

Prumo  
Participações e  
Investimentos S.A.

**Condensed interim financial information  
as of March 31, 2024**

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# Independent auditors' review report on condensed interim financial information

## To the Shareholders, Board of Directors and Management of Prumo Participações e Investimentos S.A.

Rio de Janeiro – RJ

### Introduction

We have reviewed the accompanying March 31, 2024 condensed interim financial information of Prumo Participações e Investimentos S.A. (the "Company") which comprises, the condensed statements of financial position as of March 31, 2024, and the condensed statements of profit or loss, the condensed statements of comprehensive income (loss), , the condensed statements of changes in shareholders' equity and the condensed statements of cash flows for the three-month period then ended, including the explanatory notes to the condensed interim financial information.

Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with standard CPC 21(R1) - Demonstração Intermediária. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of review

We conducted our review in accordance with Brazilian and International standard on review engagements (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.


A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion on the condensed interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying March 31, 2024 condensed interim financial information, is not prepared, in all material respects, in accordance with CPC 21 (R1) – Interim Financial Reporting.

Rio de Janeiro, April 30, 2024

KPMG Auditores Independentes Ltda  
CRC SP-014428/O-6 F-RJ

  
Walter Malvar Leite da Silva  
CRC RJ-117037/O-0

# Prumo Participações e Investimentos S.A.

## Condensed statements of financial position

Three-month period ended March 31, 2024 and 2023

(In thousands of reais)

Assets	Note	03/31/2024	12/31/2023
<b>Current</b>			
Cash and cash equivalents	4	84,086	2,376
Escrow deposits	8	53,448	151,516
Recoverable taxes	5	2,936	2,870
Dividends receivable	6	-	58,139
Derivatives	14	544	-
<b>Total current assets</b>		<b>141,014</b>	<b>214,901</b>
<b>Non-current</b>			
Loan with related parties	6	241,895	241,895
Investments	7	1,000,130	973,873
<b>Total non-current assets</b>		<b>1,242,025</b>	<b>1,215,768</b>
<b>Total assets</b>		<b>1,383,039</b>	<b>1,430,669</b>
<b>Liabilities</b>			
<b>Current</b>			
Loans and Bonds	8	257,834	257,871
Taxes payable	10	19	24
Accounts payable to related parties	6	52	52
Dividends	6	14,515	14,515
Others payables		26	89
Derivatives	14	195	876
<b>Total current liabilities</b>		<b>272,641</b>	<b>273,427</b>
<b>Non-current</b>			
Loans and Bonds	8	1,085,832	1,113,675
<b>Total non-current liabilities</b>		<b>1,085,832</b>	<b>1,113,675</b>
<b>Shareholders' Equity</b>			
Share capital	11	10	10
Legal reserves		2	2
Loss for the period		(19,001)	-
Accumulated income		43,555	43,555
<b>Total shareholders' equity</b>		<b>24,566</b>	<b>43,567</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,383,039</b>	<b>1,430,669</b>

The notes are an integral part of these condensed interim financial information.

# Prumo Participações e Investimentos S.A.

## Condensed statements of financial position

Three-month period ended March 31, 2024 and 2023

*(In thousands of reais)*

	Note	03/31/2024	03/31/2023
<b>Operating income (expenses)</b>			
Administrative expenses		(23)	-
Reversal (provision) for asset impairment		-	15
		<u>(23)</u>	<u>15</u>
<b>Financial income (expenses)</b>	13		
Financial income		4,263	121,800
Financial expenses		(73,991)	(117,120)
		<u>(69,728)</u>	<u>4,680</u>
Share of profit of equity-accounted investees	7	50,750	68,620
<b>Profit (loss) before taxes</b>		<u>(19,001)</u>	<u>73,315</u>
Deferred income and social contribution taxes	10	-	-
<b>Net income (loss) for the period</b>		<u>(19,001)</u>	<u>73,315</u>

The notes are an integral part of these condensed interim financial information.

# Prumo Participações e Investimentos S.A.

## Condensed statements of comprehensive income (loss)

Three-month period ended March 31, 2024 and 2023

*(In thousands of reais)*

	03/31/2024	03/31/2023
Net income for the period	(19,001)	73,315
<b>Total comprehensive income for the period</b>	<b><u>(19,001)</u></b>	<b><u>73,315</u></b>

The notes are an integral part of these condensed interim financial information.

# Prumo Participações e Investimentos S.A.

## Condensed statements of changes in shareholders' equity

Periods ended March 31, 2024 and December 31, 2023

*(In thousands of reais)*

	Share capital	Profit	Legal	Accumulated income/ losses	Total equity
<b>Balance as of December 31, 2022</b>	<b>10</b>	-	-	<b>(146,527)</b>	<b>(146,517)</b>
Net income for the period	-	-	-	73,315	73,315
<b>Balance as of March 31, 2023</b>	<b>10</b>	-	-	<b>(73,212)</b>	<b>(73,202)</b>
Net income for the period	-	-	-	131,284	131,284
Profit reserve	-	-	2	(2)	-
Minimum mandatory dividends	-	-	-	(14,515)	(14,515)
Proposed additional dividends	-	43,555	-	(43,555)	-
<b>Balance as of December 31, 2023</b>	<b>10</b>	<b>43,555</b>	<b>2</b>	<b>-</b>	<b>43,567</b>
Net profit for the period	-	-	-	(19,001)	(19,001)
<b>Balance as of March 31, 2023</b>	<b>10</b>	<b>43,555</b>	<b>2</b>	<b>(19,001)</b>	<b>24,566</b>

The notes are an integral part of these condensed interim financial information.



# Prumo Participações e Investimentos S.A.

## Condensed statements of cash flows

Three-month period ended March 31, 2024 and 2023

*(In thousands of reais)*

	03/31/2024	03/31/2023
<b>Cash flows from operating activities</b>		
Profit before tax	(19,001)	73,315
<b>Expenses (income) not affecting cash:</b>		
Share of profit of equity-accounted investees	(50,750)	(68,620)
Others	-	(15)
Exchange variance and interest	68,270	(9,059)
Amortization of transaction costs	3,387	3,664
	<u>1,906</u>	<u>(715)</u>
<b>(Increase) decrease in assets and increase (decrease) in liabilities:</b>		
Recoverable taxes	(66)	(95)
Others payables	(63)	(19)
Taxes payable	(5)	(638)
	<u>1,772</u>	<u>(1,467)</u>
<b>Net cash provided by (used in) operating activities</b>		
	<u>1,772</u>	<u>(1,467)</u>
<b>Cash flows from investment activities</b>		
Dividends received	82,632	75,583
	<u>82,632</u>	<u>75,583</u>
<b>Net cash provided by investing activities</b>		
	<u>82,632</u>	<u>75,583</u>
<b>Cash flows from financing activities</b>		
Derivatives	(1)	-
Escrow account	98,068	88,584
Loans settled with third parties	(48,427)	(29,535)
Interest paid	(52,334)	(59,049)
	<u>(2,694)</u>	<u>-</u>
<b>Net cash used in financing activities</b>		
	<u>(2,694)</u>	<u>-</u>
<b>Increase in cash and cash equivalents</b>		
	<u>81,710</u>	<u>74,116</u>
Cash and cash equivalents at beginning of year	2,376	1,851
Cash and cash equivalents at end of period	84,086	75,967
<b>Increase in cash and cash equivalents</b>	<u>81,710</u>	<u>74,116</u>

The notes are an integral part of these condensed interim financial information.

## Notes to the condensed interim financial information

*(In thousands of Reais, except when indicated otherwise)*

### 1 The Company and its operations

Prumo Participações e Investimentos S.A. (“Prumo Participações” or “Company” or “Prumopar”), located at the address Rua do Russel, 804, 5º andar, Glória, Rio de Janeiro was incorporated in 2015 in order to acquire interests in other companies as a shareholder. The Company carries out its operations via the joint venture Ferroport (“joint subsidiary”) with Anglo American Participações Minério de Ferro Ltda. (“Anglo American”).

Ferroport began operating in October 2014. The company occupies a 300-hectare area (unreviewed) at Porto do Açu Port to process, handle and store iron ore and is the co-owner of an offshore structure (T1) consisting of an access pier, approach channel, breakwater and pier with two berths for loading iron ore. In 2023 Ferroport loaded a total of 5.0 million tonnes of iron ore (unreviewed), in 30 vessels (unreviewed) (4.59 million tonnes (unreviewed) in 28 vessels (unreviewed) during period of 2022).

### 2 List of Investees

	Country	Equity interest 03/31/2024	Equity interest 03/31/2023
<b>Direct joint subsidiary:</b>			
Ferroport Logística Comercial Exportadora S.A.	Brazil	50.00%	50.00%

### 3 Basis of presentation, preparation of the condensed interim financial information and material accounting practices

#### a. Statement of compliance

The condensed interim financial information were prepared in accordance with CPC 21 (R1) – Interim Statements issued by the Accounting Pronouncements Committee (“CPC”).

The condensed interim financial information should be read in conjunction with the financial statements as of December 31, 2023, approved on March 01, 2024, prepared in accordance with the accounting practices adopted in Brazil (“BR GAAP”).

Authorization for the conclusion of the preparation of these condensed interim financial information was given by Management on April 30, 2024.

These condensed interim financial information consider subsequent events to be events that could have an impact up to the reporting date.

The accounting policies mentioned and adopted in these condensed interim financial information are consistent with those followed in the preparation of the Company’s financial statements for

the year ended December 31, 2023 and concluded on March 01, 2024.

**b. Basis of preparation**

The condensed interim financial information have been prepared on the historical cost basis, except for certain financial instruments which have been measured at fair value through profit and loss.

**c. Functional currency and reporting currency**

These condensed interim financial information are presented in Brazilian Reais, which is the Company's functional currency. All balances have been rounded off to the nearest thousand, except where specified otherwise.

**d. Use of estimates and judgments**

Judgments, estimates and assumptions are used to measure and recognize certain assets and liabilities in the Company's condensed interim financial information. These estimates took into account experience from past and current events, assumptions about future events and other objective and subjective factors.

The Company reviews its estimates and assumptions at least annually. There are no significant items subject to these estimates.

The accounting policies described in detail throughout these condensed interim financial information have been applied consistently and are being presented by the Company.

## 4 Cash and cash equivalents

	03/31/2024	12/31/2023
Cash and banks	1,354	2,376
<b>Cash equivalents</b>		
Investment Fund (a)	82,732	-
	<u><b>84,086</b></u>	<u><b>2,376</b></u>

- (a) The balance of cash and banks as of March 31, 2024 and December 31, 2023 consists of current accounts and investment fund holdings at Banco Santander S/A and Citibank, that are promptly convertible into a known cash amount and are subject to an insignificant risk of impairment.

## 5 Recoverable taxes

The recoverable taxes break down as follows:

	03/31/2024	12/31/2023
Withholding taxes ("IRRF")	2,936	2,870
	<u><b>2,936</b></u>	<u><b>2,870</b></u>

## 6 Related-party transactions

The Company adopts practices of Corporate Governance and/or recommendations required by law. Furthermore, the Company's Corporate Governance Policy establishes that the members of the Board of Directors must monitor and administrate any potential conflicts of interest among the executive officers, the members of the Board and the partners, in such a way as to avoid the inappropriate use of Company assets and, especially, abusive conduct in transactions between related parties.

In compliance with Corporation Law, all members of the Company's Board of Directors are prohibited from voting in any assembly or meeting of the Board, or from acting in any operation or business transaction in which there are interests in conflict with those of the Company.

The main balances of related-party assets and liabilities as of March 31, 2024 and December 31, 2023, as well as the related-party transactions that affected the condensed statements of operations for the period, are the result of transactions between the Company and its joint venture and shareholder as follows:

<b>Assets</b>	<b>03/31/2024</b>	<b>12/31/2023</b>
<b>Loans with related parties</b>		
Prumo Logística	153,792	153,792
FP NewCo	88,103	88,103
<b>Dividends receivable</b>		
Ferroport <sup>1</sup>	-	58,139
	<u><b>241,895</b></u>	<u><b>300,034</b></u>
Current	-	58,139
Noncurrent	241,895	241,895

On March 31, 2024, at the Annual Shareholders' Meeting, the Board of Directors of Ferroport approved the proposal for the distribution of dividends related to profits for the year 2023, in the amount of R\$ 116,261 (50% Prumo Participações – R\$ 58,131) and a distribution of additional dividends, in the amount of R\$ 48,987 (50% Prumo Participações – 24,493)

On March 2024, the first payment of dividends to shareholders was made, in the amount of R\$ 165,266 (50% Prumo Participações – R\$ 82,632).

<b>Liabilities</b>	<b>03/31/2024</b>	<b>12/31/2023</b>
<b>Accounts payable - debit notes</b>		
Prumo Logística – Transaction costs	52	52
<b>Dividends</b>		
FP NewCo	14.515	14.515
	<u><b>14,567</b></u>	<u><b>14,567</b></u>

The table below demonstrates the effect on profit or loss:

Loan	12/31/2023	Cash effect		Noncash effect		
		Principal received / (settled)	Interest received	Interest and exchange variance	Income tax withheld at source	3/31/2024
Prumo Logistica	153,792	-	-	-	-	153,792
FPNewCo	88,103	-	-	-	-	88,103
	<u>241,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,895</u>

Loan	12/31/2022	Cash effect		Noncash effect		
		Principal received / (settled)	Interest received	Interest and exchange variance	Income tax withheld at source	3/31/2023
Prumo Logistica	153,792	-	-	-	-	153,792
FPNewCo	34,074	-	-	-	-	34,074
	<u>187,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,866</u>

## 7 Investments

### a. Equity interests

3/31/2024									
Direct investee	% interest	Number of shares/ (thousand)	Assets	Liabilities	Equity	Capital	Capital reserve	Profit reserve	Retained Earnings
Ferroport	50%	1,080	2,800,234	799,974	2,000,260	1,197,152	94,589	527,754	180,765

12/31/2023									
Direct investee	% interest	Number of shares/ (thousand)	Assets	Liabilities	Equity	Capital	Capital reserve	Profit reserve	Retained Earnings
Ferroport	50%	1,080	3,023,206	1,075,459	1,947,747	1,197,152	94,589	227,958	428,048

### b. Changes

Direct investee	2023	Share of profit of equity-accounted investees	Dividends	3/31/2024
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Ferroport	973,873	50,750	(24,493)	1,000,130
	<u>973,873</u>	<u>50,750</u>	<u>(24,493)</u>	<u>1,000,130</u>

<b>Direct investee</b>	<b>2022</b>	<b>Share of profit of equity-accounted investees</b>	<b>Dividends</b>	<b>3/31/2023</b>
Ferroport	1,007,564	249,418	(283,109)	973,873
	<u>1,007,564</u>	<u>249,418</u>	<u>(283,109)</u>	<u>973,873</u>

## 8 Loan and Bonds

	<u>3/31/2024</u>				<u>12/31/2023</u>	
<b>Loan</b>	<b>Due date</b>	<b>Rates in %</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Total</b>
Senior Secured Bonds	12/31/2031	Dollar + 7.50% p.a	1,375,961	25,799	1,401,760	<b>1,433,026</b>
(-) Transaction cost			(58,094)	-	(58,094)	<b>(61,480)</b>
			<u>1,317,867</u>	<u>25,799</u>	<u>1,343,66</u>	<u>1,371,546</u>
Current			232,035	25,799	257,834	<b>257,871</b>
Noncurrent			1,085,832	-	1,085,832	<b>1,113,675</b>

The interest paid is being classified under financing in the condensed cash flow statements.

The principal amortization schedule in the contract presents percentages for minimum payments and allows payments above the established percentage, which reduce the forthcoming legal percentages.

On December 2023, the Company paid R\$ 48,094 of principal amortization and interest in the amount of R\$ 51,975. As the Company has partially reached the target amortization schedule, which requires higher payments than the legal amortization schedule, this payment exceeded the legal payment obligations. Therefore, the Company is already in compliance with the legal schedule obligations for the next 12 months.

The Brazilian Real exchange rate depreciated the US Dollar exchange rate in the first quarter of 2024. In compliance with its Hedging Program, the Company has entered into non-deliverable forward agreement (NDFs) to purchase dollars to protect its next debt service from exchange rate variations and will continue to do so over the following months. Therefore, the Company does not expect a material negative cashflow impact regarding exchange rate variations on the semi-annual payment of the Bonds.

### Escrow Deposits

Prumo Participações has one reserve account, as requested by the financing contract: The Debt Service Reserve Account (“DSRA”), which contains 6 months of the minimum principal payment

plus interest payable in the period. As of March 31<sup>st</sup>, 2024, DSRA had BRL 53,448 deposited (BRL 51,796 as of December 31<sup>st</sup>,2023).

### **Non-deliverable forward (NDF)**

The Company's cash inflows are from dividends distributed by the Company's subsidiary Ferroport to its shareholders on a quarterly basis. Via the issuance of senior debt contracts, the Company agreed to a Hedging Program that determines the Company shall enter into NDFs (non-deliverable forwards) every month to buy US Dollars and sell Reais in an amount equal to 1/6 of the semi-annual payment to hedge the debt payments and funding in reserve accounts maturing in June and December.

### **Guarantees provided**

The Company submitted the following security for the senior debt contracts: (i) Statutory lien of the Ferroport shares for Prumo Participações; (ii) Statutory lien on the shares of Prumo Participações held by the parent company FP Newco; (iii) Statutory lien on the loan between Prumo Participações and Ferroport and (iv) Statutory Lien of credit receivables and accounts.

### **Transactions not involving cash or cash equivalents**

	<u>Cash Flow</u>			<u>Noncash effect</u>			3/31/2024
	12/31/2023	Secured / (settled)	Interest paid (financing)	Addition of transaction costs	Interest and exchange variance	Amortization of transaction costs	
Bonds	<u>1,371,546</u>	<u>(48,427)</u>	<u>(52,334)</u>	-	69,494	3,387	<u>1,343,666</u>
	<u>1,371,546</u>	<u>(48,427)</u>	<u>(52,334)</u>	-	<u>69,494</u>	<u>3,387</u>	<u>1,343,666</u>

	<u>Cash Flow</u>			<u>Noncash effect</u>			3/31/2023
	3/31/2022	Secured / (settled)	Interest paid (financing)	Addition of transaction costs	Interest and exchange variance	Amortization of transaction costs	
Bonds	<u>1,509,431</u>	<u>(29,535)</u>	<u>(59,049)</u>	-	(9,476)	3,664	<u>1,415,035</u>
	<u>1,509,431</u>	<u>(29,535)</u>	<u>(59,049)</u>	-	<u>(9,476)</u>	<u>3,664</u>	<u>1,415,035</u>

## **9 Deferred taxes**

The Company records deferred income and social contribution tax assets and liabilities at the rate of 34%. Brazilian tax legislation allows tax losses to be offset against future taxable income for an indefinite term. However, this offsetting is limited to 30% of the taxable income in each accrual period.

The carrying amount of the deferred tax asset is revised and restated periodically, while the projections shall be restated annually, unless material factors occur that can modify them.

As of March 31 2024 and December 31 2023 the balance of deferred income and social

contribution tax asset not recognized was R\$ 266,464 and R\$ 253,623 respectively.

## 10 Taxes and social contributions payable

	03/31/2024	12/31/2023
PIS/COFINS	15	24
PIS/COFINS/CSLL - Withheld	4	-
	<b>19</b>	<b>24</b>

The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense charged to net income is presented below:

	03/31/2024	03/31/2023
Profit (loss) before income and social contribution taxes	(19,001)	73,315
Income and social contribution taxes at the nominal rate (34%)	6,460	(24,927)
<b>Adjustment to determine the effective rate</b>		
Tax credits not recognized – Temporary differences	(11,291)	12,538
Tax credits not recognized – Tax loss	(12,841)	(10,424)
Equity income	17,255	23,331
Other	417	(518)
<b>Total income and social contribution taxes</b>	-	-
Effective rate	<b>0.00%</b>	<b>0.00%</b>
Current	-	-
Deferred	-	-
<b>Total income and social contribution taxes</b>	-	-

## 11 Contingencies

The Company is part in certain administrative proceedings. Provisions must be made for all judicial and administrative proceedings for which it is probable that there will be an outflow of funds to settle the contingency / obligation and a reasonable estimate can be made. The assessment of the likelihood of loss includes the assessment of the available evidence, the hierarchy of laws, the case law available, the most recent court decisions and their relevance in the legal system, as well as the assessment of outside lawyers.

### a. Contingent liabilities

The Company has contingent liabilities where claims are debated in administrative claims and whose expected loss is classified as possible, and for which the recognition of a provision is not considered necessary by the Company. Based in the legal opinions, the presentation of the litigations classified with expected loss as possible are presented as follow:

	03/31/2024	12/31/2023
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Tax litigations	304	297
<b>Total</b>	<b>304</b>	<b>297</b>

## 12 Equity

### a. Share capital

The Company's ownership structure as of March 31, 2024 is as follows:

Shareholder	3/31/2024		12/31/2023	
	Quantity of common shares (thousand)	%	Quantity of common shares (thousand)	%
FP NewCo	820,362	100.00	820,362	100.00
	<b>820,362</b>	<b>100.00</b>	<b>820,362</b>	<b>100.00</b>

### b. Reserves

The Executive Board will present to the General Meeting for approval a proposal about the allocation of the net income that remains after the following deductions or increases have been made in this order:

- i.* 5% (five percent) to form the legal reserve, until it has reached 20% (twenty percent) of the share capital. Formation of the legal reserve may be waived in financial years where the balance of said reserve plus the capital reserves exceeds 30% (thirty percent) of the share capital.
- ii.* amount allocated to the formation of reserves for contingencies and reversal of those formed in previous years;
- iii.* amount allocated to the constitution of the Unrealized Profit Reserve
- iv.* 25% (twenty-five percent) for payment of the minimum mandatory dividends to the shareholders.

## 13 Financial income (expenses)

	3/31/2024	3/31/2023
<b>Financial revenue</b>		
Interests on short-term investments	276	432
Interests earned	70	74
Exchange variance on loans	2,693	120,437
Derivatives	1,224	857
	<b>4,263</b>	<b>121,800</b>
 <b>Financial expenses</b>		
Interests on loans	(25,704)	(27,641)
Exchange variance on loans	(43,792)	(82,223)
Commission and brokerage fees	(4,329)	(4,671)
Derivatives	-	(2,377)
Other	(166)	(208)
	<b>(73,991)</b>	<b>(117,120)</b>

69,728      4,680

## 14 Financial instruments and risk management

The Company carries out transactions with financial instruments. These instruments are managed through operating strategies and internal controls, aimed at liquidity, profitability and security. The control policy consists of periodically monitoring contract rates versus market rates. The Company does not invest in derivatives or any other risky assets on a speculative basis.

In compliance with senior debt contracts, the company is contracting currency hedges every month to cover the debt service.

The estimated realization values of the Company's financial assets and liabilities were determined through information available in the market and appropriate valuation methodologies. However, market data was used to calculate the fair value. However, it was necessary to interpret market data to estimate the most adequate realization value. Consequently, the estimates below do not necessarily indicate the values that could be realized in the current exchange market.

The concept of fair value states that assets and liabilities should be valued at market prices, in the case of liquid assets, or by using mathematical pricing methods, in other cases. The hierarchy level of the fair value gives priority to unadjusted prices quoted on an active market.

The table below demonstrates the book balances and respective fair values of the financial instruments and segregation of the hierarchal level, included in the balance sheet:

	Category / Measurement method	Level	31/03/2024		31/12/2023	
			Book value	Fair value	Book value	Fair value
<b>Assets</b>						
Cash and cash equivalents	Amortized cost	-	84.086	84.086	2.376	2.376
Escrow account	Amortized cost	-	53.448	53.448	151.516	151.516
Loan with related parties	Amortized cost	-	241.895	241.895	241.895	241.895
Dividends	Amortized cost	-	149.898	149.898	58.139	58.139
Derivatives	Fair value through profit or loss	Level 2	544	544	-	-
			<u>529.871</u>	<u>529.871</u>	<u>453.926</u>	<u>453.926</u>
<b>Liabilities</b>						
Other payables	Amortized cost	-			89	89
Derivatives	Fair value through profit or loss	Level 2	26	26	876	876
Dividends	Amortized cost	-	195	195	14.515	14.515
Accounts payable to related parties	Amortized cost	-	14.515	14.515	52	52
Loans and Bonds	Fair value through profit or loss	Level 2	52	52	1.371.546	1.371.546
			<u>1.343.666</u>	<u>1.343.666</u>	<u>1.371.546</u>	<u>1.371.546</u>
			<u>1.358.454</u>	<u>1.358.454</u>	<u>1.387.078</u>	<u>1.387.078</u>

- **(Level 1)** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **(Level 2)** - Different inputs, except for traded prices in active markets included in Level 1 that are observable for the assets and liabilities, directly (as prices) or indirectly (derived from prices).
- **(Level 3)** - Inputs for the asset or liability that are not based on observable market variables (unobservable inputs).

As of March 31th, 2024, loans and financing are measured at amortized cost. The fair value calculated by Management for reference purposes only is R\$1,398,410 (R\$ 1,346,188 as of December 31th, 2022).

The carrying amounts of other financial instruments measured at amortized cost are classified as loans and receivables (assets) and other liabilities measured at amortized cost. The carrying amount of these balances approximate fair value.

The Company's financial transactions are subject to the following risk factors:

**(i) Market risk**

***Exchange Risk***

Risk of change in exchange rates which could be associated to the Company's assets and liabilities. The Company manages the exchange risk from Ferroport to detect and mitigate risks posed by changes in exchange rates underlying global assets and liabilities. The foreign-currency debt therefore exists on debt securities issued in US Dollars by Prumo Participações. The cash flow intended to serve the payment of this debt comes on a quarterly basis from its joint-venture Ferroport, whose revenue is denominated in US Dollars, where the fee for handling iron ore in force is restated annually by a portion of the PPI US inflation index.

Ferroport is in the unique situation where its cost structure is denominated in Reais and its monthly revenue is indexed to the US dollar. The joint-venture's operating revenue is therefore exposed to exchange variance risk due to the mismatch between the revenue and cost currencies. The appreciation of the Brazilian Real against the US Dollar could diminish the operational margin and free cash flow of Ferroport. In respect of Prumo Participações' debt, the company is required to enter into NDFs (Non-Deliverable-Forwards) monthly to hedge against exchange variance, in accordance with the financing documents.

The following table provides details on all derivative transactions within the relevant hedging programs, including information on the type of instrument, the nominal value, the maturity, the fair value including credit risk, and amounts paid/received or provisioned for in the period.

**Hedge schedule for Non-deliverable Forwards**

NDF	NDF contratada em R\$		Marcação a mercado (MTM) em R\$	
	Valor de referência	Vencimento (mês/ano)	31/03/2024	31/12/2023
Termo USD	2.505	06/2024	(195)	(464)
Termo USD	4.113	06/2024	9	(412)
Termo USD	2.878	06/2024	179	-
Termo USD	4.113	06/2024	70	-
Termo USD	3.972	06/2024	286	-
		<b>Hedge position</b>	<b>349</b>	<b>(876)</b>

The table below summarizes the current value of the debt in millions of reais, with a sensitivity scenario in the exchange rates (USD) suffering positive oscillations of 10%, 20% and 30%.

2024	Actual	USD +10%	USD +20%	USD +30%
<b>Loan</b>				
Senior Secured Bonds	1,375,961	1,513,557	1,651,153	1,788,749
<b>Total</b>	<b>1,375,961</b>	<b>1,513,557</b>	<b>1,651,153</b>	<b>1,788,749</b>
<b>2023</b>				
<b>Actual</b>				
<b>USD +10%</b>				
<b>USD +20%</b>				
<b>USD +30%</b>				
<b>Loan</b>				
Senior Secured Bonds	1,381,230	1,519,353	1,657,476	1,795,599
<b>Total</b>	<b>1,381,230</b>	<b>1,519,353</b>	<b>1,657,476</b>	<b>1,795,599</b>

**(ii) Liquidity risk**

The table below denotes the main financial liabilities of the Company as of March 31, 2024. These amounts are gross and are not discounted and include payments of estimated interest.

	No maturity	Up to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total
<b>Financial liabilities</b>							
Other payable	-	26	-	-	-	-	26
Accounts payable to related parties	-	52	-	-	-	-	52
Loans and Bonds	-	226,115	111,565	219,887	581,543	703,294	1,842,404
<b>Total by time range</b>	<b>-</b>	<b>226,193</b>	<b>111,565</b>	<b>219,887</b>	<b>581,543</b>	<b>703,294</b>	<b>1,842,482</b>

**(iii) Credit risk**

This arises from the possibility of the Company suffering losses due to the default of its counterparties or of financial institutions where they have funds.

The Company also carries out a rating analysis of the financial institutions, through credit reports provided by the “Bank Risk Classification System” - Risk Bank, in order to classify and systematically follow up the risk and performance of each bank.

The balances exposed to credit risk are as follows:

<b>Financial instruments</b>	<b>3/31/2024</b>	<b>12/31/2023</b>
Cash and banks	84,086	2,376
Escrow account	53,448	151,516
Related-party loan	<u>241,895</u>	<u>241,895</u>
	<u><b>379,429</b></u>	<u><b>395,787</b></u>

## **Members of the Executive Board**

Eugenio Leite de Figueiredo  
CEO

Leticia Nabuco Villa-Forte  
CFO

Eduardo Quartarone Campos  
Officer with no specific title

Mariana Coutinho  
Controller & Tax Manager

Camila Maria Cunha de Araujo  
Accountant  
CRC-RJ 121980/O-7