

Prumo Participações e Investimentos S.A.

**Condensed interim financial information as of
September 30, 2024**

Contents

Contents	2
Independent auditors' review report on condensed interim financial information.....	3
Condensed statements of financial position	4
Condensed statements of profit or loss.....	5
Condensed statements of comprehensive income (loss)	6
Condensed statements of changes in shareholders' equity	7
Condensed statements of cash flows.....	8
Notes to the condensed interim financial information.....	9
1 The Company and its operations	9
2 Investee	9
3 Basis of presentation, preparation of the condensed interim financial information and material accounting practices	9
4 Cash and cash equivalents	10
5 Recoverable taxes.....	10
6 Related-party transactions	11
7 Investments.....	13
8 Bonds.....	14
9 Deferred taxes	15
10 Taxes and social contributions payable	16
11 Contingencies	17
12 Equity	17
13 Financial income (expenses)	18
14 Financial instruments and risk management.....	18



KPMG Auditores Independentes Ltda.
Rua do Passeio, 38 - Setor 2 - 17º andar - Centro
20021-290 - Rio de Janeiro/RJ - Brasil
Caixa Postal 2888 - CEP 20001-970 - Rio de Janeiro/RJ - Brasil
Telefone +55 (21) 2207-9400
kpmg.com.br

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 September 30, 2024 condensed interim financial information of Prumo Participações e Investimentos S.A. (the “Company”) which comprises, the condensed statements of financial position as of September 30, 2024, and the condensed statements of profit or loss, the condensed statements of comprehensive income (loss) for the three-month and nine-month period then ended, and the condensed statements of changes in shareholders’ equity and the condensed statements of cash flows for the nine-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 September 30, 2024 condensed interim financial information, is not prepared, in all material respects, in accordance with CPC 21 (R1) – Interim Financial Reporting.

Rio de Janeiro, October 28, 2024

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


Waiter Maivar Leite da Silva
CRC RJ-117037/O-0

Prumo Participações e Investimentos S.A.

Condensed statements of financial position as of September 30, 2024 and December 31, 2023

(In thousands of reais)

Assets	Note	09/30/2024	12/31/2023
Current			
Cash and cash equivalents	4	57,242	2,376
Escrow deposits	8	56,266	151,516
Recoverable taxes	5	2,064	2,870
Dividends receivable	6	43,067	58,139
Derivatives	14	981	-
Total current assets		159,620	214,901
Non-current			
Loan with related parties	6	241,895	241,895
Investments	7	966,027	973,873
Total non-current assets		1,207,922	1,215,768
Total assets		1,367,542	1,430,669
Liabilities			
Current			
Bonds	8	92,354	257,871
Taxes payable	10	11	24
Accounts payable to related parties	6	52	52
Dividends	6	14,515	14,515
Others payables		122	89
Derivatives	14	1,616	876
Total current liabilities		108,670	273,427
Non-current			
Bonds	8	1,302,451	1,113,675
Total non-current liabilities		1,302,451	1,113,675
Shareholders' Equity			
	12		
Share capital		10	10
Legal reserves		2	2
Loss for the period		(87,146)	-
Accumulated profit		43,555	43,555
Total shareholders' equity		(43,579)	43,567
Total liabilities and shareholders' equity		1,367,542	1,430,669

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

Prumo Participações e Investimentos S.A.

Condensed statements of profit or loss

Three and Nine-month periods ended September 30, 2024 and 2023

(In thousands of reais)

		Three months		Nine months	
	Note	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Operating income (expenses)					
General and administratives expenses		(149)	(96)	(224)	(217)
Reversal of asset impairment		5	-	5	24
Other Operating income		-	(15)	-	(15)
		<u>(144)</u>	<u>(111)</u>	<u>(219)</u>	<u>(208)</u>
Financial income (expenses)					
Financial income	13	57,811	29,039	82,837	259,958
Financial expenses		<u>(62,576)</u>	<u>(110,584)</u>	<u>(336,309)</u>	<u>(308,157)</u>
		<u>(4,765)</u>	<u>(81,545)</u>	<u>(253,472)</u>	<u>(48,199)</u>
Share of profit at equity-accounted investees	7	<u>67,916</u>	<u>58,486</u>	<u>166,545</u>	<u>188,993</u>
Profit (loss) before taxes		<u>63,007</u>	<u>(23,170)</u>	<u>(87,146)</u>	<u>140,586</u>
Deferred income and social contribution taxes	10	-	-	-	-
Net income (loss) for the period		<u>63,007</u>	<u>(23,170)</u>	<u>(87,146)</u>	<u>140,586</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 and nine-month periods ended September 30, 2024 and 2023

(In thousands of reais)

	<u>Three months</u>		<u>Nine months</u>	
	<u>07/01/2024</u>	<u>07/01/2023</u>	<u>01/01/2024</u>	<u>01/01/2023</u>
	<u>to</u>	<u>to</u>	<u>to</u>	<u>to</u>
	<u>09/30/2024</u>	<u>09/30/2023</u>	<u>09/30/2024</u>	<u>09/30/2023</u>
Net income (loss) for the period	63,007	(23,170)	(87,146)	140,586
Total comprehensive income (loss) for the period	<u>63,007</u>	<u>(23,170)</u>	<u>(87,146)</u>	<u>140,586</u>

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

Prumo Participações e Investimentos S.A.

Condensed statements of changes in equity

Periods ended September 30, 2024 and 2023

(In thousands of reais)

	Share capital	Accumulated Income	Legal Reserves	Accumulated income/ losses	Total equity (deficit)
Balance as of December 31, 2022	10	-	-	(146,527)	(146,517)
Net income for the period	-	-	-	140,586	140,586
Balance as of September 30, 2023	10	-	-	(5,941)	(5,931)
Net income for the period	-	-	-	64,013	64,013
Profit reserve	-	-	2	(2)	-
Statutory dividends	-	-	-	(14,515)	(14,515)
Proposed additional dividends	-	43,555	-	(43,555)	-
Balance as of December 31, 2023	10	43,555	2	-	43,567
Net loss for the period	-	-	-	(87,146)	(87,146)
Balance as of September 30, 2024	10	43,555	2	(87,146)	(43,579)

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

Prumo Participações e Investimentos S.A.

Condensed statements of cash flows

Nine-month periods ended on September 30, 2024 and 2023

(In thousands of reais)

	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Cash flows from operating activities		
Profit (Loss) before tax	(87,146)	140,586
Expenses (income) not affecting cash:		
Share of profit at equity-accounted investees	(166,545)	(188,993)
Others	-	(9)
Exchange variance and interest	245,509	28,546
Amortization of transaction costs	9,881	11,004
	1,699	(8,866)
(Increase) decrease in assets and increase (decrease) in liabilities:		
Recoverable taxes	1,025	249
Others payables	33	400
Taxes payable	(13)	(645)
Net cash from (used in) operating activities	2,744	(8,862)
Cash flows from investment activities		
Dividends received	189,463	197,209
Loans granted to related parties	-	(54,029)
Net cash from investing activities	189,463	143,180
Cash flows from financing activities		
Derivatives	8,615	(8,105)
Escrow account	95,250	88,990
Loans settled with third parties	(131,148)	(39,713)
Interest paid	(110,058)	(110,990)
Net cash used in financing activities	(137,341)	(69,818)
Decrease in cash and cash equivalents	54,866	64,500
Cash and cash equivalents at beginning of year	2,376	1,851
Cash and cash equivalents at end of period	57,242	66,351
Decrease in cash and cash equivalents	54,866	64,500

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 Açú 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 2024 Ferroport loaded a total of 18.4 million tons of iron ore (unreviewed), in 108 vessels (unreviewed) (17.3 million tons (unreviewed) in 105 vessels (unreviewed) during period of 2023).

2 Investee

	Country	Equity interest 09/30/2024	Equity interest 09/30/2023
Direct joint subsidiary:			
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 was 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 October 28, 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 has 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

	09/30/2024	12/31/2023
Cash and banks	2,231	2,376
Cash equivalents		
Investment Fund	55,011	-
	<u>57,242</u>	<u>2,376</u>

5 Recoverable taxes

The recoverable taxes break down as follows:

	09/30/2024	12/31/2023
Withholding taxes ("IRRF")	2,064	2,870
	<u>2,064</u>	<u>2,870</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 September 30th, 2024 and December 31st, 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:

Assets	09/30/2024	12/31/2023
Loan with related parties		
Prumo Logística	153,792	153,792
FP NewCo	88,103	88,103
Dividends receivable		
Ferroport (i)	43,067	58,139
	284,962	300,034
Current	43,067	58,139
Noncurrent	241,895	241,895

- (i) On December 2023, statutory dividends were recognized, corresponding to 25% of adjusted net income, in accordance with law 6.404/76, 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 – R\$ 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\$ 82,633).
 On June 2024, the second payment of dividends to shareholders was made, in the amount of R\$ 110,236 (50% Prumo Participações – R\$ 55,117).
 As of June 30, 2024, Ferroport has a balance of R\$ 189,560 (50% Prumo Participações – R\$ 94,780) of additional dividends payable, whose allocation was approved at the Annual General Meeting, on April 30, 2024.
 On September 2024, the third payment of dividends to shareholders was made, in the amount of R\$ 103,426 (50% Prumo Participações – R\$ 51,713).

Liabilities	09/30/2024	12/31/2023
Accounts payable - debit notes		
Prumo Logística – Transaction costs	52	52
Dividends		
FP NewCo	14,515	14,515
	<u>14,567</u>	<u>14,567</u>

The table below demonstrates the movements of loans with cash and noncash effects:

Loan	12/31/2023	Cash effect		Noncash effect		09/30/2024
		Principal received / (settled)	Interest received	Interest and exchange variance	Income tax withheld at source	
Prumo Logística	153,792	-	-	-	-	153,792
FP NewCo	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		09/30/2023
		Principal received / (settled)	Interest received	Interest and exchange variance	Income tax withheld at source	
Prumo Logística	153,792	-	-	-	-	153,792
FP NewCo	34,074	54,029	-	-	-	88,103
	<u>187,866</u>	<u>54,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,895</u>

7 Investments

a. Equity interests

09/30/2024									
Direct investee	%	Number of shares/ (thousand)	Assets	Liabilities	Equity	Capital	Capital reserve	Profit reserve	Retained Earnings
Ferroport	50%	1,080	2,916,780	984,727	1,932,053	1,197,152	94,589	227,958	412,354

12/31/2023									
Direct investee	%	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	12/31/2023	Share of profit at equity- accounted investees	Dividends	09/30/2024
Ferroport	973,873	166,545	(174,391)	966,027
	973,873	166,545	(174,391)	966,027
	973,873	166,545	(174,391)	966,027

Direct investee	12/31/2022	Share of profit at equity- accounted investees	Dividends	12/31/2023
Ferroport	1,007,564	249,418	(283,109)	973,873
	1,007,564	249,418	(283,109)	973,873
	1,007,564	249,418	(283,109)	973,873

8 Bonds

	09/30/2024					12/31/2023
	Due date	Rates in %	Principal	Interest	Total	Total
Loan						
Senior Secured Bonds	12/31/2031	Dollar + 7.50% p.y	1,419,784	26,621	1,446,405	1,433,026
(-) Transaction cost			(51,600)	-	(51,600)	(61,480)
			1,368,184	26,621	1,394,805	1,371,546
Current			65,733	26,621	92,354	257,871
Noncurrent			1,302,451	-	1,302,451	1,113,675

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 June 2024, the Company paid R\$ 82,271 of principal amortization and interest in the amount of R\$57,409. 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 third quarter of 2024 (as compared to fourth quarter of 2023). 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 September 30th, 2024, DSRA had BRL 56,266 deposited (BRL 51,796 as of December 31st, 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 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

	Cash Flow				Noncash effect		09/30/2024
	12/31/2023	Secured/ (settled)	Interest paid (financing)	Addition of transaction costs	Interest and exchange variance	Amortization of transaction costs	
Bonds	1,371,546	(131,148)	(110,058)	-	254,584	9,881	1,394,805
	1,371,546	(131,148)	(110,058)	-	254,584	9,881	1,394,805

	Cash Flow				Noncash effect		09/30/2023
	12/31/2022	Secured/ (settled)	Interest paid (financing)	Addition of transaction costs	Interest and exchange variance	Amortization of transaction costs	
Bonds	1,509,431	(39,713)	(110,990)	-	20,553	11,004	1,390,285
	1,509,431	(39,713)	(110,990)	-	20,553	11,004	1,390,285

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 September 30th, 2024 and December 31st, 2023, the balance of deferred income and social contribution tax asset not recognized was R\$ 285,242 and R\$ 253,623 respectively.

10 Taxes and social contributions payable

	09/30/2024	12/31/2023
PIS/COFINS	10	24
IRRF	1	-
	<u>11</u>	<u>24</u>

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:

	<u>Three months</u>		<u>Nine months</u>	
	<u>07/01/2024</u> to <u>09/30/2024</u>	<u>07/01/2023</u> to <u>09/30/2023</u>	<u>01/01/2024</u> to <u>09/30/2024</u>	<u>01/01/2023</u> to <u>09/30/2023</u>
Profit (loss) before income and social contribution taxes	63,007	(23,170)	(87,146)	140,586
Income (loss) and social contribution taxes at the rate (34%)	(21,422)	7,878	29,630	(47,799)
Adjustment to determine the effective rate				
Tax credits not recognized - Temporary Adjustments	10,415	(17,785)	(54,718)	19,795
Tax credits not recognized - Tax Loss	(11,270)	(10,539)	(31,619)	(36,047)
Equity income	23,091	19,885	56,625	64,258
Other	(814)	561	82	(207)
Total income and social contribution taxes	(0)	(0)	(0)	(0)
Effective rate	<u>0,00%</u>	<u>0,00%</u>	<u>0,00%</u>	<u>0,00%</u>
Current	-	-	-	-
Deferred (a)	-	-	-	-
Total income and social contribution taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(a) Due to the lack of concrete expectations of future taxable results and others, the tax asset deferred arising from tax losses and consolidated negative base was not recognized in this quarter. This matter is periodically reviewed.

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:

	09/30/2024	12/31/2023
Tax litigations	620	297
Total	620	297

12 Equity

a. Share capital

The Company's ownership structure as of September 30th, 2024, is as follows:

	09/30/2024		12/31/2023	
	Quantity of common shares (thousand)	%	Quantity of common shares (thousand)	%
FP NewCo	820,362	100.00	820,362	100.00
	820,362	100.00	820,362	100.00

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)

	Three months		Nine months	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Financial revenue				
Interests on short-term investments	229	289	2,550	2,970
Interests earned	74	51	219	194
Exchange variance on loans	58,285	25,091	69,596	252,329
Derivatives	(777)	3,608	10,472	4,465
	57,811	29,039	82,837	259,958
Financial expenses				
Interests on loans	(27,308)	(26,160)	(90,444)	(80,595)
Exchange variance on loans	(29,859)	(77,391)	(232,741)	(191,575)
Amortization of transaction costs	(3,108)	(3,675)	(9,881)	(11,004)
Commission and brokerage fees	(586)	(1,253)	(1,528)	(2,260)
Derivatives	(1,616)	(1,943)	(1,616)	(13,161)
Taxes on financial operations	(99)	-	(99)	(9,106)
Other	-	(162)	-	(456)
	(62,576)	(110,584)	(336,309)	(308,157)
	(4,765)	(81,545)	(253,472)	(48,199)

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	09/30/2024		12/31/2023	
			Book value	Fair value	Book value	Fair value
Assets						
Cash and cash equivalents	Amortized cost	-	57,242	57,242	2,376	2,376
Escrow account	Amortized cost	-	56,266	56,266	151,516	151,516
Loan with related parties	Amortized cost	-	241,895	241,895	241,895	241,895
Dividends	Amortized cost	-	43,067	43,067	58,139	58,139
Derivatives	Fair value through profit or loss	Level 2	981	981	-	-
			399,451	399,451	453,926	453,926
Liabilities						
Other payables	Amortized cost	-	122	122	89	89
Derivatives	Fair value through profit or loss	Level 2	1,616	1,616	876	876
Dividends	Amortized cost	-	14,515	14,515	14,515	14,515
Accounts payable to related parties	Amortized cost	-	52	52	52	52
Bonds	Amortized cost	-	1,394,805	1,394,805	1,371,546	1,371,546
			1,411,110	1,411,110	1,387,078	1,387,078

- **(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 September 30th, 2024, loans and financing are measured at amortized cost. The fair value calculated by Management for reference purposes only is R\$1,425,633 (R\$ 1,346,188 as of December 31st, 2023).

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	Contracted NDF in BRL		Market-to-market (MTM) in R\$	
	Reference value	Maturity	09/30/2024	12/31/2023
USD term	2,505	06/2024	-	(464)
USD term	4,113	06/2024	-	(412)
USD term	2,074	12/2024	558	-
USD term	2,491	12/2024	423	-
USD term	2,306	12/2024	(435)	-
USD term	2,654	12/2024	(586)	-
USD term	2,894	12/2024	(595)	-
Hedge position			(635)	(876)

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%
Loan				
Senior Secured Bonds	1,446,405	1,591,046	1,735,686	1,880,327
Total	1,446,405	1,591,046	1,735,686	1,880,327
2023	Actual	USD +10%	USD +20%	USD +30%
Loan				
Senior Secured Bonds	1,433,026	1,576,329	1,719,631	1,862,934
Total	1,433,026	1,576,329	1,719,631	1,862,934

(ii) Liquidity risk

The table below denotes the main financial liabilities of the Company as of September 30th, 2024. These amounts are gross and are not discounted and include payments of estimated interest.

	No maturity	Up to 6 months	6 to12 months	1 to2 years	2 to 5 years	Over 5 years	Total
Financial liabilities							
Other payable	-	122	-	-	-	-	122
Accounts payable to related parties	-	52	-	-	-	-	52
Loans and Bonds	-	86,733	93,963	396,063	630,876	604,908	1,812,543
Total by time range	-	86,907	93,963	396,063	630,876	604,908	1,812,717

(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:

	09/30/2024	12/31/2023
Financial instruments		
Cash and banks	57,242	2,376
Escrow account	56,266	151,516
Loan with related parties	241,895	241,895
	355,403	395,787

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