Ferbasa

2024 MANAGEMENT Report

FESA
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Index

1. MESSAGE FROM MANAGEMENT

The year 2024 was significantly affected by the effects resulting from the intensification of current geopolitical conflicts, the consequent chain bottleneck in the logistics flow, the threats of protectionist trade sanctions between several countries, the uncertainties related to the European situation, and China's advances. At the same time, the context of 2024 was characterized by inflationary and exchange rate impacts, and higher interest rates, among others.

Notwithstanding this unfavorable scenario for investment and consumption decisions, and the maintenance of economic activity levels, in the global environment, the steel segment presented some stability in steel production, although on the one hand it was faced with the significant impact of the production sold by China, and on the other hand with the consequences reflected by the antidumping processes implemented by the United States of America involving Russia, Malaysia, Kazakhstan and Brazil. Obviously, such factors ended up interfering with the Company's trading pace.

All this conjuncture crossed by the world market implied in the reduction in the prices of silicon and chromium ferroalloys, in addition to having caused difficulties in the flow of sales and increase in export costs, as an effect of logistical obstacles and ongoing protectionist actions.

In Brazil, the growth in steel imports continued to exert intense pressure on the national steel sector, despite the relatively favorable domestic demand and protective actions put in place by the Federal Government. Similarly, the reduction in sales flow to the American market has posed challenges on inventory management, cash flows, and the development of new commercial alternatives, especially as it relates to the European market.

In the midst of this very adverse scenario, the Company, guided by the Board of Directors and its Executive Board, continued to work diligently in prioritizing initiatives aimed at the safety and development of people, focus on generating sustainable results, increasing competitiveness, optimizing productivity, process innovations, the evolution of risk management and mitigation of environmental impacts, ennoblement of the product portfolio, with emphasis on cost control measures, as well as austere cash management. Likewise, it also ensured the continuity of its strategic projects, in particular, the advancement of the definitions for the future construction of a new HC FeCr plant and 46 furnaces for the production of bioreducer, and the commissioning of the new Lime plant in 2024, among others.

30 YEARS OF SILBASA

In 2024, an important milestone referred to the celebration of the 30th anniversary of SILBASA – a joint venture signed with the Japanese companies Marubeni Corporation and Japan Metals & Chemicals for the production and marketing of high-purity ferrosilicon (FeSi HP). A relevant fact in the history of FERBASA, the solid partnership goes beyond the limits of commercial relations and materializes the connection between Brazilian and Japanese cultures, showing that the alliance signed in 1994 is strengthened by the intersection of the values of the organizations.

50 YEARS OF FOUNDATION

FERBASA is on the eve of its 65th anniversary, at the same time that the JOSÉ CARVALHO FOUNDATION celebrates its first cycle of 50 years of existence. This small age difference between the two sister entities draws our attention to the short time that a rich young man, but poor in banal ambitions, needed to start the construction of his second and grandiose enterprise, a new path paved by his committed, understanding and committed look at people's destinies.

In 2025, the FOUNDATION reaches its fiftieth anniversary with a curriculum copiously illustrated by thousands of lives, whose perspectives have gained a broader and more truthful meaning, due to the projects designed to offer quality education to the economically disadvantaged clientele. And it is based on this legacy that FERBASA will continue, in 2025, its civic trajectory inspired by the life and work of its founder, José Carvalho, maintaining its purpose of generating wealth shared with society, continuing the initiatives that aim to promote significant and definitive changes in the reality of the communities located around its operational units. For this reason, in 2024, through its social responsibility program ***Ferbasa Is Here***, more than R$ 17 million were invested in a set of actions, for the benefit of more than 100 thousand people from 24 municipalities.

In turn, the FOUNDATION, the majority shareholder of FERBASA and which annually applies the dividends received exclusively in the provision of free and quality EDUCATION to about 4 thousand children and young people from the Brazilian state of Bahia, will continue in its sublime mission of multiplying the relevance of its educational projects, and of working exhaustively to ensure the fullness of its objectives, by the certainty that only EDUCATION can lead to something really valuable.

2. CORPORATE PROFILE

With a solid track record of 64 years, **FERBASA** is the national leader in the production of ferroalloys and the only integrated producer of ferrochrome in the Americas. The Company is traditionally among the largest companies in Bahia and, in 2024, it remained among the 10 largest industries in the state, according to the annual ranking of Valor 1,000. With the integrated and verticalized production cycle in the areas of Metallurgy, Mining, Forest Resources and Renewable Energy, its performance is supported by a solid Integrated Management System, certified in accordance with ISO 9001, ISO 14001 and ISO 45001 standards.

The Company's portfolio, which serves the domestic market and countries such as Japan, China, the United States and the European Union, is composed of the alloys of High Carbon Ferrochrome (HC FeCr), Low Carbon Ferrochrome (LC FeCr), Ferrosilicon (FeSi 75), High Purity Ferrosilicon 75 (HP FeSi 75) and Ferrosilicon Chromium (FeSiCr), mainly intended for the steel sector and the manufacture of stainless and special steels.

The Mining segment has two chrome ore extraction units (one underground and one open-pit), two quartz mines and a plant dedicated to the production of quicklime, located in the Center-North and Northeast regions of the state of Bahia. The production of ores is directed, almost entirely, to its metallurgical unit, located in Pojuca/BA, where ferroalloys are produced in 14 electric furnaces equipped with baghouse filters designed to neutralize the release of particulate matter into the atmosphere. The Forest area consists of 64 thousand hectares (around 158 thousand acres), of which 25 thousand (around 61 thousand acres) are planted with renewable eucalyptus forests. The remaining extension of the forest asset encompasses legal reserve areas, firebreaks, native forests, Private Natural Heritage Reserve (in Portuguese RPPN stands for *Reserva Particular do Patrimômio Natural*), among other characterizations.

Guided by the sustainability and verticalization of the business, the Company's strategy was strengthened with the incorporation of the BW Guirapá Wind Complex, located in the municipalities of Caetité and Pindaí/BA. The 07 wind farms will have their clean and renewable energy available to be part of **FERBASA**'s supply mix from 2036, either for their own consumption or for the commercialization of the energy generated.

Located in Salvador/BA, a corporate office centralizes the services of all the group's operational units.

3. CORPORATE GOVERNANCE

A publicly traded company listed on B3 as Level 1 of Corporate Governance, **FERBASA** is based on solid foundations of integrity, equity and independence, based on its strong organizational culture, in addition to being in line with the best governance practices. The structured management guided by clear and non-negotiable definitions of the responsibilities of the Board of Directors and its Advisory Committees, the Fiscal Council and the Executive Board reiterates its unequivocal commitment to valuing life, the continuity of the business and the offer of high-quality products, respecting the environment and the human principles bequeathed by its Founder. In the same direction, the sustainability tripod is conducted through a system formed by rules, structures and processes that are periodically reviewed and establish comprehensive guidelines for all Units, with a view to generating value and the performance of governance agents and other individuals in the search for balance between all interested parties.

4. MARKET ENVIRONMENT

<u>**CRUDE STEEL**</u>: according to data from the *World Steel Association* (WSA), in 2024 the world production of crude steel, a relevant driver of ferrosilicon consumption, fell 0.8% compared to 2023, totaling 1,897.9 Mt. China was responsible for 53% of the total produced in this period (1,005.1 Mt). Among the world's largest producers, the best performers came from Turkey (+9.4%), India (+6.3%), Brazil (+5.3%) and Germany (+5.2%). The worst were recorded in Iran (+0.8%), China (-1.7%), the USA (-2.4%), Japan (-3.4%), South Korea (-4.7%) and Russia (-7.0%).

South America produced 41.9 Mt in 2024, remaining stable compared to 2023. Of this total, 33.7 Mt came from Brazil. According to statistics from the Brazil Steel Institute (in Portuguese **IABr** stands for *Instituto Aço Brasil*), the national production of crude steel was stimulated by the good level of domestic demand, despite the still growing level of imports. Between 2023 and 2024, the national apparent consumption grew 8.3%, with imports standing out, which jumped 18.2%.

<u>**FeSi**</u>: in China, which accounts for about 70% of the world's supply of silicon alloys, 5.6 Mt were produced in 2024, which represents stability (+0.9%) compared to 2023, according to specialized reports. In the period, there was also a slight drop in global demand for Chinese FeSi, mainly due to the lower domestic production of crude steel (-1.7%), which fell for the

fourth consecutive year. In October 2024, the crude steel production and the monthly price of the Chinese FeSi grew for the last time in the year. This movement catalyzed the production of silicon alloys, which, in November/24, grew for the third consecutive month and reached its highest level in 22 months, putting downward pressure on the price of Chinese FeSi.

In Europe and the US, the average price of FeSi, in U.S. dollars, decreased by 10.8% and 6.0%, respectively, between 3Q24 and 4Q24. In the case of China, both the export price and the domestic market fell 2.9% in the period.

STAINLESS STEELS: specialized reports indicate that the world production of stainless steels, a reference for FeCr consumption, totaled 63.7 Mt in 2024, an increase of about 6% compared to 2023. Of this amount, China accounted for 41.1 Mt (63% of the 2024 total), which means an increase of 7.5% compared to 2023. In Brazil, the expectation is for a drop of 24% (285 thousand tons). In the same period, Europe and the US recorded respective increases of 1.7% and 6.0% compared to 2023, with estimated volumes of 6.3 Mt and 2.0 Mt.

FeCr: the worldwide production of HC FeCr, which tends to remain in line with the volumes of stainless steel manufactured, totaled
17,4 Mt in 2024, an increase of 12.3% compared to 2023, according to estimates by specialized publications. China accounted for 9.0 Mt (52% of the total in 2024), jumping 24.6% compared to 2023. For the first time, the country's quarterly production remained above 2 Mt, reaching its record in 2Q24. By analyzing the HC FeCr and stainless-steel data together, it is evident that the last two years have been marked by the growth of the consumption of chromium alloys, especially in China. Even with this upward pressure from demand, the price of the alloy has shown a predominant downward trend due to the excess in the world supply of HC FeCr. This scenario was exacerbated in 2024, when the supply of this alloy in the Chinese domestic market (production + imports) grew by 15.8% - more than twice the 7.5% increase in the country's consumption. With this oversupply of FeCr, its price in 4Q24 registered the largest quarterly reduction since 3Q22, giving up 9.0% compared to 3Q24, which reflects the cooling of the Chinese stainless-steel industry.

Chromium ore, which accounts for about 50% of FeCr's production cost and is therefore an important support in the price of alloys, also showed corrections during 4Q24, when South African producers reduced ore prices in response to announcements of a reduction in the purchase price of FeCr by Chinese steel mills. As a reference, although UG2 (popular grade of chrome ore from South Africa) recorded monthly average price levels above USD 250/t until November/24 and ended the year with a price of USD 200/t.

The prices charged by **FERBASA** are based on a "basket" of international prices, including those charged by the European, American and mainly Asian markets.

5. HIGHLIGHTS OF CONSOLIDATED RESULTS

The table below shows the main figures of the last quarterly calculation and the cumulative result for the year.

Highlights (R$ million)	4Q24	3Q24	Δ %	4T23	Δ %	2024	2023	Δ %
Average dollar practiced	5.73	5.51	*4.0%*	4.96	*15.5%*	5.36	5.02	*6.8%*
Net revenue	607.5	597.7	*1.6%*	541.7	*12.1%*	2,236.7	2,435.1	*-8.1%*
Cost of goods sold	526.6	498.7	*5.6%*	467.6	*12.6%*	1,840.1	1,901.2	*-3.2%*
Cost over revenue	*86.7%*	*83.4%*		*86.3%*		*82.3%*	*78.1%*	
Adjusted EBITDA	47,0	127.1	*-63,0%*	47.0	*0.0%*	352.0	454.4	*-22.5%*
EBITDA Margin	*7.7%*	*21.3%*		*8.7%*		*15.7%*	*18.7%*	
Net Profit	126.3	103.6	*21.9%*	55.0	*129.6%*	327.8	382.9	*-14.4%*
Profit margin	*20.8%*	*17.3%*		*10.2%*		*14.7%*	*15.7%*	

PRODUCTION - In 4Q24, 73.4 thousand tons of ferroalloys were produced, a reduction of 3.8% compared to 3Q24, due to the 6.2% growth in chromium alloys and the 21.3% decrease in silicon alloys. Also, between 3Q24 and 4Q24, FeSi HP production decreased 23.1% and reached a share of 37.5% of the total silicon alloys. In 2024, we recorded an increase of 1.5% compared to the previous year.

SALES VOLUME - 73.8 thousand tons of ferroalloys were sold in the fourth quarter of 2024. The increase of 8.0% compared to 3Q24 derives from the conjunction between the 25.4% increase in sales to the foreign market and the 6.4% reduction to the domestic market. In 2024, the total transacted fell 1.8% compared to 2023, with the 8.3% retraction in sales in Brazil, partially offset by the 5.3% expansion in exports.

NET REVENUE - In 4Q24, net revenue totaled R$607.5 million. The increase of 1.6% compared to 3Q24 was driven by factors such as the increase of 8.0% in sales volume and 4.0% in the average dollar practiced, combined with the drop of 8.4% in the average price in dollars of the alloys. In the comparison between 2024 and 2023, net revenue fell 8.1%, due to the reduction in revenues from the domestic and foreign markets.

COST OF GOODS SOLD - Consolidated COGS reached R$526.6 million in 4Q24 and grew 5.6% compared to 3Q24, largely reflecting the 5.3% increase in ferroalloys' COGS due to the 8.0% increase in sales volume, as well as the increase in costs related to the depletion of the fair value of the biological asset, expenses with idle capacity, furnace maintenance and inventory adjustments.

SELLING AND GENERAL/ADMINISTRATIVE EXPENSES - Selling expenses in 2024 totaled R$21.5 million and increased 10.8% compared to 2023, while general/administrative expenses totaled R$218.2 million and registered a slight increase of 3.9% compared to the same period of the previous year.

OTHER OPERATING INCOME/EXPENSES - In 2024, operating expenses totaled R$59.5 million, 17.9% lower than in 2023, with emphasis on tax credits earned in the amount of R$20.5 million in 2024.

ADJUSTED EBITDA - Operating cash generation, measured by Adjusted EBITDA, reached R$ 47.0 million in 4Q24, with an EBITDA margin of 7.7% and a decrease of 63.0% compared to 3Q24. In 2024, Adjusted EBITDA reached R$ 352.0 million and a margin of 15.7%, a result 22.5% lower than that achieved in 2023.

CASH GENERATION/CONSUMPTION - The consumption of cash, cash equivalents and financial investments totaled R$39.0 million in 2024, ending the period with a consolidated financial reserve of R$1.134 billion. Deducting the consolidated debt of R$423.7 million, the net cash position was R$709.9 million in 4Q24 compared to R$897.6 million at the end of 4Q23.

FINANCIAL RESULT - The consolidated financial result of R$ 73.5 million in 4Q24 was 191.7% higher than in 3Q24, basically due to the monetary adjustment of the recovery of tax credits, which totaled R$ 56.8 million in 4Q24. In the comparison between 2024 and 2023, there was an increase of 27.6% also due to the monetary adjustment of recovered tax credits, which added R$63.7 million in 2024 and offset the drop in the yield on financial investments, due to higher cash consumption and the reduction in the average interest rate in the period.

CAPEX - In 2024, R$ 288.7 million were invested, an amount 8,0% lower than in 2023, with emphasis on the acquisition of machinery and equipment for the most part of the Metallurgy and Mining units, as well as for the maintenance of the biological assets in the Forest Resources area. Also noteworthy is the investment of R$ 37.8 million made in equity interest with an electricity generating company, and R$ 35.9 million for the acquisition of land by Bahia Minas Bioenergia and R$11.0 million made in equity interest with an Coligada Bahia Minas Bioenergia.

NET INCOME - Consolidated net income reached R$ 327.8 million in 2024, a decrease of 14.4% compared to 2023. In 4Q24, we recorded an increase of 21,9% compared to the previous quarter.

6. OPERATING RESULTS

6.1 Production of ferroalloys

In 4Q24, 73.4 thousand tons of ferroalloys were produced. The 3.8% reduction compared to the previous quarter reflects the combination of the 6.2% increase in the production of chromium alloys and the 21.3% reduction in silicon. In the same direction, FeSi HP retracted 23.1% compared to 3Q24 and reached a share of 37.5% of the total silicon alloys.

The slight growth of 1.5% in the production of ferroalloys, in the comparison between 2024 and 2023, is the result of the increase of 6.0% in silicon alloys and the stability (-0.5%) in chromium alloys. On the other hand, FeSi HP recorded a reduction of 8.4%.

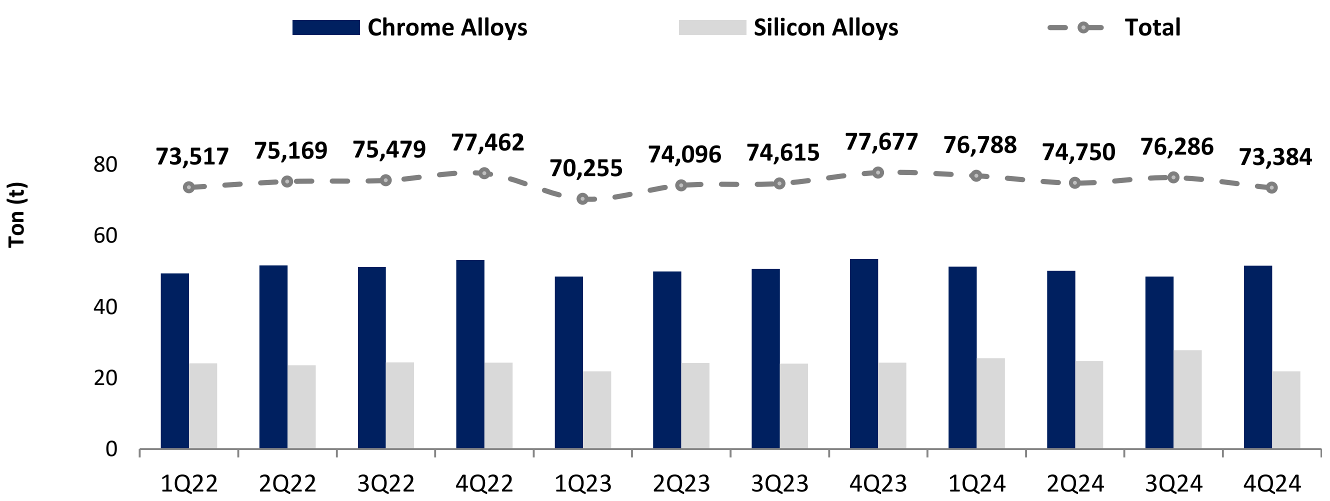
It is important to note that a portion of the ferroalloys manufactured is consumed internally, as an input in the other production chains.

Production (tonnes)	4Q24	3Q24	Δ %	4Q23	A%	2024	2023	Δ %
Chromium Alloys	51,513	48,495	*6.2%*	53,456	*-3.6%*	201,372	202,481	*-0.5%*
Silicon Alloys	21,871	27,791	*-21.3%*	24,221	*-9.7%*	99,836	94,162	*6.0%*
Total	**73,384**	**76,286**	***-3.8%***	77,677	*-5.5%*	**301,208**	**296,643**	***1.5%***
Installed capacity utilisation (MWh) %	***76.7%***	***85.2%***		*81.6%*		***82.3%***	***79.7%***	

The installed capacity, measured based on the amount of electricity that can be consumed 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 product mix that enables the operation of the furnaces at maximum power. The use of installed capacity, in turn, may be affected by (i) furnace shutdown or power reduction for maintenance, renovation or operational intervention; (ii) production of alloys that require power reduction; and (iii) commercialization of part of the energy contracted in the Free Market.

In 4Q24, **FERBASA** used 76.7% of the installed capacity of Metallurgy, a reduction of 8.5 p.p. compared to 3Q24, due to the management's decision to shut down 3 furnaces for a period of 2 months, with the timely commercialization of unconsumed energy, at a time of occasional price increases, in addition to the readjustment of inventory levels, which remained at higher levels because of commercial difficulties faced throughout the year in the domestic market and in international logistics. As a result of the furnace shutdown, maintenance was carried out in anticipation of future shutdowns scheduled for 2025.

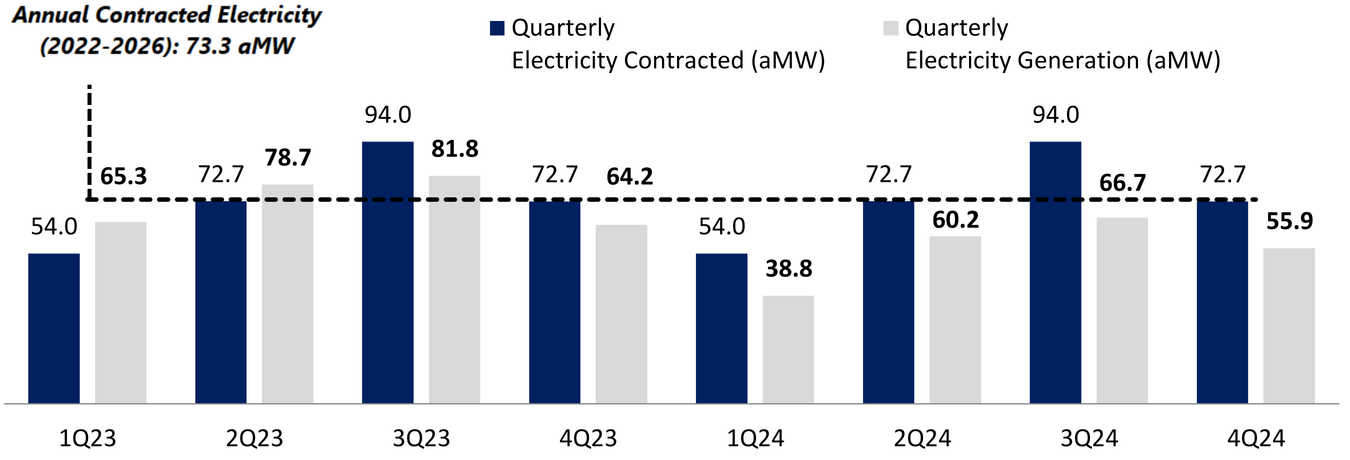
In the comparative analysis between 2024 and 2023, there was an increase of 2.6 p.p. in the utilization of installed capacity caused by the increase in the total volume of production, which included the absence of production restriction during peak hours (6 pm to 9 pm) throughout 2024, and the increase in the participation of silicon alloys, which are more electro-intensive.



4.2 Electric Power Generation - BW Guirapá

In 2024, net energy generation in BW Guirapá's parks reached 55.4 average MW, a volume 23.5% lower than in 2023 and 24.4% below the 73.3 average MW contracted for the year with the Electric Energy Trading Chamber – CCEE (in Portuguese it stands for *Câmara de Comercialização de Energia Elétrica*). Wind speed, the main factor influencing the performance of the wind complex, struck off 15.0 average MW of annual generation. Another factor of great relevance was the level of restrictions imposed by the National Electric System Operator – ONS (in Portuguese it stands for *Operador Nacional do Sistema Elétrico*), which frustrated BW Guirapá's annual energy generation by 6.5 average MW.

Net power generation at BW Guirapá's wind farms in 4Q24 was 55.9 average MW, 13.0% lower than in 3Q24 and 23.2% below the 72.7 average MW contracted for the quarter. The climatic effect was the main motivator, being responsible for the suppression of 13.3 average MW of the expected gross generation, a consequence of changes in the winds caused by atmospheric rivers and the frequent action of transient systems (cold fronts, troughs and cyclones) across the Atlantic Ocean.



In summary, the main factors that influence BW Guirapá's energy generation are (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 for energy); (ii) performance of wind turbines, measured by the association between actual and expected generation, as a function of the theoretical power curve of the turbine; (iii) climatic conditions of the atmosphere that are reflected in the quality of the winds (speed and density), a determining factor for the level of energy generation; (iv) systemic restrictions imposed by the National Electric System Operator - ONS; and (v) internal and external electrical losses.

The difference between the expected gross generation (best expectation) of 83.1 average MW for 4Q24 and the actual net generation of 55.9 average MW can be explained as follows:

4Q24 - Manageable factors (-3.3 average MW):

- Realized availability of 97.8%, which caused a decrease of **1.4 MW** average in energy generation, a result mainly related to damage to wind turbines, especially generators and gearboxes.
- Average performance of 97.0%, which implied a decrease of **1.9 average MW** , as a result of the calibration of the equipment that guides the wind turbines.

4Q24 - Non-manageable factors (-24.0 average MW):

- The weather negatively impacted the expected gross generation by **13.3 average MW** , since the average wind speed (17 mph) was below the expected for the period (19 mph).
- The expansion of the systemic restrictions imposed by the ONS for real-time management of the National Interconnected System (in Portuguese, **SIN** stands for *Sistema Interligado Nacional*) reduced **6.7 average MW** of the Farm's generation in the period analyzed.
- The internal and external electrical losses referring, respectively, to the equipment and the transmission system (external systemic losses - apportionment of the ONS) suppressed **3.9 average MW** of the gross generation.

The reduction in wind quality and the brutal increase in the restrictions imposed by the ONS throughout 2024, especially in 3Q24 and 4Q24, generated an ICSD (debt service coverage ratio) indicator of 1.10 in BWG, therefore below the 1.30 required in the covenants with BNDES, and required **FERBASA** to contribute R$ 9.0 M to the reserve account of the Wind Complex for its regularization, as dictated by the contract with the development bank. The contribution was made on 02/18/25.

During the year, BW Guirapá continued to improve to prevent operational problems and mitigate failures, such as carrying out borescope inspections on wind turbines and strengthening operational controls. Such actions aim to optimize the monitoring and continuous evaluation of the main components of the wind turbine, anticipating failures, enabling improvements in maintenance scheduling and cost mitigation. Regarding the restrictions, BW Guirapá is enrolled in a lawsuit filed by ABEEOLICA - Brazilian Wind Power Association (in Portuguese, it stands for *Associação Brasileira de Energia Eólica*).

7. SALES

Sales in 4Q24 reached 73.8 thousand tons of ferroalloys, an increase of 8.0% compared to 3Q24, due to the combination of the 25.4% increase in shipments to the foreign market (ME) and the 6.4% decrease in sales to the domestic market (MI).

The quantities transacted in the year fell 1.8% compared to 2023. The result is associated with the decline of 8.3% in domestic sales and the increase of 5.3% in exports. In general, the performance in MI was affected by setbacks related to the still high level of steel imports in 2024, impacting the national steel segment, the main destination for ferroalloys. Regarding the ME, numerous logistical challenges were faced throughout the year, such as: conflicts in the Red Sea, restrictions on circulation in the Panama Canal, congestion in ports, shortage of containers, protectionist actions by some countries, in addition to the increase in transit time and maritime freight costs. Facing this challenging external scenario, **FERBASA** was able to maintain the volume sold of silicon alloys and expanded chrome exports.

Sales (tonnes)	4Q24	3Q24	Δ%	4Q23	Δ%	2024	2023	Δ%
DOMESTIC MARKET								
Chromium Alloys	28.303	31.119	*-9,0%*	29.428	*-3,8%*	109.316	125.155	*-12,7%*
Silicon Alloys	6.688	6.259	*6,9%*	4.942	*35,3%*	22.412	18.497	*21,2%*
Total DM	**34.991**	**37.378**	***-6,4%***	34.370	*1,8%*	**131.728**	**143.652**	***-8,3%***
FOREIGN MARKET								
Chromium Alloys	23.144	11.790	*96,3%*	11.624	*99,1%*	64.163	57.019	*12,5%*
Silicon Alloys	15.666	19.156	*-18,2%*	20.055	*-21,9%*	72.732	72.978	*-0,3%*
Total FM	**38.810**	**30.946**	***25,4%***	31.679	*22,5%*	**136.895**	**129.997**	***5,3%***
TOTAL (DM + FM)	**73.801**	**68.324**	***8,0%***	66.049	*11,7%*	**268.623**	**273.649**	***-1,8%***

5.1 Net Revenue

Net revenue in 4Q24 totaled R$ 607.5 million, an increase of 1.6% compared to 3Q24. This amount expresses the combination of increases of 8.0% in sales volume and 4.0% in the average dollar price, partially offset by the 8.4% reduction in the average price of alloys in dollars.

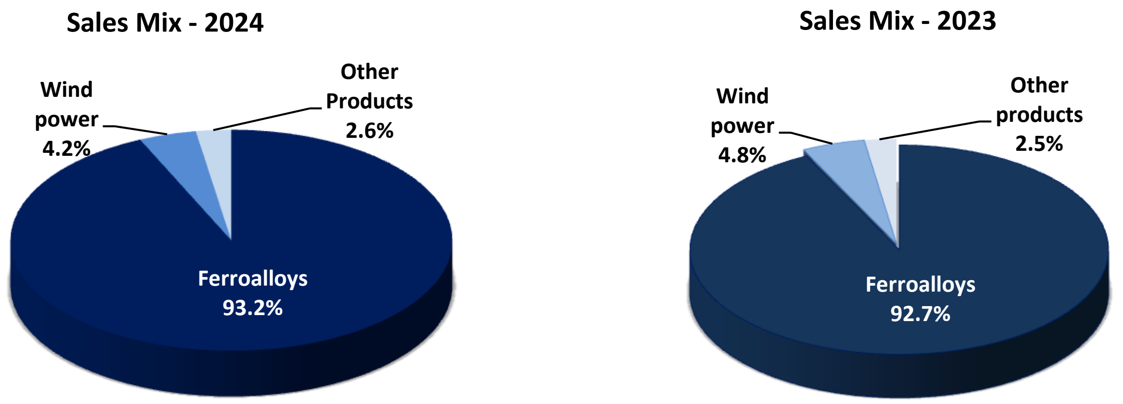
In the comparison between 2024 and 2023, net revenue decreased 8.1%, reflecting the 7.6% drop in revenue from ferroalloys. This result shows the decrease of 11.6% in the average price in dollars of ferroalloys and 1.8% in the total traded, in addition to the appreciation of 6.8% in the average dollar practiced.

Net Revenue (R$ million)	4Q24	3Q24	Δ %	4Q23	Δ %	2024	2023	Δ %
DOMESTIC MARKET								
Ferroalloys	264.0	287.4	*-8.1%*	234.7	*12.5%*	981.8	1,090.9	*-10.0%*
Wind power	24.0	28.7	*-16.4%*	26.9	*-10.8%*	94.1	117.8	*-20.1%*
Other Products (*)	15.1	16.7	*-9.6%*	13.8	*9.4%*	57.7	60.3	*-4.3%*
Total MI	**303.1**	**332.8**	***-8.9%***	275.4	*10.1%*	1,133.6	1,269.0	*-10.7%*
FOREIGN MARKET								
Ferroalloys	304.4	264.9	*14.9%*	266.3	*14.3%*	1,103.1	1,166.1	*-5.4%*
Total ME	**304.4**	**264.9**	***14.9%***	266.3	*14.3%*	**1,103.1**	**1,166.1**	***-5.4%***
TOTAL (MI+ME)	**607.5**	**597.7**	***1.6%***	541.7	*12.1%*	**2,236.7**	**2,435.1**	***-8.1%***
Average dollar (R$/USD)	**5.73**	**5.51**	***4.0%***	4.96	*15.5%*	**5.36**	**5.02**	***6.8%***

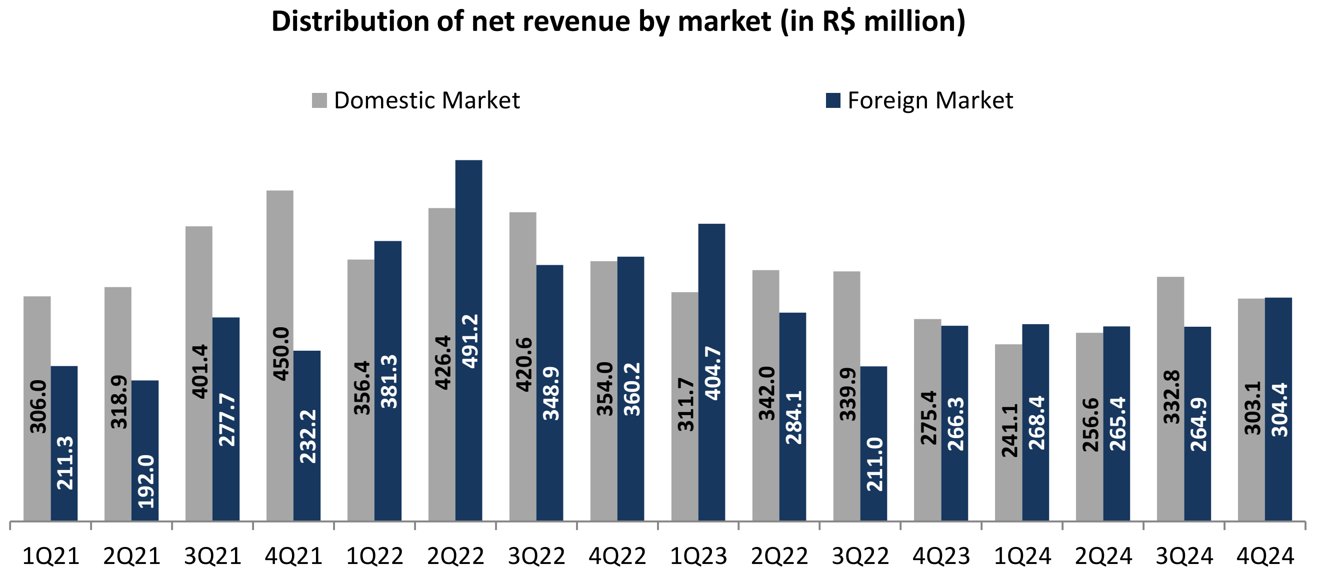
(*) includes recipe with chromite sand, lime, microsilica, wood and slag.

5.2 Net Revenue by Product and Market

Net revenue by product is shown in the chart below:



In 2024, the modest performance of the global steel industry, especially due to the slowdown in the production of stainless steel in China and low growth of the global economy, depressed the prices of ferroalloys. A relevant factor associated with silicon alloys was the precaution of the American market in relation to the pricing effects resulting from the *US antidumping* process. In addition, there were logistical problems that led to difficulties in the flow of products, enhancing the movement of price reductions this year.



8. COST OF GOODS SOLD

The cost of goods sold (COGS), considering exclusively the data of ferroalloys, totaled R$ 440.8 million in 4Q24. The increase of 5.3%, compared to 3Q24, combined the increase of 8.0% in sales volume and the reduction in the cost of some important inputs, especially electricity and bioreducer.

Also, in 4Q24, R$51.6 million was included in costs related to the depletion of the fair value of the biological asset, expenses with idle capacity and furnace maintenance, in addition to inventory adjustments. As a result, consolidated COGS ended 4Q24 at R$526.6 million, up 5.6% from the previous quarter.

When analyzing the period between 2023 and 2024, the COGS of ferroalloys recorded a decrease of 6.8%, mainly due to the lower costs of electricity and coke, in addition to also reflecting the decrease of 1.8% in sales volume. It is important to mention that, within the portfolio of electricity contracts, the contractual changes negotiated specifically with CHESF in 2023, within the scope of the Competitive Energy Project, brought a differentiated condition, and responsible for the reduction of 21.8% in the cost of energy consumed by Metallurgy in 2024. This extraordinary condition will not extend to 2025, when the CHESF contract tariff will return to the usual levels.

In the case of HC FeCr, a drop in production costs was recorded between 2023 and 2024, attributed to reductions in expenses with electricity and coke, the latter reflecting the decline in the international price of coal. In the same direction, the production cost of LC FeCr decreased due to the lower expenditure on electricity and reducer, FeSiCr, which is produced domestically and was directly benefited by the decrease in the production cost of HC FeCr. The retraction in the cost of ferrosilicon production is due to the containment in expenses with electricity and electrical paste, in addition to the dilution of fixed costs as a result of the increase in production.

When observing the relationship between COGS and net revenue of ferroalloys, it is possible to notice a small increase of 0.7% among the accumulated figures of last two years, mainly caused by the decrease in revenue due to the drop in trading prices in dollars, which neutralized the improvement in production costs recorded in the year.

The "Wind Power" line presented in the table below is related to the COGS of the BW Guirapá wind complex, which covers the main cost components associated with the operation of wind turbines, such as equipment maintenance, power transmission and depreciation.

COGS (R$ million)	4Q24	%RL(*)	3Q24	%RL(*)	4Q23	%RL(*)	2024	%RL(*)	2023	%RL(*)
Ferroalloys	440.8	77.6%	418.7	75.8%	424.7	84.8%	1,628.5	78.1%	1,746.4	77.4%
Wind power	24.1	100.4%	23.8	82.9%	23.7	88.1%	97.3	103.4%	85.1	72.2%
Other products (i)	10.1	66.9%	11.2	67.1%	9.4	68.1%	40.3	69.8%	39.9	66.2%
Subtotal Products	**475.0**		**453.7**		**457.8**		**1,766.1**		**1,871.4**	
Depletion of the fair value of Biological active ingredient	10.4		25.7		7.7		36.1		32.5	
Idle capacity	12.8		3.8		4.0		21.5		14.4	
Other	28.4		15.5		(1.9)		23.7		(17.1)	
Subtotal Other	**51.6**		**45.0**		**9.8**		**81.3**		**29.8**	
Grand total	**526.6**		**498.7**		**467.6**		**1,847.4**		**1,901.2**	
% Net Revenue	**86.7%**		**83.4%**		**86.3%**		**82.6%**		**78.1%**	

(*) considers the COGS percentages by the RL of each product.

(i) Costs for the products include: chromite sand, lime, microsilica, wood and slag.

9. EXPENDITURE

9.1 Selling Expenses

Selling expenses totaled R$21.5 million in 2024 - an amount 10.8% higher than the R$19.4 million realized in 2023. This variation is due to the increase in exports and the increase in maritime freight costs, a consequence of the international logistics problems that marked the year. In relation to net revenue, the percentages of selling expenses corresponded to 1.0% in 2024 and 0.8% in 2023.

9.2 General and Administrative Expenses

Consolidated general and administrative expenses include portions related to salaries, benefits, management fees, social charges, consulting services and the provision of profit sharing. In 2024, such expenses totaled R$218.2 million (R$9.2 million related to BWG), an increase of 3.9% compared to the R$210.0 million recorded in 2023 (R$7.7 million related to BWG).

9.3 Other Operating Expenses/Income

Operating expenses reached R$ 59.5 million in 2024, 17.9% lower than in 2023. This variation results from revenue from the recovery of tax credits in the amount of R$ 20.5 million in 2024 (the total recovered was R$ 84.2 million, of which R$ 63.7 million of monetary adjustment was recorded in the financial revenue). The main accumulated expenditure occurred in the lines related to Social and Corporate Responsibility (R$ 17.7 million), other taxes and fees (R$ 17.5 million), in addition to expenses with geological surveys, consultancies and others (R$ 44.8 million).

10. 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** discloses its adjusted EBITDA in accordance with CVM Resolution 156/22, i.e., with the elimination of the net effect of the fair value of biological assets, the provision for contingencies and other non-recurring effects.

EBITDA - Consolidated (R$ million)	4Q24	3Q24	ã%	4Q23	A%	2024	2023	A%
Net Profit	126.3	103.6	*21.9%*	55.0	*129.6%*	327.8	382.9	*-14.4%*
(+/-) Net financial result	(73.5)	(25.2)	*191.7%*	(26.9)	*173.2%*	(147.9)	(115.9)	*27.6%*
(+/-) IRPJ/CSLL	(28.2)	(13.7)	*105.8%*	(11.6)	*143.1%*	(7.9)	36.8	-
(+/-) Depreciation, amortization, depletion and capital gain[1]	57.7	77.8	*-25.8%*	47.4	*21.7%*	228.8	187.9	*21.8%*
EBITDA	**82.3**	**142.5**	***-42.2%***	**63.9**	***28.8%***	**400.8**	**491.7**	***-18.5%***
(+/-) Provision for contingencies and others[2]	0.6	(1.5)		13.0		(4.9)	10.9	
(+/-) Net Effect of Fair Value of Biological Assets	(29.4)	(9.1)		(24.4)		(38.5)	(39.2)	
(+/-) Reversal of wind farm decommissioning provision (CPC 25)[3]	-	-		(10.6)		-	(10.6)	
(+/-) Tax credit recovery[4]	(4.4)	(11.5)		-		(17.2)	-	
(+/-) Other effects[5]	(2.1)	6.7		5.1		11.8	1.6	
Adjusted EBITDA	**47.0**	**127.1**	***-63.0%***	**47.0**	***0.0%***	**352.0**	**454.4**	***-22.5%***
EBITDA Margin	***7.7%***	***21.3%***		***8.7%***		***15.7%***	***18.7%***	

1) Capital gain refers to the effect of the realization of the assets valued at their fair value, reflecting the acquisition of BWG.
2) Effect of the constitution of new processes and reversals of provisions for contingencies in the period (Note 26 of the 2024 Financial Statements).
3) Revaluation of the provision for decommissioning (CPC-25) of wind farms, considering the costs of dismantling equipment and civil works (Note 25 of the 2024 Financial Statements).
4) Constitution of tax credits from federal taxes (does not include monetary adjustment).
5) Includes the effects of the constraint on BWG's power generation and consolidated actuarial liabilities.

11. FINANCIAL STRUCTURE

11.1 Net Cash and Cash Consumption

In 2024, according to the Cash Flow Statement - "DFC" (CPC 03-R2) (in Portuguese, **DFC** stands for *Demonstração de Fluxo de Caixa*), which considers only the variation in cash accounts and cash equivalents, the amount generated by operating, investment and financing activities was (+) R$122.3 million, mainly impacted by:

(+) R$357.1 million of operating income generated in the period, including variations in working capital, interest payments and taxes.

(-) R$97.1 million from investment activities, results influenced by:

i) transfer of financial investments in the amount of (+) R$ 238.5 million to Cash and Cash Equivalent;

ii) acquisitions for fixed assets and biological assets, which together totaled (-) R$ 288.7 million;

iii) equity interest in an energy generation company and and land acquisitions for eucalyptus planting , in the amount of (-) R$ 48.8 million (ref. APE - Self-Production by Equivalence);

iv) others, in the amount of (+) R$ 1.9 million.

(-) R$ 137.7 million from financing activities, whose impacts were:

i) amortization of consolidated loans and financing in the amount of (-) R$ 70.5 million (R$ 26.4 million referring to BWG's debt with BNDES);

ii) payment of leases/rents totaling (-) R$ 89.7 million;

iii) payment of interest on equity and proposed dividends in the order of (-) R$ 173.6 million;

iv) capital injection in Bahia Minas Bioenergia (portion paid by the minority partner) in the amount of (+) R$ 24.9 million; and

v) raising of financial resources through an advance on an exchange contract (ACC) in the amount of (+) R$ 196,1 million, at an average discount of 6.06% p.a., with monthly maturities in 2Q25, 3Q25 and 4Q25, and an average exchange rate of R$/US$ 5.64, with the objective of financing the loading of ferroalloy inventories, taking advantage of the exchange rate level.

Also considering the "Financial Investments" account, whose variation was negative by R$161.2 million, there was a total cash consumption of R$39.0 million in 2024. As of December 31, 2024, the consolidated financial reserve reached R$1.134 billion (including cash, cash equivalents and marketable securities, of which R$139.4 million came from BWG) and consolidated debt amounted to R$423.7 million (R$189.0 million related to BWG's debt with BNDES). Thus, the Company ended 2024 with a net cash position of R$ 709.9 million.

Net Cash - Consolidated (R$ million)	12/31/2024	12/31/2023	Δ
Cash and cash equivalents	464.1	341.8	122.3
Financial investments	669.5	830.8	(161.3)
Total Financial Reserve	**1,133.6**	**1,172.6**	**(39.0)**
Loans and financing*	(423.7)	(275.0)	(148.7)
Cash (Debt) Net (a)	**709.9**	**897.6**	**(187.7)**

(*) IOF value on funding is R$ 3.1 and R$ 3.6 million for 12/31/24 and 12/31/23, respectively.

11.2 Net Financial Result

In 4Q24, the financial result totaled R$ 73.5 million, 191.7% higher than the R$ 25.2 million in the previous quarter. This increase was mainly due to the 170.1% increase in financial revenue, mainly caused by the monetary adjustment of tax credits, which added R$56.8 million in 4Q24.

The 27.6% increase in the 2024 financial result compared to the previous year was mainly caused by the 22.2% increase in financial revenue, caused by the monetary adjustment of recovered tax credits, which added R$63.7 million in 2024 and offset the drop in the yield on financial investments due to higher cash consumption and reduction in the average interest rate between the periods.

In addition, we inform that the Company has US$ 7.4 million in export locks, at an average exchange rate of R$/US$ 5.87 and maturity in 1Q25.

Financial result (R$ million)	4Q24	3Q24	Δ%	4Q23	Δ%	2024	2023	Δ%
Financial performance								
Financial income	102.9	38.1	*170.1%*	40.4	*154.7%*	207.1	169.5	*22.2%.*

Financial expense	(16.9)	(15.1)	*11.9%*	(11.3)	*49.6%*	(54.1)	(51.3)	*5.5%*
Net exchange rate variation	(12.5)	2.2	-	(2.2)	*468.2%*	(5.1)	(2.3)	*121.7%*
Grand total	**73.5**	**25.2**	***191.7%***	**26.9**	***173.2%***	**147.9**	**115.9**	***27.6%***

12. CAPEX

12.1 Operational

In 2024, CAPEX totaled R$288.7 million, an amount 8.0% lower than in 2023. The values segregated by business unit are reported below:

CAPEX (R$ million)	Metallurgy	Mining	Forest	Wind power	2024	2023
Machinery and equipment	49.9	69.8	17.1	9.4	146.2	171.1
Biological active ingredient	-	-	72.7	-	72.7	71.7
Mines	-	21.4	-	-	21.4	24.1
Buildings	3.6	17.9	16.1	0.3	37.9	23.6
Land	-	-	-	-	-	23.4
Vehicles and tractors	0.3	1.4	-	-	1.7	2.8
Furniture and fixtures	1.0	0.6	-	-	1.6	1.6
Other (i)	3.1	0.9	3.2	-	7.1	10.5
Total	57.9	112.0	109.1	9.7	288.7	328.8

(i) Includes: advances, information technology, intangibles and others.

The most significant investments in 2024 were related to the acquisition of machinery and equipment (50.6%), mostly for the Metallurgy and Mining units, as well as maintenance of the biological asset (25.2%) for the Forest Resources area. Such expenditures represented, together, 75.8% of the total CAPEX made in the period.

12.2 Equity Interests

As disclosed to the market on February 9, 2024, a disbursement of R$ 37.8 million was made for the acquisition of a 45% stake in Sociedade NK232 (a company of the Auren Energia S.A. group) for the purpose of exploring the Ventos de São Ciro (in the Brazilian state of Piauí) and Ventos de São Bernardo (in the Brazilian state of Pernambuco) wind farms. The investment will allow the Company to supply 35 average MW of electricity for 20 years, under the self-production by equivalence (in Portuguese, **APE** stands for *autoprodução por equiparação*) regime.

Additionally, in July 2024, the second capital contribution in the amount of R$ 11.0 million was made to Empresa Bahia Minas Bioenergia (Subsidiary), a company established in partnership with APERAM INOX AMÉRICA DO SUL S.A., aiming at the acquisition of rural properties to be used in the exploration of eucalyptus and other forest species.

13. NET INCOME AND RESULTS

As a result of the effects mentioned in this report, consolidated net income in 4Q24 was R$126.3 million (net margin of 20.8%). In the accumulated result of 2024, net income reached R$ 327.8 million (net margin of 14.7% on net revenue and a reduction of 14.4% compared to 2023). The main elements that influenced the 2024 result, compared to the same period of the previous year, were:

(i) appreciation of 6.8% in the average dollar practiced;

(ii) a drop of 11.6% in the average price of ferroalloys in dollars;

(iii) a reduction of 1.8% in the total sales volume of ferroalloys;

(iv) a 6.8% drop in the cost of goods sold (COGS) of ferroalloys;

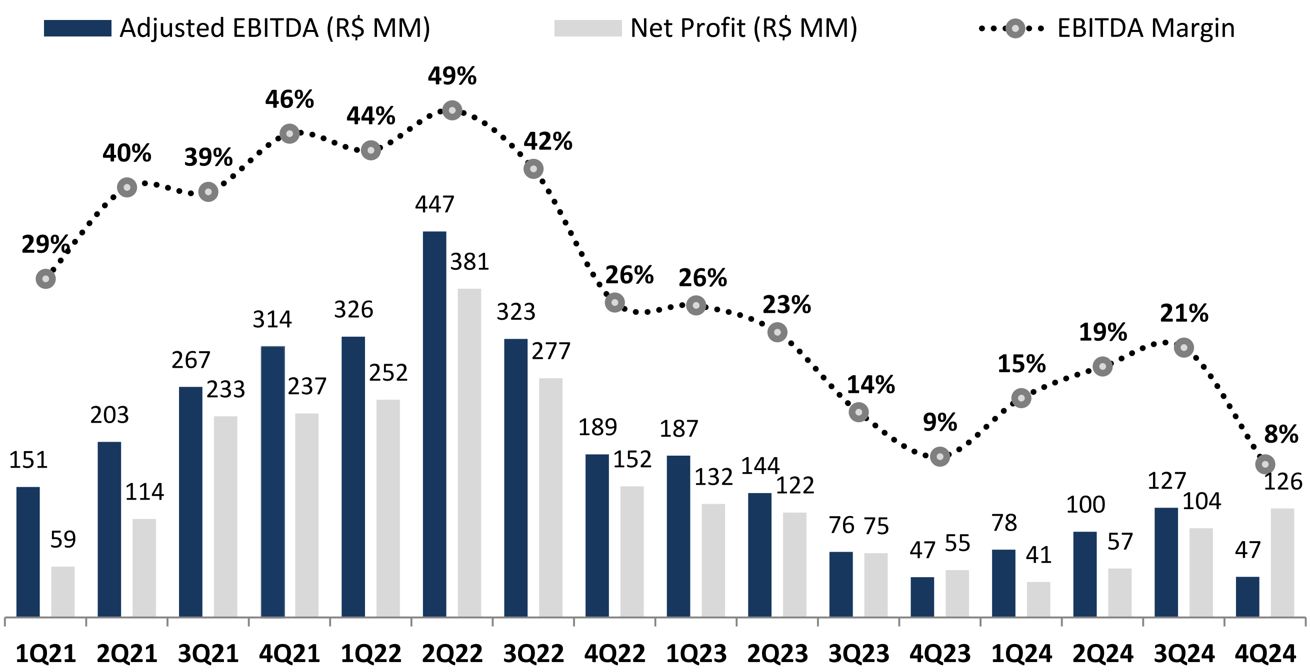
(v) loss of R$ 15.8 million from BW Guirapá;

(vi) revenue of R$ 84.2 million, related to the recovery of tax credits, of which R$ 20.5 million in other operating revenues and R$ 63.7 million as financial revenue;

(vii) positive adjustment of R$38.5 million for the calculation of the fair value of the biological asset, being (+) R$74.6 million, resulting from fluctuations in the market price of wood, in the volume of forest and in the discount rate and (-) R$ 36.1 million for wood consumption;

In addition, **FERBASA** achieved a consolidated cash consumption of R$ 39.0 million in 2024.

The following chart shows the evolution of EBITDA, EBITDA margin and net income since 1Q21.



14. STATEMENT OF ADDED VALUE

The table below shows the wealth generated by the Company and its respective distribution. In 2024, **FERBASA** generated R$ 943.4 million, an amount 6.2% lower than in 2023:

SAV (R$ million)	2024	2023	Δ %
Employees	449.9	416.7	*8.0%*
Government	119.5	159.7	*-25.2%*
Other (1)	46.2	46.6	*-0.9%*
Net Profit (2)	327.8	382.9	*-14.4%*
Total	943.4	1,005.9	*-6.2%*

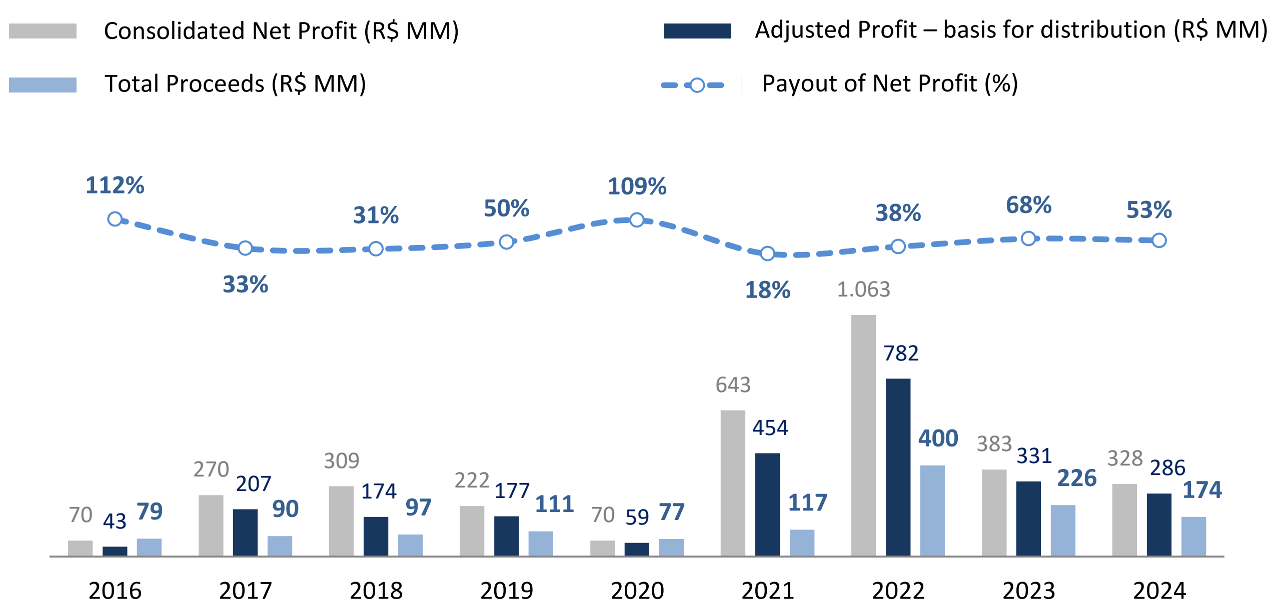
(1) They refer to interest, rents, leases, financial expenses, passive exchange rate variation and others.
(2) Shareholders and retained earnings.

15. CAPITAL MARKETS AND INVESTOR RELATIONS

FERBASA follows market practices for the disclosure of information, maintaining an institutional website and other direct communication channels with the Investor Relations area. In addition, conferences are held to disclose quarterly results and an annual public meeting. The following is a summary of the relevant information for our investors and the market in general.

15.1 Earnings

The chart below shows a historical series of profit distribution that reinforces **FERBASA**'s position as a regular payer of dividends. In the year, R$ 173.5 million in earnings were distributed in the form of JCP, reaching a payout of 55% in relation to net income for the year.



15.2 Corporate Events

In January 2024, **FERBASA** carried out the split of its shares, in the proportion of 01 (one) to 04 (four) of the same type. The additional shares, resulting from the split operation, were credited to the Company's shareholders on 01/25/2024.

In November 2024, the cancellation of (i) 35,000 (thirty-five thousand) common shares (FESA3) and (ii) 70,000 (seventy thousand) preferred shares (FESA4), all registered and without par value, held in treasury, was carried out. The cancellation of shares did not change the Company's capital stock of R$ 1,470,395,617.65 (one billion, four hundred and seventy million, three hundred and ninety-five thousand, six hundred and seventeen reais and sixty-five cents) and which was divided into 353,175,000 (three hundred and fifty-three million, one hundred and seventy-five thousand) shares, without par value, being 117,725,000 (one hundred and seventeen million, seven hundred and twenty-five thousand) common shares and 235,450,000 (two hundred and thirty five million, four hundred and fifty thousand) preferred shares.

Shareholder Base	CS		PS		Total
	Shareholders	Treasury	Shareholders	Treasury	
Position Dec/2023	29,400,000	40,000	55,696,700	3,183,300	88,320,000
Post Split position (1 : 4) – Jan/2024	117,600,000	160,000	222,786,800	12,733,200	353,280,000
Post Cancellation Position – Dec/2024	**117,600,000**	**125,000**	**222,786,800**	**12,663,200**	**353,175,000**

15.3 FESA4 performance on B3

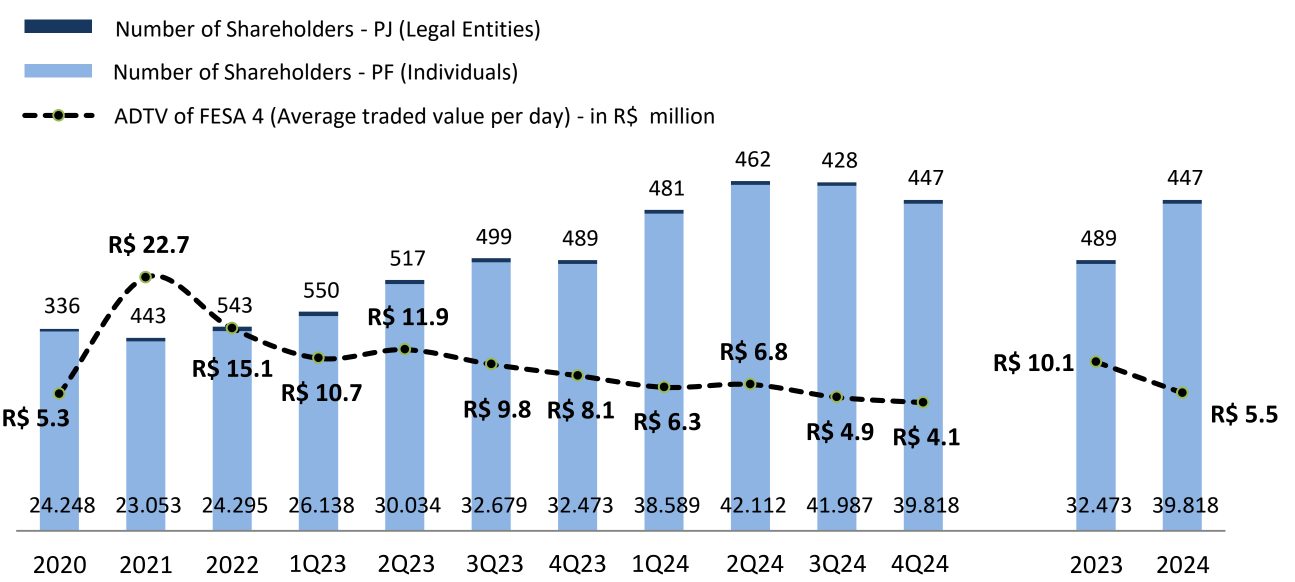
The table below shows some indicators of the behavior of **FERBASA**'s preferred shares in 4Q24.

		4Q24	3Q24	A%
Volume of shares traded (thousands)		31,926	39,126	*-18.4%*
Amount transacted (R$ thousands)		248,770	320,452	*-22.4%*
Market value (R$ thousands)	(1)	3,270,400	3,372,646	*-3.0%*
Outstanding shares - *Free Float* (thousand)	(2)	161,826	161,839	*-0.01%*
Weighted average of the price in the period (R$ PN)		7.79	8.19	*-4.9%*
Last price of the period (R$ PN)		8.19	7.68	*6.6%*
Book value per share (R$)		9.72	9.86	*-1.5%*

Notes:
(1) Total number of shares (by ON and PN class) multiplied by the respective quotations on the dates of 12/31/2024 and 09/30/2024;
(2) Total number of shares, excluding those held by **the Treasury** (4Q24 - ON: 160 thousand; PN: 12,733 thousand. 3Q24 - ON: 125 thousand; PN: 12,633 thousand), the **Controller** (4Q24 - ON: 116,348 thousand; PN: 62,052 thousand. 3Q24 - ON: 116,348 thousand; PN: 62,065 thousand) and **Administrators** (ON: 312; PN: 148 thousand).

Throughout the year, the Brazilian capital market suffered the impacts of the international situation, with emphasis on (i) the worsening of geopolitical tensions; (ii) resumption of the upward trend in interest rates; (iii) devaluation of the exchange rate; and (iv) uncertainties linked to the country's fiscal and inflationary scenario. This context affected the consumption and price of commodities, especially those related to the steel industry, explaining the low performance of stocks linked to the steel sector in 2024.

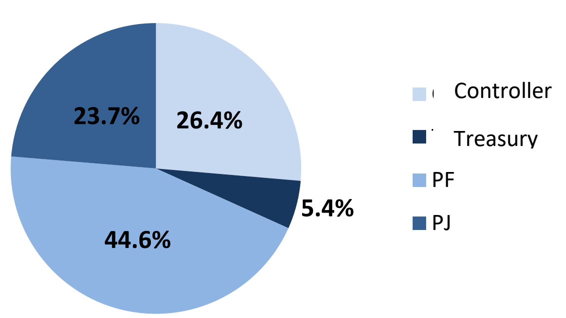
In the following chart, we present the evolution of the shareholder base, by type of shareholder, and of the liquidity measured by ADTV.

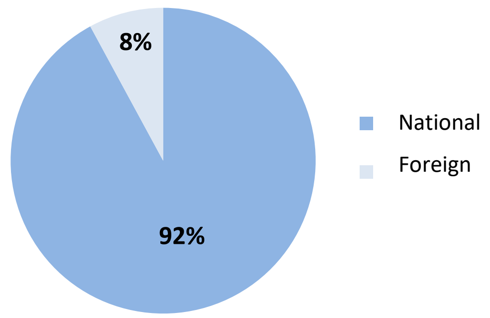


The Company's ADTV (Average Daily Trading Volume) in 4Q24 reached R$ 4.1 million and decreased 16.0% compared to 3Q24. While, in the interval between 2023 and 2024, it reduced by 45.6%, mainly due to the 28.6% retraction in the average price of FESA4. We also highlight the 22% increase in the shareholder base in this period.

15.4 Investor Profile

The shareholder profile of FERBASA's preferred shares (FESA4), based on the shareholder base on 12/31/2024, is as follows





16. SUSTAINABLE DEVELOPMENT

16.1 ESG Commitment

Anchored in a commitment made to itself, its employees, neighboring communities, the country and future generations, regardless of any fads, FERBASA decided, since its incorporation, to be a responsible company in essence, facilitating the natural fulfillment of requirements, whether of a permanent or temporary nature. In 2024, under the coordination of the ESG Committee, the activities followed a successful path, given the evolution of the Work Plan established for the two-year period of 2023 and 2024, with 100% implementation of assumed demands.

In order to keep the market updated with our initiatives and projects, in addition to the annual disclosure of the Sustainability Report (all editions available for consultation at https://www.FERBASA.com.br/relatorio-de-sustentabilidade/), we list in this topic the most relevant points of the year:

ESG – Environment	**ODS***
• Assurance of the Greenhouse Gas inventory (base year 2023) by Bureau Veritas Certification at the Limited level; • Start of operation of the gas burners at the Araticum Farm, which prevents the dispersion of smoke and odor from the unit's ovens. The project started in 2023 with investments of more than R$ 40 million.	15 VIDA SOBRE A TERRA 11 CIDADES E COMUNIDADES SUSTENTÁVEIS
ESG – Social	**ODS***
• First social audit carried out by a client, encompassing all FERBASA operational units to assess points related to human rights, environment and climate change, relationship with communities, safety and labor relations; • Realization of R$ 17.7 million in social investments through the actions of the FERBASA is Here program, which covers six lines of action: Education, Rural and Community Development, Environment, Art and Culture, Sports and Health.	8 EMPREGO DIGNO E CRESCIMENTO ECONÔMICO 10 REDUÇÃO DAS DESIGUALDADES
ESG – Governance	**ODS***
• Adherence to the EcoVadis platform, obtaining a score of 51% in the first cycle and guaranteeing the seal of Company committed to sustainability;	16 PAZ, JUSTIÇA E INSTITUIÇÕES FORTES 17 PARCERIAS EM PROL DAS METAS

*(*) The Sustainable Development Goals (SDGs, in Portuguese, **ODS** stands for Objetivos de Desenvolvimento Sustentável) comprise a global agenda adopted during the United Nations Summit on Sustainable Development in September 2015, consisting of 17 goals and 169 targets to be achieved by 2030*

17. EXPECTATIONS FOR 2025

The scenario presented by the World Bank for developing economies, responsible for 60% of global growth, is one of uncertainty due to issues such as the stagnation of structural reforms, the occurrence of trade wars that trigger protectionist measures in several countries, in addition to growing costs related to climate change. In 2024, new global trade restrictions were about five times higher than the 2010-2019 average. As a result, in 2025 the growth expectation for developing economies is the weakest in the last 25 years and in the global context, GDP is expected to grow 2.7% in 2025, maintaining the same pace as in 2024, according to the World Bank.

The release of data on the Brazilian economy should confirm expectations for the main indicators of economic activity with a growth of 3.5% in 2024. The recent rise in the dollar has put pressure on inflation and a consequent increase in the basic interest rate, which tends to slow down GDP growth throughout 2025. The Secretariat of Economic Policy (SPE) of the Ministry of Finance estimates that the Gross Domestic Product will grow 2.5% in 2025.

According to the World Steel Association (WSA), global steel production is expected to recover by 1% in 2025, after three consecutive years of decline. Such expectation is related to a number of factors, including global economic development, technological innovations, and sustainability policies. According to the WSA, this recovery will be driven mainly by emerging economies, especially India, which is expected to maintain strong growth in steel demand, estimated at 8% for 2025. As a point of attention, Chinese demand should continue to decelerate in 2025, but at a more moderate pace than in recent years. The performance of the real estate sector in China and other regions of the globe persists as an important focus of risk, which tends to worsen in the face of forecasts of an increase in international financial costs, driven by restrictive monetary policies adopted to combat inflation. In addition, there is also fear about the consequences of protectionist actions among many countries.

According to the Brazil Steel Institute, a slight reduction in crude steel production is expected, estimated at 33.58 Mt for 2025, which would represent a decrease of 0.6% compared to 2024. Sales in the domestic market are also expected to register a drop of 0.8%, still reflecting the pressure exerted by imported steels, despite the restrictions imposed by the Brazilian government in 2024.

Based on the effort to reproduce its corporate culture as a relevant aspect of the path to business continuity, in 2025 **FERBASA** will continue to focus on cost management in all areas, including the support of international consultancy specializing in process optimization and cost reduction. We will also be directed to the evolution of strategic projects, among which the expansion of the installed capacity for the production of chromium ferroalloys stands out, through the construction of a new factory in Pojuca.

As an important initiative to strengthen the vertical chain, we highlight the technological renovation of the quicklime production unit, which, in 2025, will seek to reach the desired production levels, and the investments in the construction of charcoal kilns in the region of Maracás and Planaltino with the start of operation scheduled for 2026,

in addition to investments in technology in the chrome mining units aimed at efficiency gains. Finally, **FERBASA** starts 2025 aware of the challenges presented by the new circumstances of the international market and committed to the careful management of cash flow to ensure the sustainability of the business.

The market statements and outlook contained in this Report have been considered at the time of its construction and, therefore, are subject to change as a result of variations in the scenarios presented herein.

18. ACKNOWLEDGMENTS

We thank once again for the trust placed by our shareholders, customers, suppliers, market agents in **FERBASA**'s performance, and our employees, for their commitment and dedication during this journey. Our commitment to stakeholders is based on the Company's corporate values, which ensure responsible, ethical, transparent management based on business sustainability.

THE BOARD

19. GLOSSARY

High Carbon Ferrochrome (HC FeCr) - An alloy of iron and chromium that has a carbon content, also known as "Charge Chrome", it is used in the manufacture of stainless steels and special alloys. Stainless steels are used in the food, chemical, cellulose, petroleum industries, in addition to the so-called "white goods", household utensils, civil construction and others.

Low Carbon Ferrochrome (LC FeCr) - An alloy of iron and chromium that has a carbon content of up to 0.15%, used during the production of steels to correct chromium content without causing undesirable variations in carbon content. Industrially, it has the same purpose as high carbon ferrochrome, being used in the production of stainless steels with wide application in the consumer goods industries.

Ferrosilicon Chromium (FeSiCr) - Reducing element in the manufacture of Low Carbon Ferrochrome and steels, for the addition of chromium and silicon.

Ferrosilicon 75 (FeSi75) - In steel production, Standard Ferrosilicon 75 is used as a deoxidizer and alloying element; in the foundry industry it serves as a graphitizing agent. High Purity Ferrosilicon (HP) is part of the manufacture of steels for the manufacture of transformers, hydroelectric plants, freezers, hermetic compressors for refrigerators and others.

Million tons (Mt) - According to the International System of Units (S.I.), the prefix that designates the million (mega) can be represented by the capital letter M. In the case of the ton, its representation in the S.I. is the lowercase letter t. Therefore, for millions of tons, the abbreviation Mt. can be adopted (conversion: 1 Mt = 1,000,000 t).

20. MAIN CONSOLIDATED FINANCIAL STATEMENTS (in R$ thousands)

20.1 Balance sheet

ASSETS	2024	2023
Current Assets	1.745.724	1.584.250
Cash and cash equivalents	464.086	341.787
Financial investments	382.660	463.299
Accounts receivable from customers	200.707	197.566
Stocks	556.125	519.147
Taxes to be recovered / restituted	120.949	44.615
Anticipated expenses	2.901	6.038
Advance to Supplier - Energy	-	167
Other assets	18.296	11.631
Non-current Assets	2.642.156	2.526.447
Advance to Supplier - Energy	286.910	367.541
Financial investments	3.396	8.051
Stocks	7.209	6.932
Taxes to be recovered	9.673	9.520
Judicial deposits	724	897
Other credits	66.886	124
Investments	1.751.7	1.687.877
Fixed and intangible assets	89.973	96.952
Right of use in lease	425.59	348.553
Biological active ingredient		
Total Assets	4.387.880	4.110.697

*The financial, parent and consolidated statements, including explanatory notes and audit opinion of Pricewaterhousecoopers Auditores Independentes, are available on the websites www.cvm.gov.br, www.b3.com.br and www.**FERBASA**.com.br.*

LIABILITIES AND STOCKHOLDERS' EQUITY	2024	2023
Current Assets	652.462	499,147
Suppliers	127.104	147,832
Cash Advance from customers	10.462	29,419
Loans and financing	261.243	72,676
Cost of funding	(455)	(455)
Labor and actuarial obligations	101.476	104,064
Taxes and social contributions	39.021	24,138
CCEE reimbursement account	54.852	64,841
Proposed dividends and interest on equity	62	60
Rents payable	43.401	44,634
Other liabilities	15.296	11,938
Non-Current Assets	394.645	420,063
Loans and financing	162.444	202,296
Cost of funding	(2.676)	(3,132)
Obligations with acquisition of subsidiary	4.978	4,978
Labor and actuarial obligations	70.884	58,552
Taxes and social contributions	3.587	3,587
Deferred taxes and social contributions	8.498	4,321
CCEE reimbursement account	23.983	2,254
Provision for contingencies	62.595	74,403
Provision for environmental liabilities	40.809	46,352
Rents payable	19.543	26,452
Total Stockholders' Equity	3.340.773	3,191,487
Shareholders' Equity Controlling Shareholders	3.339.257	3,190,099
Share Capital	1.470.396	1,470,396
Profit reserve	1.859.894	1,705,095
Equity valuation adjustments	34.573	40,362
Treasury shares	(25.606)	(25,754)
Participation of non-controlling shareholders	1.516	1,388
Total Liabilities and Shareholder's Equity	4.387.880	4,110,697

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20.2 Income Statement

	4Q24		4Q23		2024		2023	
	R$ thousand	*%NR*	*R$ thousand*	*%NR*	*R$ thousand*	*%NR*	*R$ thousand*	*%NR*
GROSS INCOME	678.605	100,0	607.722	100,0	2,516,724	100.0	2,742,475	100.0
Domestic market	374.195	55,1	341.462	56,2	1,413,653	56.2	1,576,378	57.5
Foreign market	304.410	44,9	266.260	43,8	1,103,071	43.8	1,166,097	42.5
Sales Taxes	(71.140)	(10,5)	(66.010)	(10,9)	(280,020)	(11.1)	(307,340)	(11.2)
NET REVENUE	607.465	100,0	541.712	100,0	2,236,704	100.0	2,435,135	100.0
Cost of goods sold	(526.580)	(86,7)	(467.630)	(86,3)	(1,847,40	(82.6)	(1,901,206)	(78.1)
Variation in the FV of the biological	39.768	1,8	32.157	5,9	74,626	3.3	71,728	2.9
GROSS PROFIT	120.653	19,9	106.239	19,6	463,929	20.7	605,657	24.9
Operating Expenses								
With sales	(5.817)	(1,0)	(4.908)	(0,9)	(21,547)	(1.0)	(19,371)	(0.8)
Administrative	(30.786)	(5,1)	(34.363)	(6,3)	(127,723)	(5.7)	(120,340)	(4.9)
Remuneration of Adm and PSP	(28.760)	(4,7)	(19.692)	(3,6)	(89,393)	(4.0)	(89,691)	(3.7)
Other (Expense) Operating Income	(30.670)	(5,0)	(30.859)	(5,7)	(59,494)	(2.7)	(72,524)	(3.0)
Operating profit before financial	24.620	4,1	16.417	3,0	165,772	7.4	303,731	12.5
Financial income	102.886	16,9	40.419	7,5	207,143	(9.3)	169,566	7.0
Financial expense	(16.983)	(2,8)	(11.255)	(2,1)	(54,173)	(2.4)	(51,360)	(2.1)
Net exchange rate variation	(12.429)	(2,0)	(2.244)	(0,4)	(5,054)	(0.2)	(2,300)	(0.1)
Financial Result	73.474	12,1	26.920	5,0	147,916	6.6	115,906	4.8
Profit before IRPJ/CSLL	98.094	16,1	43.337	8,0	313,688	14.0	419,637	17.2
IRPJ/CSLL	28.173	4,6	11.686	2,2	4,912	0.2	(36,752)	(1.5)
Net income for the year	126.267	20,8	55.023	10,2	318,600	14.2	382,885	15.7

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20.3 Cash Flow Statement (Indirect)

CASH AND CASH EQUIVALENT	2024	2023
Profit for the year	327.754	382.885
Net income adjustments		
Interest and net monetary and exchange rate variations	(101.964)	(54.730)
Depreciation, amortization and depletion	194.899	151.595
Biological asset depletion	65.637	64.425
Change in fair value of biological assets	(74.626)	(71.728)
Residual value of permanent assets written off	1.607	-
Deferred taxes	7.183	24.888
Demobilization Provision (Reversal)	-	(10.627)
Updating Lease Payable	(3.936)	1.967
Post-employment benefit update	3.490	1.579
Constitution (reversal) of provision for contingencies	(12.987)	10.871
Other	10.038	4.601
	417.095	505.726
Reduction (increase) in asset accounts:		
Accounts receivable from customers	11.939	12.055
Stocks	(23.114)	64.935
Taxes to be recovered	25.174	(12.594)
Advance to vendors	167	2.000
Judicial Deposits	-	31.460
Other assets	(4.219)	(3.728)
Increase (reduction) in liability accounts:		
Suppliers	(16.982)	20.086
Taxes and social contributions	14.997	(6.600)
Income tax and social contribution payable	15.066	11.796
Labor and actuarial obligations	(2.587)	(32.184)
CCEE reimbursement accounts	8.530	(9.756)
Advance on customers	-	(31.790)
Other liabilities	(17.892)	2.047
Income tax and social contribution paid	(44.602)	(43.537)
Interest paid in the year	(26.452)	(33.351)
Net cash generated from operating activities	357.120	476.565
Cash flow from investing activities		
Capex	(288.672)	(328.839)
Sale of fixed assets	1.791	2.027
Movement in financial investments	238.507	81.607
Equity investment	(48.799)	-
Exchange variation on cash and equivalents	46	235
Net cash invested in investing activities	(97.127)	(244.970)
Cash flow from financing activities		
Amortization of loans and financing	(70.512)	(67.114)
Loans and financing (ACC)	196.099	-
Capital contribution	(89.663	(70.879)
Amortization of leases	(173.618	(225.917)
Dividends and interest on equity paid	(137.694)	(363.910)
Net cash applied in financing activities	122.299	(132.315)
Increase (decrease) in cash and cash equivalents		
Cash and cash equivalent at the beginning of the year	341.787	474.102
Cash and cash equivalent at year-end	464.086	341.787
Net increase (decrease) in cash balance and cash equivalent	122.299	(132.315)
Net increase (reduction) in the balance of financial investments	(161.270)	19.810
Net increase (reduction) in the financial reserve	(38.971)	(112.505)

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