** compared to 2Q24. In relation to the first nine months of this year, production fell 4.3% compared to 9M23.
- **The price of Chinese HC FeCr decreased again between 2Q24 and 3Q24**, influenced by the reduction in local demand for chromium alloys, in a market that was already oversupplied. In addition, **in 3Q24, the average price of UG2 was stable (-0.4%) compared to 2Q24**, having started the quarter at USD 320 /t and ended at USD 270 /t – the lowest level since January 2023.

Strategic Projects



Competitive Energy



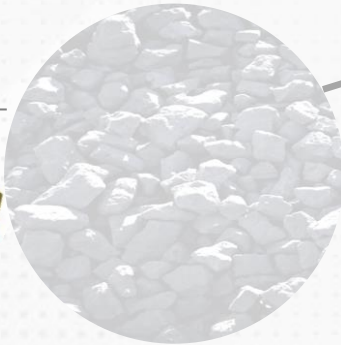
Production of ferroalloys



**Bioreducer
Supply**



Coke



Ferbasa

Quicklime



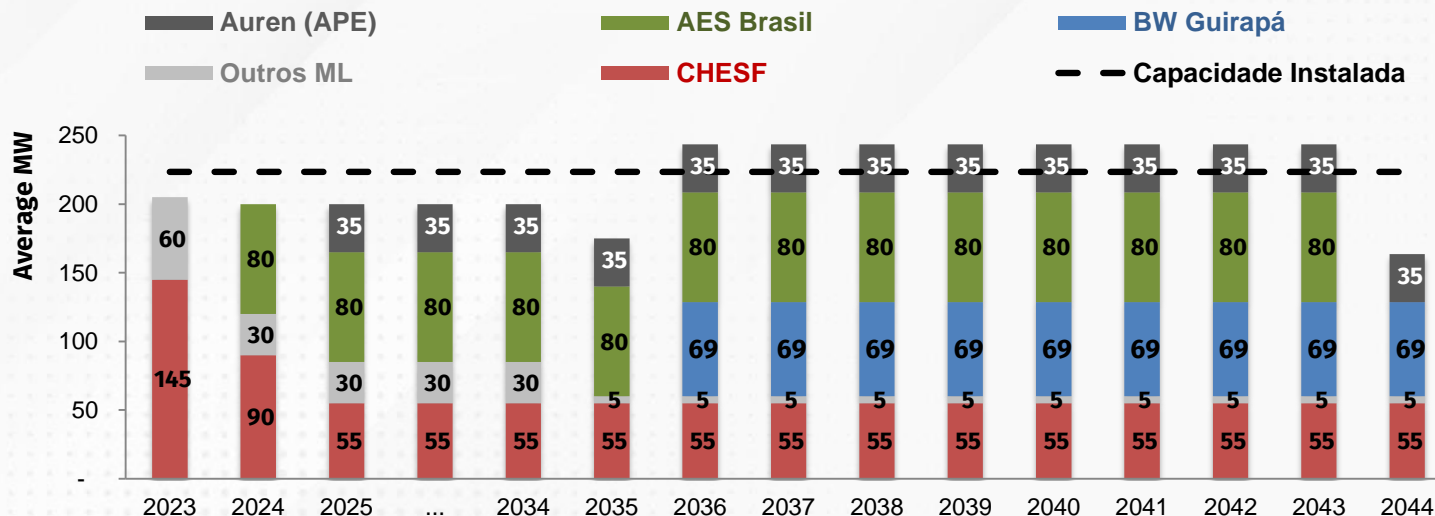
Chromium Ore





Competitive Energy

FERBASA has, among its Strategic Projects, the **COMPETITIVE ENERGY** Project, which aims to implement projects that ensure the supply of electricity at competitive prices.





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