

EARNINGS RELEASE


PRUMO PARTICIPAÇÕES E INVESTIMENTOS
AND FERROPORT

June 30th, 2024



INVESTOR RELATIONS TEAM

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PRUMO PARTICIPAÇÕES AND FERROPORT

2Q2024 EARNINGS REPORT

Rio de Janeiro, September 25th, 2024 - PRUMO PARTICIPAÇÕES E INVESTIMENTOS S.A. ("PRUMOPAR"), located at 804, Russel Street, 5th floor, Glória, Rio de Janeiro, was incorporated in 2015 in order to acquire interests in other companies. PRUMOPAR carries out its operations via the joint venture Ferroport Logística Comercial e Exportadora S.A. ("Ferroport") with Anglo American Participações Minério de Ferro Ltda. ("Anglo American").

Information about the Conference Call

Thursday, September 26th, 2024 at 12:00 PM (Brasília time); 11:00 (US-ET).

Web access: https://us02web.zoom.us/webinar/register/WN_ZZDKQhjVRw6nf3b2yiVAiQ

Participants should connect 5 minutes before the conference call starts.

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2Q2024 FINANCIAL HIGHLIGHTS

Ferroport	2Q24	2Q23	Δ %
Volume T-Ore (K-ton)	6,517	6,218	4.8%
T-Ore Access (BRL k)	290,132	273,632	6.0%
T-Oil Access (BRL k)	17,189	11,934	44.0%
EBITDA	160,077	200,465	(20.1%)
EBITDA Margin	59.0%	79.5%	(26 bps)
Adjusted EBITDA ¹ (BRL k)	181.4	200.5	(9.5%)
Adjusted EBITDA Margin	66.9%	79.5%	(16 bps)

¹ Excluding dredging (2024)

Prumopar	2Q24	2Q23	Δ %
Dividends (BRL k)	55,118	55,050	0.1%
Total Distribution from Ferroport (BRL k)	55,118	55,050	0.1%

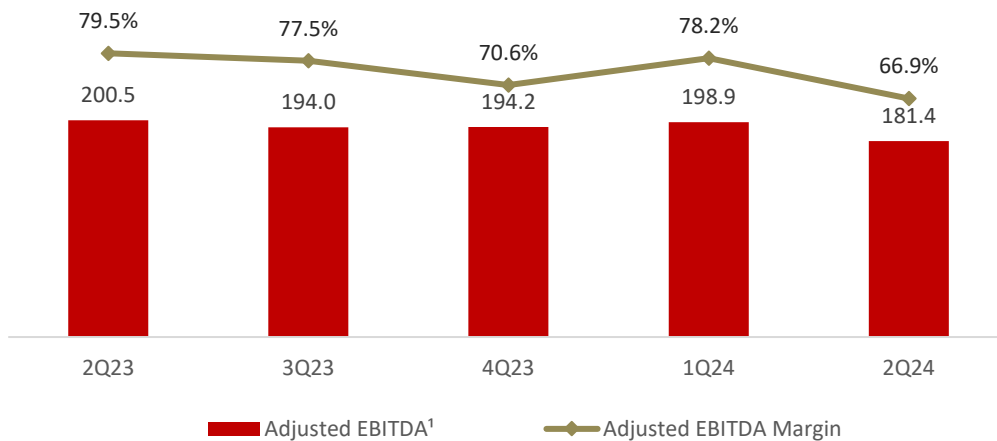
In the second quarter of 2024, Ferroport loaded 6.5 million tons of iron ore, an increase of 4.8% comparing to the 6.2 million tons of iron ore loaded in the same period of 2023. Ferroport was positively impacted on gross revenues from T-Ore 6% in comparison with the same period of 2023, despite of the readjustment of the port tariff under the Take or Pay contract impacted by PPI reduction in 2024 (BRL 4 million) and the FX rate higher 2024 (BRL 20.9 million). There was a decrease of 9.5% on the adjusted EBITDA if we compare it to the second quarter of 2023, mainly due to maintenance dredging and the accounting recognition of the agreement with ARG.

In 2024, the gross revenues from T-Oil presented an increase of 44% with an amount of BRL 17.2 million versus BRL 11.9 million in the same period of 2023, due to lower tariffs discounts.

Ferroport distributed to PRUMOPAR and Anglo American in the second quarter of 2024 the amount of BRL 110.2 million. At PRUMOPAR level, total distributions were BRL 55.1 million in the second quarter of 2024, an increase of 0.1% in comparison with the same period of 2023.

Ferroport	2Q23	3Q23	4Q23	1Q24	2Q24
(+)Net Revenues	252.0	250.5	274.9	254.3	271.2
(-)Costs	(58.3)	(67.7)	(69.9)	(98.8)	(87.9)
(-)SG&A	(13.4)	(10.0)	(33.0)	(13.3)	(46.2)
(+) Depreciation & Amortization	20.1	21.3	22.2	22.6	22.9
(-/+ Non Recurring Revenues/Costs	-	-	-	34.1	21.3
Adjusted EBITDA¹	200.5	194.0	194.2	198.9	181.4
Adjusted EBITDA Margin	79.5%	77.5%	70.6%	78.2%	66.9%

¹ Excluding Dredging 2024 (Non Recurring Costs)



I. ESG:

Ferroport structures its ESG policies and actions following the best market practices applicable to the business, as evidenced by the ESG score ranking prepared by ERM NINT (formerly "Sitawi Finanças do Bem" which produced the last report). Scores range from 0.0 to 10.0 and from Critical to Superior and indicate the company's status in each section measured and the company as a whole, with Ferroport being at the Superior level in the overall assessment.

The improvements the company aims for in 2024 and beyond are:

- Maintain processes and initiatives to promote business sustainability;
- Develop actions to promote more diverse participation in the workforce;
- Report to the Carbon Disclosure Project (CDP) on atmospheric emissions;
- Continue with the implementation of the Decarbonization Plan for Ferroport processes.

II. FERROPORT CONSOLIDATED

a. Consolidated Simplified Analysis of the Income Statement:

Consolidated (BRL k)			
Income Statement	2Q24	2Q23	Δ %
Shipment of iron ore (Take or Pay)	290,132	273,631	6%
Oil transshipment (T-Oil)	17,189	11,934	44%
Port Services/Others	7	13	(46%)
Taxes	(36,083)	(33,571)	7%
Net revenue of services	271,245	252,007	7.6%
Cost of Services	(87,918)	(58,256)	50.9%
Gross Profit	183,327	193,751	(5%)
Operating Expenses	(46,174)	(13,435)	243.7%
Financial Income/Loss	3,247	3,457	(6.1%)
Income before taxes	140,400	183,773	(23.6%)
Income and social contribution taxes	(46,978)	(62,344)	(24.6%)
Net income (loss) for the year	93,422	121,429	(23.1%)
EBITDA	160,077	200,465	(20.1%)

The net revenue of services in the second quarter of 2024 increased 7,6%, in comparison to the same period of 2023, mainly due to:

- Take or Pay revenues increased by an appreciation of USD against BRL.
- Port Access revenues from T-Oil increased 44% as a result of lower tariffs discounts.

Cost of services increased 50.9% versus the same period of 2023, mainly impacted by maintenance dredging in the amount of BRL 21.3 million, higher costs with personnel and energy.

Overall operating expenses increased 243% compared to the same period of 2023, mostly due to recognition of the agreement with ARG¹.

Net Financial income: The 6.1% decrease from BRL 3.4 million in 2023 to BRL 3.2 million in 2024 was mainly caused by the reduction in the Base interest rate.

During 2024, income before taxes amounted to BRL 140.4 million meaning a decrease of 23.6% and net income amounted BRL 93.4 million, a decrease of 23.1% when compared to the same period of 2023.

¹ Source: Ferroport's Financial Statement of 2nd Quarter 2024:

"In June 2024, Ferroport and ARG reached a legal agreement, in the amount of R\$ 50,000. This agreement aims to extinguish ongoing legal proceedings between the two parties, which currently total R\$ 245,126 (R\$ 21,579 related to probable causes), besides to mitigating additional legal costs and uncertainties for both companies. This agreement will be paid in 24 monthly installments, with the first payment in January 2025"

b. Consolidated Simplified Analysis of the Cash Flow Statement:

Consolidated (BRL k)								
Cash Flow Statement	2Q24	2Q23	Δ %	1Q24	Δ %	1H24	1H23	Δ %
Net income (loss) before taxes	140,400	183,773	(23.6%)	146,526	(4.2%)	286,926	392,145	(26.8%)
Depreciation & Amortization	20,083	20,149	(0.3%)	22,640	(11.3%)	42,723	40,252	6.1%
Other Cash Adjustments	30,947	3,115	893.5%	7,712	301.3%	38,659	9,601	302.7%
Working Capital Variation	(83,473)	(69,878)	19.5%	(35,978)	132.0%	(119,451)	(139,659)	(14.5%)
Cash Flow from Operating Activities	107,957	137,159	(21.3%)	140,900	(23.4%)	248,857	302,339	(17.7%)
Capex/Intangibles	(7,572)	(18,617)	(59.3%)	(13,272)	(42.9%)	(20,844)	(32,845)	(36.5%)
Cash Flow from Investing Activities	(7,572)	(18,617)	(59.3%)	(13,272)	(42.9%)	(20,844)	(32,845)	(36.5%)
Lease payments	(635)	(593)	7.1%	(617)	2.9%	(1,252)	(1,169)	7.1%
Dividends Paid	(110,236)	(110,101)	0.1%	(165,266)	(33.3%)	(275,502)	(261,267)	5.4%
Cash Flow from Financing Activities	(110,871)	(110,694)	0.2%	(165,883)	(33.2%)	(276,754)	(262,436)	5.5%
Increase in cash and cash equivalents	(10,486)	7,848	(233.6%)	(38,255)	(72.6%)	(48,741)	7,058	(790.6%)

The cash flow from operating activities decreased 21.3% an amount of BRL 107.9 million during 2024 if compared to the same period of 2023.

Ferroport's Capex summed BRL 7.6 million in 2024, a decrease of 59.3% compared to the same period of 2023, mostly due to projects of operational efficiency, safety and operations maintenance.

Working capital variation increased 19.5% in the second quarter of 2024 in comparison with the same period of 2023, mostly due to higher revenue and the recognition of the agreement with ARG.

c. Consolidated Simplified Analysis of the Balance Sheet:

Consolidated (BRL k)			
Balance Sheet	June 30, 2024	March 31, 2024	December 31, 2023
Current Assets	326,240	319,132	357,143
Cash and equivalent	168,011	178,497	216,752
Receivables from related parties	104,142	93,402	97,658
Noncurrent Assets	2,044,059	2,090,465	2,103,828
Total Assets	2,370,299	2,409,597	2,460,971
Current Liabilities	315,853	122,971	228,319
Dividends Payable	189,560	-	116,279
Income taxes and social contribution	25,594	18,337	21,782
Noncurrent Liabilities	342,162	367,968	364,170
Taxes Payable	34,491	33,948	33,943
Shareholders' equity	1,712,284	1,918,658	1,868,482
Total Liabilities plus Shareholders' equity	2,370,299	2,409,597	2,460,971

Ferroport's consolidated cash and cash equivalent on June 30th, 2024 were BRL 168 million versus BRL 216.7 million on December 31st, 2023, a decrease of 22.5%, considering the limitation for dividends distribution in 2023. It's important to mention that all the excess of cash will be distributed throughout 2024, following the minimum cash mechanism. The company will perform quarterly cash distribution to its shareholders, through dividends.

III. PRUMOPAR

a. Simplified Analysis of the Income Statement:

Income Statement	Consolidated (BRL k)								
	2Q24	2Q23	Δ %	1Q24	Δ %	1H24	1H23	Δ %	
Gross Profit	-	-	-	-	-	-	-	-	
Operating Income (expenses)	(52)	(112)	(53.6%)	(23)	126.1%	(75)	(97)	(22.7%)	
Financial Income (expenses)	(178,979)	28,666	(724.4%)	(69,728)	156.7%	(248,707)	33,346	(845.8%)	
Equity in income of subsidiaries	47,879	61,887	(22.6%)	50,750	(5.7%)	98,629	130,507	(24.4%)	
Profit (Loss) before taxes	(131,152)	90,441	(245.0%)	(19,001)	590.2%	(150,153)	163,756	(191.7%)	
Deferred income and social contribution taxes	-	-	-	-	-	-	-	-	
Net income (loss) for the period	(131,152)	90,441	(245.0%)	(19,001)	590.2%	(150,153)	163,756	(191.7%)	

During the second quarter of 2024, PRUMOPAR reported a net financial loss of BRL 178.9 million versus a net financial income of BRL 28.7 million for the same period in 2023, mostly to the negative impact of the exchange variation on loans, which impacted the financial costs (BRL 159 million in 2024 versus BRL 32 million in 2023) and the financial income account (BRL 8.6 million in 2024 versus BRL 106.8 million in 2023), as disclosed in the financial statements for the second quarter of 2024.

In 2024, net profit decreased 245% to a loss of BRL 131.2 million versus BRL 90.4 million for the same period of 2023.

b. Simplified Analysis of the Cash Flow Statement:

Consolidated (BRL k)								
Cash Flow Statement	2Q24	2Q23	Δ %	1Q24	Δ %	1H24	1H23	Δ %
Cash flows from operating activities	261	(6,482)	(104.03%)	1,772	(100.06%)	2,033	(7,949)	(125.58%)
Dividends received	55,118	55,050	0.12%	82,632	(100.00%)	137,750	130,633	5.45%
Cash flows from investment activities	55,118	1,021	5298.43%	82,632	(99.94%)	137,750	76,604	79.82%
Derivatives	8,616	(8,105)	(206.30%)	(1)	106.30%	8,615	(8,105)	(206.29%)
Escrow account (Debt Requirement)	(143,638)	406	(35478.82%)	98,068	(100.36%)	(45,570)	88,990	(151.21%)
Loans settled with third parties	-	(10,178)	-	(48,427)	-	(48,427)	(39,713)	21.94%
Interest paid	-	(51,941)	-	(52,334)	-	(52,334)	(110,990)	(52.85%)
Cash flows from financing activities	(135,022)	(69,818)	93.39%	(2,694)	(100.03%)	(137,716)	(69,818)	97.25%
Increase (decrease) in cash and cash equivalents	(79,643)	(75,279)	5.80%	81,710	(100.00%)	2,067	(1,163)	(277.73%)

In the first quarter of 2024 PRUMOPAR received an aggregate amount of BRL 55.1 million through dividend distributions from Ferroport, an increase of 0.12% compared to the second quarter of 2023.

Regarding the USD 350 million 7.5% Series 2019-1 Notes ("Notes"), it is important to highlight the distinction between the Legal curve and the Target curve. The Legal curve represents the required amortization amount payable on each semi-annual payment date, while the Target curve represents the maximum amortization amount payable on each semi-annual payment date, allowing for an accelerated payment schedule.

This means that the payment schedule adjusts according to each semi-annual payment date. Since the Company has been making its best efforts to pay the maximum amount of the Target curve, the Legal curve has not been applicable.

Escrow deposits serve as a reserve account in accordance with the financing contract, containing six months of the minimum principal payment plus interest payable in the period when the Legal curve is applicable. Thus, at the end of the second quarter of 2024, the escrow deposits comprised partially the amount equivalent to the interest for the next semi-annual payment date.

The Company is in compliance with its Hedging Program to protect its cash position and to safeguard its upcoming debt service obligations from exchange rate variations and will continue to do so in the following months.

c. Simplified Analysis of the Balance Sheet:

Consolidated (BRL k)			
Balance Sheet	June 30, 2024	March 31, 2024	December 31, 2023
Current Assets	301,649	141,014	214,901
Cash and cash equivalents	4,443	84,086	2,376
Escrow deposits	197,086	53,448	151,516
Recoverable taxes	3,582	2,936	2,870
Dividends receivable	94,780	-	58,139
Derivatives	1,758	544	-
Noncurrent Assets	1,140,006	1,242,025	1,215,768
Related Party	241,895	241,895	241,895
Investment	898,111	1,000,130	973,873
Total Assets	1,441,655	1,383,039	1,430,669
Current Liabilities	331,804	272,641	273,427
Bonds	317,195	257,834	257,871
Other	14,609	14,807	15,556
Noncurrent Liabilities	1,216,437	1,085,832	1,113,675
Bonds	1,216,437	1,085,832	1,113,675
Total Equity	(106,586)	24,566	43,567
Total liabilities and equity	1,441,655	1,383,039	1,430,669

In 2024, PRUMOPAR reported cash and cash equivalents of BRL 4.5 million, an increase of 87% if compared to December 31st, 2023, as a result of dividends payment from Ferroport.

The escrow deposits on June 30th, 2023 were BRL 197 million versus BRL 151.5 million on December 31st, 2023. The effective debt service payment dates were on July 1st, 2024 and on December 2nd, 2023, respectively.

PRUMOPAR's total equity was negative BRL 106.6 million in 2024, from BRL 43.5 million in the end of 2023 due to net loss for the period in the amount of BRL 150.1 million.

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