

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-14878

GERDAU S.A.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Federative Republic of Brazil

(Jurisdiction of incorporation or organization)

**Av. Dra. Ruth Cardoso, 8,501 – 8th floor
São Paulo, São Paulo - Brazil CEP 05425-070**

(Address of principal executive offices) (Zip code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange in which registered
Preferred Shares, no par value per share, each represented by American Depositary Shares	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

The total number of issued shares of each class of stock of GERDAU S.A. as of December 31, 2025 was:

717,782,619 Common Shares, no par value per share
1,283,097,330 Preferred Shares, no par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

†The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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INTRODUCTION

Unless otherwise indicated, all references herein to:

- (i) “CPI” means consumer price index, “CDI” means Interbanking Deposit Rates (Certificados de Depósito Interbancário), “IGP-M” means Consumer Prices Index (Índice Geral de Preços do Mercado), measured by FGV (Fundação Getúlio Vargas), “GDP” means Gross Domestic Product, “SOFR” means the Secured Overnight Financing Rate;
- (ii) “Installed capacity” means the annual projected capacity for a particular facility (excluding the portion that is not attributable to our participation in a facility owned by a joint venture), calculated based upon operations for 24 hours each day of a year and deducting scheduled downtime for regular maintenance;
- (iii) “Preferred Shares” and “Ordinary Shares” refer to the Company’s authorized and outstanding preferred stock and ordinary stock, designated as *ações preferenciais* and *ações ordinárias*, respectively, all without par value;
- (iv) All references herein to the “*real*”, “*reais*” or “*R\$*” are to the Brazilian *real*, the official currency of Brazil. All references to (i) “U.S. dollars”, “dollars”, “U.S.\$” or “\$” are to the official currency of the United States, (ii) “Euro” or “€” are to the official currency of members of the European Union, (iii) “billions” are to thousands of millions, (iv) “km” are to kilometers, and (vi) “tonnes” are to metric tonnes, which is equal to 1,000 kilograms or 2,204.62 pounds;
- (v) “proven” or “probable mineral reserves” have the meanings defined by SEC in Regulation S-K, §229.1300;
- (vi) “Shipments” means the volumes shipped and “Consolidated shipments” means the consolidated volumes shipped from all our operations in Brazil, South America and North America, excluding our joint ventures and associate companies and intercompany transactions; and
- (vii) the “Company”, “Gerdau”, “we” or “us” are references to Gerdau S.A., a corporation organized under the laws of the Federative Republic of Brazil (“Brazil”) and its consolidated subsidiaries.

The Company has prepared the Consolidated Financial Statements included herein in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The following investments are accounted following the equity method: MRM Guide Rail, located in North America, is 50% owned by which Gerdau Ameristeel US Inc., the investment in Gerdau Corsa S.A.P.I. de C.V., in Mexico, in which the Company holds a 75% stake, the investment in Dona Francisca Energética S.A, in Brazil, in which the Company holds a 53.94% stake, the investment in Newave Energia S.A., in Brazil, in which the Company holds a 40% stake, the investments in Addiante S.A., in Brazil, in which the Company holds a 50% stake, the investment in Brasil ao Cubo S.A., in Brazil, in which the Company holds a 44.66% stake, the investment in Juntos Somos Mais Fidelização S.A., in Brazil, in which the Company holds a 27.48% stake; and the investment in MRS Logística S.A., in Brazil, in which the Company holds a 1.32% stake.

On February 10, 2025, the Company, after fulfilling all the conditions precedent, including approval by the antitrust authorities, concluded the transaction with Sumitomo Corporation and The Japan Steel Works Ltd., for the acquisition of 39.53% and 1.74%, respectively, of the total shares issued by Gerdau Summit Aços Fundidos e Forjados S.A. (“Gerdau Summit”). With the closing of the transaction, the Company owns 100% of Gerdau Summit’s capital. Gerdau Summit, until then a joint venture, with this transaction became a subsidiary of the Company. On May 30, 2025, at the Extraordinary General Meeting, it was decided to incorporate Gerdau Summit into Gerdau S.A., without a capital increase and without the issuance of new shares by the Company, with effect from May 31, 2025.

On March 21, 2025, Sul Renováveis Participações S.A acquired 100% of the shares of Rio do Sangue Energia S.A., previously held by Atiaia Energia S.A.

On April 11, 2025, Gerdau Aços Longos S.A. acquired 100% of the shares of Kloeckner Metals Brasil Ltda. (currently Comercial Gerdau Aços Planos Ltda.) previously held by Kloeckner & Co.SE.

On April 28, 2025, Gerdau Aços Longos S.A. acquired 100% of the shares of Paranatinga Energia S.A., previously held by Atiaia Energia S.A

On December 1, 2025, the Company completed the transaction with John Buller Inc. to acquire 50% of the total outstanding shares of Bradley. Upon closing the transaction, the Company came to own 100% of the share capital of Bradley.

Unless otherwise indicated, all information in this Annual Report is stated as of December 31, 2025.

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Act of 1995. These statements relate to our future prospects, developments and business strategies.

Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates” and similar expressions are forward-looking statements. Although we believe that these forward-looking statements are based upon reasonable assumptions, these statements are subject to several risks and uncertainties and are made considering information currently available to us.

It is possible that our future performance may differ materially from our current assessments due to several factors, including the following:

- general economic, political and business conditions in our markets, both in Brazil and abroad, including demand and prices for steel products;
- interest rate fluctuations, inflation and exchange rate movements of the *real* in relation to the U.S. dollar and other currencies in which we sell a significant portion of our products or in which our assets and liabilities are denominated;
- our ability to obtain financing on satisfactory terms;
- prices and availability of raw materials;
- changes in international trade;
- changes in laws and regulations, including economic policies of the Brazilian and U.S. governments;
- electric energy shortages and government responses to them;
- the performance of the Brazilian and the global steel industries and markets;
- global, national and regional competition in the steel market;
- protectionist measures imposed by steel-importing countries; and
- other factors identified or discussed under “Risk Factors.”

Our forward-looking statements are not guarantees of future performance, and actual results or developments may differ materially from the expectations expressed in the forward-looking statements. As for the forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainty of estimates, forecasts and projections. Because of these uncertainties, potential investors should not rely on these forward-looking statements.

We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable, as the Company is filing this Form 20-F as an annual report.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable, as the Company is filing this Form 20-F as an annual report.

ITEM 3. KEY INFORMATION

A. [RESERVED]

B. CAPITALIZATION AND INDEBTEDNESS

Not required, as the Company is filing this Form 20-F as an annual report.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not required, as the Company is filing this Form 20-F as an annual report.

D. RISK FACTORS

We are subject to various risks and uncertainties resulting from changing competitive, economic, political and social conditions that could harm our business, results of operations or financial condition. The risks described below could adversely affect our business, consolidated financial position, results of operations or cash flows. These risks are not the only ones we face. Other risks that we do not presently know about or that we presently believe are not material could also adversely affect us.

Risks Relating to our Business and the Steel Industry

Cyclical and Global Economic Volatility in Steel Demand

The steel industry is highly cyclical and strongly influenced by global economic conditions. Fluctuations in demand, international prices, trade policies, and production overcapacity (particularly in major producing countries) create significant volatility in steel markets. Past events highlight this vulnerability: the (i) 2008–2009 global financial crisis led to a sharp decline in steel demand; (ii) the COVID-19 pandemic in 2020 caused severe disruptions before stimulus-driven recovery; and (iii) the U.S. tariff measures in 2025 further distorted trade flows and pressured international prices. These examples underscore how external shocks can quickly affect steel consumption, pricing, and global trade flows.

Global crises, economic slowdowns, geopolitical tensions, and downturns in key consuming sectors such as construction and automotive can depress demand and prices, increase imports, and disrupt trade. In such environments, the Company may face reduced shipments, lower revenues, and margin compression. If the Company is unable to remain competitive under these shifting market conditions, its profitability and overall financial condition may be adversely affected.

Our results and financial condition are affected by global and local market conditions that we do not control and cannot predict.

Our results of operations and financial condition are subject to significant volatility due to global and local market dynamics beyond our control. The steel industry is inherently cyclical, and fluctuations in steel demand, pricing, and production costs can materially impact our profitability.

A significant portion of our operations are concentrated in North America. As a result, our exposure to economic, political, and regulatory conditions in these markets has increased year over year. Changes in economic activity, interest rates, trade policies, currency fluctuations, or other market conditions in North America could adversely affect our business, financial condition, and results of operations. The range of economic factors influencing their markets is broad and often unpredictable, thereby increasing the potential impact on our operations.

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Additionally, rising energy costs, constraints on raw material availability, and foreign exchange rate fluctuations can increase our operational expenses and reduce margins. External factors such as economic downturns, changes in infrastructure spending, supply chain disruptions, and shifts in global trade policies, including protectionist measures and tariffs, may also adversely affect our operations.

Global economic weakness may prompt banks to limit or deny lending to us or to our customers, which could cause our customers to slow down or reduce their purchase of our products. This, in turn, could have a material adverse effect on our liquidity, operations, and our ability to carry out our announced capital investment programs.

We may experience longer sales cycles, difficulty in collecting sales proceeds and lower prices for our products. We cannot provide any assurance that any of these events will not have a material adverse effect on market conditions, the prices of our securities, our ability to obtain financing and our results of operations and financial condition.

Global conflicts and sanctions may adversely affect our operations and financial condition.

Armed conflicts and geopolitical events may negatively impact demand for steel and iron ore, commodity prices, and energy costs. Sanctions imposed in connection with such conflicts, or any escalation thereof, could disrupt financial and commodity markets, restrict trade, and have long-lasting effects beyond the duration of the conflicts. These factors may materially and adversely affect our business, results of operations, and financial condition.

The continuing Russian invasion of Ukraine, conflict on the border between Israel and the Gaza strip, the U.S. attack in Iran, the ongoing economic, political and humanitarian crisis in Venezuela, and the sanctions imposed (and further sanctions that may be imposed) could have further destabilizing effects on financial markets and certain commodity markets. Any substantial escalation would have a material adverse effect on macroeconomic conditions. In addition, sanctions may remain in place beyond the duration of any military conflict and have a long-lasting impact regionally and globally and could adversely impact the Company's results of operations and financial condition.

Any other global conflicts could have a material adverse effect on the overall macroeconomic environment, impacting financial markets and certain commodity markets, with a materially adverse impact on our results of operations and financial condition.

Gerdau faces significant competition in relation to its steel products, including prices of other domestic and foreign producers, which may adversely affect its profitability and market share.

The global steel industry is highly competitive with respect to price, quality of products and customer service, as well as to technological advances that allow the reduction of production costs. Brazilian exports of steel products are influenced by several factors, including protectionist policies of other countries, foreign exchange policy and the growth rate of the world economy. Moreover, continuous advances in material sciences and the resulting technologies facilitate the improvement of products such as plastic, aluminum, ceramics, glass and timber, permitting them to serve as substitutes for steel.

Due to the high initial investment costs, the operation of a steel plant on a continuous basis may encourage mill operators to maintain high production levels, even in periods of low demand, which increases the pressure on industry profit margins. That said, competitive pressures that force the fall of steel prices can also affect the profitability of Gerdau.

The steel industry has historically suffered from excess of production capacity, which has worsened due to a substantial increase in production capacity in emerging countries, particularly China and India and other emerging markets. China is currently the largest global steel producer.

Unfavorable conditions in China and steel-exporting countries can significantly impact steel prices in other markets. China, as the world's largest steel producer and consumer, influences global steel demand and supply dynamics. Factors like a lack of real estate investment, lower consumer confidence and rationalization of government stimulus can diminish steel demand within China, affecting global prices. Additionally, steel-exporting countries, benefiting from lower production costs, efficient supply chains, and economies of scale, can exert competitive pressures on international steel prices, particularly when coupled with government subsidies or trade agreements. These combined factors create a complex interplay of supply and demand forces that can swiftly impact steel prices worldwide.

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In 2023, 2024 and 2025, steel companies in Brazil faced strong competition from imported products, mainly due to the global excess in steel production, culminating in an unhealthy market capture near the record highs, increasing the competitive imbalance, mainly driven by predatory steel imports from China. According to the Brazil Steel Institute, steel imports in Brazil reached 6.4 million tonnes in 2025, up 7.4% over 2024, which has harmed fair competition in the Brazilian markets where Gerdau operates in the country and impacted the Company's results. Although Gerdau is a modern and highly efficient producer, the Company cannot compete with heavily subsidized imports, which may adversely affect the competitiveness of the industry, its financial condition, and results of operations in the future.

An increase in China's steelmaking capacity or a slowdown in China's steel consumption could have a material adverse effect on domestic and global steel pricing and could result in increased steel imports into the markets in which the Company operates.

One significant factor in the global steel market has been China's high steel production capacity. However, very substantial consumers of steel have lost relevance in the Chinese economy, causing a deep and structural imbalance between steel supply and demand in the Chinese domestic market.

China is currently the world's largest steel producer and has favorable conditions such as excess steel capacity, devalued currency and a job maintenance policy. In addition, the Chinese government subsidizes surplus steel production, exporting these volumes at prices below production costs in several countries in the transoceanic region that have not yet taken sufficient trade defense measures against trade practices that enable predatory steel imports, such as Brazil, and consequently pushing down international steel prices. Trade defense measures against predatory practices are legal and supported by the World Trade Organization. Some countries such as the United States, Mexico, Colombia, Turkey, Vietnam and the 27 countries of the European Union have adopted relevant measures to combat the entry of subsidized Chinese steel, strengthening their economies, their industries, and their jobs.

In 2025, steel imports in Brazil increased by 7.4% compared to 2024 and reached for the third straight year a record volume in the annual historical series, according to the Brazil Steel Institute. Over 2023, 2024 and 2025, Gerdau faced again an increase in the penetration of imported steel in Brazil, particularly from China. For these reasons, players in the sector have been defending the need for a review of import tariffs in Brazil to ensure fairer and more competitive conditions for the national steel market. The Brazilian government partially addressed the steel sector since 2024 with a temporary hike of tariffs for some flat and long steel products utilizing a quota system, which proved insufficient so far. If the Brazilian government does not enhance measures against subsidized steel imports and the high level of imports continues without adequate measures that guarantee fair competition with the local market, Gerdau's financial condition and results of operations may be negatively affected in the future. In addition to direct steel imports, the Brazilian industry also faces competition from imported finished products, which negatively affects the entire steel supply and production chain.

Higher steel scrap prices or a reduction in supply could adversely affect production costs and operating margins.

The main metal input for the Company's mini mills is steel scrap. Although international steel scrap prices are determined essentially by scrap prices in the U.S., due to the United States being the main scrap exporter in the world, scrap prices in the Brazilian market are set by domestic suppliers and demand and by scrap exports to India, the main destination to Brazilian scrap exports. The price of steel scrap in Brazil varies from region to region and reflects supply, demand and transportation costs. Should scrap prices increase significantly without a corresponding increase in finished steel selling prices, the Company's profits and margins could be adversely affected. An increase in steel scrap prices or a shortage in the supply of scrap to its units would affect production costs and potentially reduce operating margins and revenues. As a result, the Company's financial condition and results of operations may be adversely affected.

Increases in iron ore and coal prices, or reductions in market supply, and price increases in other inputs, could adversely affect the Company's operations.

When the prices of raw materials, particularly iron ore and coking coal, increase, and the Company needs to produce steel in its integrated facilities, the production costs in its integrated facilities also increase. The Company uses iron ore to produce hot pig iron at its Ouro Branco and Divinópolis mills located in the state of Minas Gerais.

The Ouro Branco mill is the Company's largest mill in Brazil, and its main metal input to produce steel is iron ore. This unit represented 55.2% of the total crude steel output (in volume) of the Brazil Business Segment in 2025. A shortage of iron ore in the domestic market may adversely affect the steel producing capacity of the Brazilian units, and an increase in iron ore prices could reduce profit margins.

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The Company has iron ore mines in the Brazilian state of Minas Gerais. To mitigate its exposure to the volatility in iron ore prices, the Company invested in expanding the production capacity of these mines.

All the Company's coking coal requirements for its Brazilian unit at Ouro Branco are sourced domestically or imported. Coking coal is the main energy input at the Ouro Branco mill and is used at the coking facility and blast furnaces. Although this mill is not dependent on coke supplies, a contraction in the supply of coking coal could adversely affect the integrated operations at this site. The coking coal used in this mill is imported from Colombia, the United States and Russia. A shortage of coking coal in the international market would adversely affect the steel producing capacity of the Ouro Branco mill. To minimize the risks of shortages the Company has secured volumes under long-term contracts with negotiable indexed or fixed prices. In addition, an increase in prices could reduce profit margins. Another related risk is the currency depreciation to which the Ouro Branco Mill is exposed, since all coking coal consumed by the operation is imported.

Volatility in the supply and prices of these and other raw materials, energy and transportation, could adversely affect the Company's results of operations. We are vulnerable to inflationary cost pressures, especially in relation to the prices of electricity, natural gas and CO₂.

Such events could adversely affect the Company's financial condition and results of operations.

Risks Relating to our Operations

The Company's projects are subject to risks that may result in increased costs or delay or prevent their successful implementation.

The Company has made investments to further enhance the productivity of its operations. These projects are subject to several risks that may adversely affect the Company's growth prospects and profitability, including the following:

- the Company may encounter delays, availability problems or higher than expected costs in obtaining the necessary equipment, services and materials to build and operate a project;
- the Company's efforts to develop projects according to schedule may be hampered by a lack of infrastructure, including availability of overburden and waste disposal areas as well as reliable power and water supplies;
- the Company may fail to obtain, may lose, or experience delays or higher than expected costs in obtaining or renewing the required permits, authorizations, licenses, concessions and/or regulatory approvals to build or continue a project; and
- changes in market conditions, laws or regulations may make a project less profitable than expected or economically or otherwise unfeasible.

Any one or a combination of the factors described above may materially and adversely affect the Company's financial condition and results of operations.

Unexpected equipment failures may lead to production curtailments or shutdowns.

Unexpected interruptions in the production capabilities at Gerdau's principal sites and installations would increase production costs, reducing shipments and earnings for the affected period. These interruptions result from: (i) unpredictable/periodic equipment failures, which are essential to the development of the production processes of Gerdau, such as steelmaking equipment, its electric arc furnaces, continuous casters, gas-fired reheat furnaces, rolling mills and electrical equipment, including high-output transformers; and/or (ii) unanticipated events such as fires, explosions or severe weather conditions. As a result, Gerdau has experienced, and may in the future experience, material plant shutdowns or periods of reduced production. Unexpected interruptions in production capabilities would adversely affect Gerdau's productivity and results of operations. Moreover, any interruption in production capability may require Gerdau to make additions to fixed assets to remedy the problem, which would reduce the amount of cash available for operations. Gerdau's insurance may not cover the losses. In addition, long-term business disruption could harm the Company's reputation and result in a loss of customers, which could adversely affect the business, results of operations, cash flows and financial condition.

Failure to obtain the necessary permits and licenses could adversely affect our operations.

We depend on the issuance of permits and licenses from governmental agencies to undertake some of our activities that are considered polluting or potentially polluting. For obtaining said licenses, certain investments in conservation are required to offset any such impact. The operational licenses require, among other things, that we periodically report our compliance with emissions standards set by environmental agencies. Failure to obtain, renew or comply with our operating licenses may cause delays in our deployment of new activities, increased costs, monetary fines or even suspension of the affected activity, which may materially adversely affect us.

The Company's operations are energy-intensive, and energy shortages or higher energy prices could have an adverse effect on the Company's financial condition and results of operations.

Crude steel production is an energy-intensive process, especially in melt shops with electric arc furnaces. Electricity represents an important production component at these units, as does natural gas, although to a lesser extent. Electricity cannot be replaced at Gerdau's mills and power rationing, or shortages, could adversely affect production at those units. As a result, the Company's financial condition and results of operations may be adversely affected.

Layoffs in the Company's labor force could generate costs or negatively affect the Company's operations.

A substantial number of our employees are represented by labor unions and are covered by collective bargaining or other labor agreements, which are subject to periodic negotiation. Strikes or work stoppages have occurred in the past and could reoccur in connection with negotiations of new labor agreements or during other periods for other reasons, including the risk of layoffs during a down cycle that could generate severance costs. Moreover, the Company could be adversely affected by labor disruptions involving unrelated parties that may provide goods or services to the Company. Strikes and other labor disruptions at any of the Company operations could adversely affect the operation of facilities and the timing of completion and the cost of capital of our projects.

Throughout 2025, the Company implemented workforce reductions. These measures were primarily driven by the significant increase in predatory steel imports into the Brazilian market, which adversely affected domestic production levels.

If the Brazilian government does not implement measures against subsidized steel and the high level of imports persist without measures that guarantee fair competition with the local market, Gerdau may consider restructuring its operations in Brazil. This could involve shutdown of some other production capacities and, consequently, a recalibration of the workforce size, materially adversely affecting the financial condition and results of operations of the Company.

We could be harmed by a failure or interruption of our information technology systems or automated machinery.

We rely on our information technology systems and automated machinery to effectively manage our production processes and operate our business. Advanced technological systems and machinery are nonetheless subject to defects, interruptions and breakdowns. Any failure of our information technology systems and automated machinery to perform as we anticipate could disrupt our business and result in production errors, processing inefficiencies and the loss of sales and customers, which in turn could result in decreased revenue, increased overhead costs and excess or out-of-stock inventory levels resulting in a material adverse effect on our business results. Although we have procedures in place to prevent and minimize the impact of a potential failure, including a data back-up system for our management systems, 24/7 monitoring of our servers, and a cybersecurity program that maintains a Corporate Information Security Policy and a Data Privacy Policy in place, there is no assurance that these will work properly or that there will not be an impact on our results of operations or financial condition.

In addition, our information technology systems and automated machinery may be vulnerable to damage or interruption from circumstances beyond our control, including fire, natural disasters, systems failures, viruses, cyber-attacks and other security breaches, including breaches of our production processing systems that could result in damage to our automated machinery, production interruptions or access to our confidential financial, operational or customer data. Any such damage or interruption could have a material adverse effect on our business results, including as a result of our facing significant fines, customer notice obligations or costly litigation, harming our reputation with our customers or requiring us to spend significant time and expense developing, repairing or upgrading our information technology systems and automated machinery.

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Further, while we have some backup data-processing systems that could be used in the event of a failure of our primary systems, we do not yet have a disaster recovery plan or a backup data center that covers all of our units. While we endeavor to prepare for failures of our network by providing backup systems and procedures, we cannot guarantee that our current backup systems and procedures will operate satisfactorily in the event of a regional emergency. Any substantial failure of our backup systems to respond effectively or on a timely basis could have a material adverse effect on our business and results of operations.

We are subject to information technology risks related to breaches of security pertaining to sensitive company, customer, employee and vendor information as well as breaches in the technology used to manage operations and other business processes.

Cybersecurity is a significant concern due to the importance of information technology to the successful conduct of our business operations. We have an executive dedicated to leading the Information Security and Data Protection effort as well as an internal team with qualified specialists and analysts to conduct and evaluate the adequacy of the security and data protection controls. Additionally, we also have an incident response service provider to support our team to prevent and respond to cyber incidents.

We rely upon secure information technology systems for data capture, processing, storage and reporting. Despite careful security and controls design, implementation, updating and independent third-party verification, that also includes specific policies, procedures, and specialized software tools for cybersecurity and data protection, our information technology systems, and those of our third-party providers, could become subject to employee error or malfeasance, natural disasters or be susceptible to cyberattacks. Network, system, application, and data breaches could result in operational disruptions or information misappropriation. Access to internal applications required to plan our operations, source materials, manufacture and goods and account for orders could be denied or misused. Theft of intellectual property or trade secrets, and inappropriate disclosure of confidential company, employee, customer or vendor information, could stem from such incidents. Any of these operational disruptions and/or misappropriation of information could result in lost sales, business delays, negative publicity and could have a material effect on our business. We also could be required to spend significant financial and other resources to remedy the damage caused by a security breach, including repairing or replacing networks and information technology systems, liability for stolen information, increased cybersecurity protection costs, litigation expense and increased insurance premiums.

Outbreaks of disease and health epidemics could have a negative impact on our business revenues and results of operations.

The Company monitors the outbreaks of disease and health epidemics and the impacts these may have on the routines of employees, contractors, suppliers, customers and other business partners who may be prevented from conducting certain business activities for an indefinite period. These effects include shutdowns that may be requested or mandated by governmental authorities or otherwise elected by companies as a preventive measure. In addition, mandated government authority measures or other measures elected by companies as preventative measures may lead to our customers being unable to complete purchases or other activities.

Demand for our steel products is directly linked to overall economic activity within those international markets in which we sell our products. A decline in the level of activity in either the domestic or the international markets within which we operate as a result of future outbreaks of disease and health epidemics and related measures to contain them could adversely affect and impact both the demand and the price of our products and have a material adverse effect on us. Furthermore, the nature of our business is complex and, to keep operating, most of our work cannot be performed remotely. Our focus is on protecting the health of our employees and, therefore, we encourage them to take care of their health, since operational continuity is key to people's jobs, to local communities and to the economies of the countries and regions where we operate.

Risks Relating to our Mining Operations

Estimates of Gerdau's mineral resources are based on interpretations and assumptions, involving a level of uncertainty, and may differ substantially from the quantities that can be extracted.

Gerdau's mineral resources refer to estimated quantities of iron ore and minerals. In 2023, Gerdau received the certification report for the iron ore reserves at the mine located in Miguel Burnier District, municipality of Ouro Preto (MG - Brazil). The report was prepared by the independent certifier SRK Consulting, and according to the report, the Company had certified reserves of 476 million dry metric tons of iron ore, comprised of 138 million tonnes of proven reserves and 338 million tonnes of probable reserves. These mining operations are part of Brazil Business Segment, with the focus on supplying iron ore for it.

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Notwithstanding the report, there are several uncertainties that are inherent to such estimates of resources, including many factors that are beyond our control, such as geological and technological factors. All estimates of Gerdau's mineral resources and reserves are based on interpretations and assumptions that involve a level of uncertainty. If the amount of mineral resources that actually can be extracted differs materially from our estimates, our business, results of operations and financial condition could be materially adversely impacted.

The Company has one mining dam for the disposal of tailings, and any accident or defect that affects the structural integrity could affect its image, operating results, cash flows and financial condition.

Gerdau has one mining dam, downstream, for the disposal of tailings in the state of Minas Gerais, the Alemães Dam, which has been in operation since 2011 and is regularly monitored. In 2023, this structure had its construction methodology changed to downstream heightening from originally upstream heightening, and therefore fully complying with the Brazilian regulations. Furthermore, following Gerdau's decision, the tailings disposal at the Dam was ceased by February 2023, and therefore the Company is disposing 100% of its tailings through dry stacking.

The Alemães Dam is classified as Class B (low risk) in accordance with the National Mining Dam Registry available on the website of the National Mining Agency (ANM). Gerdau adopts rigorous standards for engineering control and environmental supervision and conducts a half-yearly Geotechnical Stability Audit to ensure the stability of the dam. Gerdau maintains Mining Dam Emergency Action Plans that are filed at the regulatory agencies, as required by applicable regulations.

The Company also has other structures that are treated as Mining Dams by the ANM: UTM 2 Bays, North Dike of Waste Pile 01, and North and South Bays of Waste Pile A. These are structures that receive stormwater runoff and/or effluents from drainage at the Ore Treatment Units to enable the sedimentation of solid waste before the water is returned to the environment.

An accident involving any of these dams could have serious adverse consequences, including:

- Temporary/permanent shutdown of mining activities and consequently the need to buy iron ore to supply mills;
- High expenditures on contingencies and on recovering the regions and people affected;
- High investments to resume operations;
- Payment of fines and damages; and
- Potential environmental impacts.

Any of these consequences could have a material adverse impact on the Company's operating results, cash flow and financial condition.

Financial Risks

Any downgrade in the Company's credit ratings could adversely affect the availability of new financing and increase its cost of capital.

In 2007, the international rating agencies, Fitch Ratings and Standard & Poor's, classified the Company's credit risk as "investment grade", enabling the Company to access more attractive borrowing rates. During reviews in 2025, despite a lower local sovereign credit rating, the Company maintained its investment grade rating with S&P (BBB), Fitch (BBB) and Moody's (Baa2) with Moody's with stable outlook, reflecting the Company's history of conservative capital allocation, combined with the expectation of robust operating performance throughout the year.

The loss of any one or more of Gerdau's investment grade ratings could increase its cost of capital, impair its ability to obtain capital and adversely affect its financial condition and results of operations.

The Company's level of indebtedness could adversely affect its ability to raise additional capital to fund operations, limit the ability to react to changes in the economy or the industry and prevent it from meeting its obligations under its debt agreements.

The Company's degree of leverage, together with a resulting change in rating by the credit rating agencies, could have important consequences, including the following:

- It may limit the ability to obtain additional financing for working capital, additions to fixed assets, product development, debt service requirements, acquisitions and general corporate or other purposes;
- It may limit the ability to declare dividends on its shares;
- A portion of the cash flows from operations might be dedicated to the payment of interest on existing indebtedness and would not be available for other purposes, including operations, additions to fixed assets and future business opportunities;
- It may limit the ability to adjust to changing market conditions and place the Company at a competitive disadvantage compared to its competitors that have less debt;
- The Company may be vulnerable in a downturn in general economic conditions; and
- The Company may be required to adjust the level of funds available for additions to fixed assets.

As a result, the Company's financial condition and results of operations may be adversely affected.

Variations in the foreign exchange rates between the U.S. dollar and the currencies of countries in which the Company operates may increase the cost of servicing its debt denominated in foreign currency and adversely affect its overall financial performance.

The Company's results of operations are affected by fluctuations in the foreign exchange rates between the Brazilian *real*, the currency in which the Company prepares its financial statements, and the currencies of the countries in which it operates.

For example, the North America Business Segment reports its results in U.S. dollars. Therefore, fluctuations in the exchange rate between the U.S. dollar and the Brazilian *real* could affect its results of operations. The same occurs with all other businesses located outside Brazil with respect to the exchange rate between the local currency of the respective subsidiary and the Brazilian *real*.

Export revenue and margins are also affected by fluctuations in the exchange rate of the U.S. dollar and other local currencies of the countries where the Company produces in relation to the Brazilian *real*. The Company's production costs are denominated in local currency, but its export sales are generally denominated in U.S. dollars. Revenues generated by exports denominated in U.S. dollars are reduced when they are translated into Brazilian *real* in periods during which the Brazilian currency appreciates in relation to the U.S. dollar.

The Brazilian *real* appreciated against the US dollar by 5.3% in 2022 and by 8.0% in 2023. In 2024, the Brazilian *real* depreciated against the US dollar by 21.8%. In 2025, the Brazilian *real* appreciated against the US dollar by 11.1%. To date in 2026, the Brazilian *real* has appreciated against the US dollar by 6.4% by the beginning of March 2026.

The Company held debt denominated in foreign currency, mainly U.S. dollars, in an aggregate amount of R\$ 8.0 billion on December 31, 2025, representing 56% of its consolidated gross debt (loans, financings, and debentures). Significant further depreciation in the Brazilian *real* in relation to the U.S. dollar or other currencies could reduce the Company's ability to service its obligations denominated in foreign currencies, particularly since a significant part of its net sales revenue is denominated in Brazilian *reais*. As a result, the Company's financial condition and results of operations may be adversely affected. See Note 15 - Short-Term Debt and Long-Term Debt in its Consolidated Financial Statements included herein for further details.

Exchange rate instability also may adversely affect the amount of dividends we can distribute to our shareholders, including the holders of our ADSs and the market price of our shares and ADSs.

We are involved in several tax, environmental, civil and labor disputes involving significant monetary claims. Unfavorable outcomes in judicial, administrative and regulatory litigation may negatively affect our results of operations, cash flows and financial condition.

In the ordinary course of our business dealings, we are, and may become, party to numerous tax, environmental, civil and labor disputes involving, among other remedies, significant monetary claims. An unfavorable outcome against us may result in our being required to pay substantial amounts of money, including penalties and interest, which could materially adversely affect our reputation, results of operations, cash flows and financial condition. For certain of these legal proceedings and claims, we have not established a provision on our balance sheet or have only established provisions for part of the amounts in question, based on our external or internal counsels' judgment as to the likelihood of an outcome unfavorable to us. Additionally, the amounts provisioned for legal proceedings may increase and existing provisions may become insufficient due to unfavorable outcomes in disputes against us. Although we are contesting existing proceedings and claims, the outcome of each specific proceeding and claim is uncertain and may result in obligations that could materially and adversely affect us. For further information concerning the principal pending matters, see Item 5.E - "Provisions for tax, civil and labor claims", Item 8.A - "Legal Proceedings" and Note 19 - "Tax, Civil and Labor Claims and Contingent Assets" to the Consolidated Financial Statements appearing elsewhere in this Annual Report.

Default by our clients or not receiving amounts invested with financial institutions could adversely affect the Company's financial condition.

Gerdaul may suffer losses from the default of our clients. Gerdaul has a broad base of active clients and, in the case of default of a group of clients, Gerdaul may suffer an adverse effect on its business, financial condition, results of operations and cash flows.

This risk arises from the possibility of the Company not receiving amounts arising from sales to customers or investments made with financial institutions, which could also have an adverse effect on the business, financial condition, results of operations and cash flows of Gerdaul.

Regulatory Risks

Restrictive measures on trade in steel products may affect the Company's business by increasing the price of its products or reducing its ability to export. This could adversely affect its business operations, financial condition and results of operations.

Gerdaul is a steel producer that supplies both the domestic market where it operates and several other international markets. The Company's exports face competition from other steel producers, as well as restrictions imposed by importing countries in the form of quotas, ad valorem taxes, tariffs or increases in import duties, any of which could increase the costs of products and make them less competitive or prevent Gerdaul from selling in these markets. There are no assurances that importing countries will not impose quotas, ad valorem taxes, tariffs or increase import duties, which could adversely affect the Company's financial condition and results of operations. Conversely, restrictive measures on trade might positively impact the domestic steel demand in markets where Gerdaul operates.

An example of that scenario is the steel import tariffs reinstated by the Trump administration in early 2025. Effective March 12, 2025, the administration mandated that steel imports from several countries—including Canada, Mexico, the European Union, Japan, South Korea, the United Kingdom, Argentina, Australia, and Brazil—be subject to a 25% tariff. Following the initial reinstatement, trade policy tightened further when these tariffs were increased to 50% in June 2025 (with the exception of the UK, which remained at 25% pending trade negotiations). This series of measures represented a significant shift in U.S. trade policy, moving away from negotiated agreements and exemptions toward a more universal tariff structure. These decisions aimed to curb surging imports, address circumvention concerns, and strengthen domestic steel production.

Gerdaul believes that the trade defense measures aimed at strengthening the U.S. industry will influence greater capacity utilization and further improve the competitiveness of the Company's operations in the U.S. The revised 50% import tariffs have addressed the exceptions resulting from Section 232, where previously only approximately 20% of the steel shipments imported to the United States were subject to tariffs. The current shift in U.S. trade policy is still developing, and therefore there are no assurances that the 50% tariffs favoring domestic steel production will not be lifted, altered, or significantly weakened—whether by legal challenges, new legislation, additional executive actions, or other means. However, a recent U.S. Supreme Court decision invalidating certain tariffs imposed under emergency economic powers is not expected to affect the steel tariffs implemented under Section 232. Nevertheless, if these tariffs were to be lifted or significantly weakened, it is likely that foreign steel imports would rise, leading to a decrease in U.S. steel prices. This change could have a significant negative impact on our revenues, financial performance, and cash flow. On the other hand, with the new tax on steel exports, Brazil could face a challenging period, especially as it is a major exporter of semi-finished products to the United States. In addition, Brazil could face increased imports due to higher tariffs in other markets and the ineffectiveness of the current quota-tariff system.

Costs related to compliance with environmental regulations could increase if requirements become stricter, which could have a negative effect on the Company's results of operations.

The Company's industrial units and other activities must comply with a series of federal, state and municipal laws and regulations regarding the environment and the operation of plants in the countries in which they operate. These regulations include procedures relating to control of air emissions, disposal of liquid effluents and the handling, processing, storage, disposal and reuse of solid waste, hazardous or not, as well as other controls necessary for a steel company and with mining activities.

Non-compliance with environmental and regulatory laws and regulations could result in administrative, civil or criminal sanctions and closure orders, in addition to the obligation of repairing damage caused to third parties and the environment, such as clean-up of contamination. If current and future laws become stricter, spending on fixed assets and costs to comply with legislation could increase and negatively affect the Company's financial condition. Moreover, future acquisitions could subject the Company to additional spending and costs to comply with environmental and regulatory legislation. As a result, the Company's financial condition and results of operations may be adversely affected.

Laws and regulations to reduce greenhouse gases and other atmospheric emissions could be enacted in the near future, with significant, adverse effects on the results of the Company's operations, cash flows and financial condition.

The Company expects operations overseas to be affected by future federal, state and municipal laws related to climate change, seeking to deal with the question of GHG and other atmospheric emissions. Thus, one of the possible effects of this increase in legal requirements could be an increase in energy costs. As a result, the Company's financial condition and results of operations may be adversely affected.

A significant number of scientists, environmentalists, international organizations, regulators and other commentators sustain that global climate change has contributed, and will continue to contribute, to the increasing unpredictability, frequency and severity of natural disasters (including, but not limited to, hurricanes, droughts, tornadoes, freezes, other storms and fires) in certain parts of the world. As a result, several legal and regulatory measures as well as social initiatives have been introduced in numerous countries in an effort to reduce carbon dioxide and other greenhouse gas (GHG) emissions and combat global climate change. Such reductions in GHG emissions could result in increased energy, transportation and raw material costs and may require us to make additional investments in facilities and equipment. Although we cannot predict the impact of changing global climate conditions without certain assumptions, or of legal, regulatory and social responses to concerns about global climate change, any such occurrences may negatively affect our business, financial condition, results of operations and cash flows.

Laws and regulations seeking to reduce GHG emissions can be enacted in the future, which could have a significant adverse impact on the operating results, cash flows, and the financial condition of the Company.

One of the possible effects of the expansion of GHG emissions reduction requirements is an increase in costs, mainly resulting from the demand for renewable energy and the implementation of new technologies in the productive chain. On the other hand, demand is expected to grow constantly for recyclable materials such as steel, which, being a product that could be recycled numerous times without losing its properties, results in lower emissions during the lifecycle of the product.

On December 11, 2024, the carbon market in Brazil was regulated by law, establishing the Brazilian Emissions Trading System (SBCE). Penalties can be applied for non-compliance. The implementation will occur in five phases, starting with the regulation, and the last one being the full implementation, which is expected to take at least four years from the regulation date. Penalties can be applied for non-compliance once they are in force. At state levels, there are demands for accounting for the inventory of GHG emissions and reporting to regulatory bodies as well as discussions about decarbonization strategies.

In the U.S., future federal and/or state carbon regulation potentially presents impacts to our operations. To date, the U.S. Congress has not legislated carbon constraints, and near-term passage of any federal domestic carbon tax appears unlikely. In terms of a carbon tax on imported goods, the U.S. has not yet enacted a federal carbon border adjustment, but the issue is being considered in Congress. There are bipartisan bills and proposals in play that would impose fees on imports based on their carbon intensity, especially as other major economies (like the EU) have already adopted similar mechanisms. Passage is possible but unlikely in the near-term and likely to depend on negotiation with trade allies and industry stakeholders. Also, additional state regulations, such as those adopted in California, may impact Gerdau from 2026, imposing additional reporting obligations when the Company transacts business in these states.

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The Inflation Reduction Act (“IRA”), passed by the U.S. Congress in August 2022. The 2025 Budget Reconciliation Bill significantly curtailed IRA clean energy tax credits, accelerating phase-outs for wind and solar, and imposing other restrictions that have contributed to renewable energy industry uncertainty and investment challenges. The renewable energy sector represents a significant and growing market for Gerdau’s products.

Mexico has advanced in consolidating its carbon market, through an Emissions Trading System (ETS) and it could affect our operations in the future.

The Brazilian Securities and Exchange Commission (CVM) has published resolutions referring to the adoption of IFRS S1 and S2 standards, which are part of the International Financial Reporting Standards (IFRS) issued by the International Sustainability Standards Board (ISSB). The standards are focused on the disclosure of information related to, respectively, sustainability and climate risks and opportunities, when it is financially material. The voluntary adoption of these standards began in January 2024, and mandatory adoption is scheduled for January 2026.

The European Union (EU) Carbon Border Adjustment Mechanism (CBAM) aims to avoid “carbon leakage”, ensuring that its climate policies are not undermined by production relocating to countries with less ambitious green standards or by the replacement of EU products by more carbon-intensive imports. EU has the EU Emissions Trading System (ETS) in place. EU importers of some goods, including steel will have to report on the volume of their imports and GHG emissions embedded during their production, but without paying any financial adjustment at this stage. The transitional phase, which started in October 2023, will last until 2026, when the definitive period starts. As of that date, importers will need to buy and surrender the number of “CBAM certificates” corresponding to the GHG emissions embedded in imported CBAM goods. This new mechanism will not only impact our operations, which may lead to increased costs for our customers who are importers, but it can also shift the flow of steel products. Any products that do not meet the criteria set forth by the CBAM or any other future mechanism will be less competitive in these markets. However, they may still be accepted in countries or regions without a carbon border adjustment mechanism in place, resulting in an increase in the volume of steel with less ambitious green standards in the market. This will lead to competition with steel that is differentiated based on GHG emissions.

Legislation related to air quality and atmospheric emissions in Brazil influence management, monitoring, and reporting practices. Operations subject to these requirements must maintain full compliance, as noncompliance may lead to penalties and other regulatory consequences.

As a result of these rules, our legal, accounting, and other compliance expenses may increase significantly, and compliance efforts may divert management time and attention. We may also be exposed to legal or regulatory action or claims as a result of these new regulations. Although the Company is in the process of evaluating the new rules, some of these risks could have a material adverse effect on our business, financial condition, results of operations and the prices of our securities.

Our operations expose us to risks and challenges associated with conducting business in compliance with applicable anti-bribery, anti-corruption and antitrust laws and regulations.

We have operations in Brazil and other countries in South America and North America. We face several risks and challenges inherent in conducting business internationally, where we are subject to a wide range of laws and regulations such as the Brazilian Anti-Corruption Law (Law 12,846/2013), Antitrust Law (Law 12,529/2011), the U.S. Foreign Corrupt Practices Act, or FCPA, and similar anti-bribery, anti-corruption and antitrust laws in other jurisdictions. In recent years, there has been an increased focus on corruption in Brazil and the investigation and enforcement activities of the United States under the FCPA and by other governments under similar laws and regulations. These laws generally prohibit corrupt payments to governmental officials and certain payments, gifts or remunerations to or from clients and suppliers.

Violations of these laws and regulations could result in fines, criminal penalties and/or other sanctions against the Company, our officers or our employees, requirements to impose more stringent compliance programs, and prohibitions on the conduct of the Company’s business and our ability to participate in public biddings. The Company may incur expenses and must recognize provisions and other charges in respect of such matters. In addition, the increased attention focused upon liability issues because of investigations, lawsuits and regulatory and environmental proceedings could harm our brand or otherwise impact the growth of our business. The retention and renewal of many of our contracts depend on creating a sense of trust with our customers and any violation of these laws and regulations may irreparably undermine that trust and may lead to termination of such relationships, as well as having a material adverse effect on our financial condition and results of operations. If any of these risks materialize, our reputation, strategy, international expansion efforts and our ability to attract and retain employees could be negatively impacted, and, consequently our business, financial condition and results of operations could be adversely affected.

Our governance and compliance processes may fail to prevent regulatory penalties and reputational harm.

The Company operates in a global environment and our activities extend over multiple jurisdictions and complex regulatory frameworks, with increased enforcement activities worldwide. Our governance and compliance processes, which include the review of internal controls over financial reporting, may not be able to prevent future breaches of legal, accounting or governance standards. We may be subject to breaches of our Code of Ethics and Conduct, anti-corruption policies and business conduct protocols, as well as to cases of fraudulent behavior, corrupt practices and dishonesty by our employees, contractors and other agents. The Company's failure to comply with applicable laws and other standards could subject it to fines, loss of operating licenses and reputational harm.

Risks Relating to Brazil

Any further downgrading of Brazil's credit rating could adversely affect the price of our shares.

We can be adversely affected by investors' perceptions of risks related to Brazil's sovereign debt credit rating. Rating agencies regularly evaluate Brazil and its sovereign ratings, which are based on several factors including macroeconomic and industry trends, fiscal and budgetary conditions, indebtedness metrics and the perspective of changes in any of these factors.

On July 26, 2023, Fitch Ratings upgraded Brazil's sovereign rating to "BB" from "BB-" and subsequently affirmed the rating at "BB" with a stable outlook in June 2025, citing the country's resilient and diversified economy, strong external finances and deep local markets, balanced against fiscal challenges and rising government debt.

On December 19, 2023, S&P Global Ratings upgraded Brazil's sovereign credit rating to "BB" from "BB-", reflecting structural reforms and a strong external position. In June 2025, S&P affirmed Brazil's "BB" rating with a stable outlook, supported by robust external accounts and domestic capital markets, although constrained by persistent fiscal deficits and a high debt burden.

On October 1, 2024, Moody's Ratings upgraded Brazil's long-term issuer and senior unsecured bond ratings to "Ba1" from "Ba2." In May 2025, Moody's affirmed the Ba1 rating but revised the outlook from positive to stable due to slower progress in addressing fiscal rigidities and concerns regarding debt affordability.

Therefore, Brazil remains rated below investment grade by the three main credit rating agencies. Over the next few years, potential fiscal deterioration, increasing debt levels or weaker policy credibility could result in rating downgrades or negative outlook revisions. Conversely, continued structural and microeconomic reforms, sustained economic growth, and progress in stabilizing fiscal accounts and debt dynamics could support future rating upgrades.

Brazil continues to experience political instability, which may adversely affect the Company.

Brazil's political environment has historically influenced, and continues to influence, the performance of the country's economy. Political crises have affected and continue to affect the confidence of investors and the public, which have historically resulted in economic deceleration and heightened volatility in the securities issued by Brazilian companies.

Recent developments underscore the persistence of political instability in Brazil. The lead-up to the 2026 presidential elections has been marked by heightened polarization, frequent disputes between different branches of government, and uncertainty regarding the direction of future economic and industrial policies. These dynamics may affect regulatory frameworks, trade relations, and infrastructure investments that are critical to the steel industry. In particular, changes in government priorities or delays in policy implementation could impact demand for steel in construction and manufacturing, as well as alter the competitive landscape through adjustments in taxation, environmental regulation, or labor policies. Such instability may reduce investor confidence, increase market volatility, and adversely affect the Company's operations and financial performance.

In addition, the Brazilian economy remains subject to government policies, which may affect our operations and financial performance. Governmental policies and actions, if unsuccessful or poorly implemented, may affect our operations and financial performance. Uncertainty regarding the implementation by the administration of promised transformational changes in monetary and fiscal policy, as well as the enactment of the corresponding legislation, could contribute to economic instability.

Inflation and government actions to combat inflation may contribute significantly to economic uncertainty in Brazil and could adversely affect the Company's business.

If Brazil experiences high levels of inflation once again, the Brazilian Central Bank will need to implement higher interest rate and the country's rate of economic growth could slow, which would lead to lower demand for the Company's products in Brazil. Inflation is also likely to increase some costs and expenses which the Company may not be able to pass on to its customers and, as a result, may reduce its profit margins and net income. In addition, higher domestic interest rates, could lead the cost of servicing the Company's debt denominated in Brazilian *reais* to increase. Inflation may also hinder its access to capital markets, which could adversely affect its ability to refinance debt. Inflationary pressures may also lead to the imposition of additional government policies to combat inflation that could adversely affect our business. As a result, the Company's financial condition and results of operations may be adversely affected.

Developments and the perception of risks in other countries, especially in the United States and emerging market countries, may adversely affect the market prices of our shares.

The market for securities issued by Brazilian companies is influenced, in some degree, by economic and market conditions in the United States and emerging market countries, especially other Latin American countries. The reaction of investors to economic developments in one country may cause the capital markets in other countries to fluctuate. Developments or adverse economic conditions in other emerging market countries have at times resulted in significant reductions of the investments from investment funds and declines in the amount of foreign currency invested in Brazil.

The Brazilian economy is also affected by international economic and market conditions, especially economic and market conditions in the United States. Share prices on the B3, for example, have historically been sensitive to fluctuations in United States interest rates as well as movements of the major United States stocks indexes.

Economic developments in other countries and securities markets could adversely affect the market prices of our shares, which could make it more difficult for us to access the capital markets and finance our operations in the future on acceptable terms, besides having a material adverse effect on our financial condition and results of operations.

Risks Related to our Corporate Structure

The interests of the controlling shareholder may conflict with the interests of the non-controlling shareholders.

Subject to the provisions of the Company's Bylaws, the controlling shareholder has powers to:

- elect a majority of the directors and nominate executive officers, establish the administrative policy and exercise full control of the Company's management;
- sell or otherwise transfer the Company's shares; and
- approve any action requiring the approval of shareholders representing a majority of the outstanding capital stock, including corporate reorganization, acquisition and sale of assets, and payment of any future dividends.

By having such power, the controlling shareholder can make decisions that may conflict with the interest of the Company and other shareholders, which could adversely affect the financial condition and the results of operations of the Company. Nonetheless, it should be noted that the controlling shareholder has responsibilities under the Brazilian Corporations Law (Law No. 6,404/76, which impose a duty to prevent the adoption of decisions that may lead in this direction, and such conflict-of-interest matters are also addressed in the Company's Related Parties Policy.

The loss of members of the senior management and executives of the Company can have an adverse impact on the business.

Gerdau has various programs to attract, incentive and retain its senior management and executives, backed up by an inclusive and diverse culture. The Company also carries out evaluations of performance, potential and readiness for advancement to senior management and executives. Gerdau's ability to remain competitive depends to a large degree on the continuity of efforts and services rendered by its senior management and executives. The loss of members of the senior management and executives can impact the Company's business, since it can negatively affect our capacity to develop and implement our strategy, adversely impacting our operations and our financial and operating condition, possibly impacting investors' investment decisions. Some senior management and executives have left Gerdau in the past and others may do so in the future, such that we cannot predict the impact of the departure of senior management or executives or the consequences on the achievement of our business objectives.

As a foreign issuer, we have different disclosure and other requirements than U.S. domestic registrants.

As a foreign issuer, we may be subject to different disclosure and other requirements than domestic U.S. registrants. For example, as a foreign issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we intend to rely on exemptions from certain U.S. rules that will permit us to follow Brazilian legal requirements rather than certain requirements that are applicable to U.S. domestic registrants.

Furthermore, foreign issuers are required to file their annual report on Form 20-F within 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. As a result of the above, even though the Company must file reports on Form 6-K disclosing the information that it has made or is required to make public pursuant to Brazilian law, or is required to distribute to shareholders generally, and that is material to the Company, the investors may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

As a foreign issuer, we are permitted to, and we do, rely on exemptions from certain NYSE corporate governance standards, including the requirement that a majority of our board of directors consist of independent directors. This may afford less protection to our shareholders.

The NYSE's rules require listed companies to have, among other things, a majority of their board members be independent and to have independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign issuer and a subsidiary, we are permitted to, and we do, follow home country practice in lieu of the above requirements. Brazilian law, the law of our home country, does not require that a majority of our board consist of independent directors or the implementation of a compensation committee or nominating a corporate governance committee, and our board includes fewer independent directors than would be required if we were subject to the NYSE rules applicable to most U.S. companies. As long as we rely on the foreign issuer exemptions to the NYSE rules, a majority of our board of directors is not required to consist of independent directors, our compensation committee is not required to be comprised entirely of independent directors, and we are not required to have a nominating and corporate governance committee. Therefore, our board's approach may be different from that of a board with a majority of independent directors, and, as a result, the management team's oversight of the Company may be more limited than if we were subject to the NYSE rules applicable to most U.S. companies.

Risks Relating to Our Preferred Shares and ADSs

If we do not maintain a registration statement and no exemption from the Securities Act registration is available, U.S. Holders of ADSs may be unable to exercise preemptive rights with respect to our Preferred Shares.

We may not be able to offer our Preferred Shares to U.S. holders of ADSs residing in the U.S. pursuant to preemptive rights granted to holders of our Preferred Shares in connection with any future issuance of our Preferred Shares unless a registration statement under the Securities Act is effective with respect to such Preferred Shares and preemptive rights, or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file or maintain a registration statement relating to any preemptive rights offerings with respect to our Preferred Shares, and we cannot assure you that we will file or maintain any such registration statement. If such a registration statement is not filed and maintained and an exemption from registration does not exist, our depositary will attempt to sell the preemptive rights, and you will be entitled to receive the proceeds of such sale. However, these preemptive rights will expire if the depositary does not sell them, and U.S. holders of ADSs will not realize any value from the granting of such preemptive rights.

Judgments of Brazilian courts with respect to our Preferred Shares will be payable only in reais.

If proceedings are brought in the courts of Brazil seeking to enforce our obligations in respect of the Preferred Shares, we will not be required to discharge our obligations in a currency other than *reais*. Under Brazilian exchange control limitations, an obligation in Brazil to pay amounts denominated in a currency other than *reais* may only be satisfied in Brazilian currency at the exchange rate, as determined by the Central Bank, in effect on the date the judgment is obtained, and such amounts are then adjusted to reflect exchange rate variations through the effective payment date. The then prevailing exchange rate may not afford non-Brazilian investors with full compensation for any claim arising out of, or related to, our obligations under the Preferred Shares or the ADSs.

If an ADS holder surrenders its ADSs and withdraws Preferred Shares, it risks losing the ability to remit foreign currency abroad and certain Brazilian tax advantages.

An ADS holder benefits from the electronic certificate of foreign capital registration obtained by the custodian for our Preferred Shares underlying the ADSs in Brazil, which permits the custodian to convert dividends and other distributions with respect to the Preferred Shares into non-Brazilian currency and remit the proceeds abroad. If an ADS holder surrenders its ADSs and withdraws Preferred Shares, it will be entitled to continue to rely on the custodian's electronic certificate of foreign capital registration for only five business days from the date of withdrawal. Thereafter, upon the disposition of or distributions relating to, the Preferred Shares unless it obtains its own electronic certificate of foreign capital registration or qualifies under Brazilian foreign investment regulations that entitle some foreign investors to buy and sell shares on Brazilian stock exchanges without obtaining separate electronic certificates of foreign capital registration, such former holder of ADSs would not be able to remit abroad non-Brazilian currency. In addition, if an ADS holder does not qualify under the foreign investment regulations, it will generally be subject to less favorable tax treatment of dividends and distributions on, and the proceeds from any sale of, our Preferred Shares.

If an ADS holder attempts to obtain its own electronic certificate of foreign capital registration, it may incur expenses or suffer delays in the application process, which could delay its ability to receive dividends or distributions relating to our Preferred Shares or the return of its capital in a timely manner. The depositary's electronic certificate of foreign capital registration may also be adversely affected by future legislative changes.

ITEM 4. COMPANY INFORMATION

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Gerdau S.A. is a Brazilian corporation (*Sociedade Anônima*) that was incorporated on November 20, 1961, under the laws of Brazil. Its main registered office is located at Av. Dra. Ruth Cardoso, 8501 – 8th floor, São Paulo, SP, Brazil, and the telephone number is +55 (11) 3094 6300. Gerdau's shares are listed on the São Paulo (B3) and New York (NYSE) stock exchanges.

Recent History

The Company is the product of several corporate acquisitions, mergers and other transactions dating back to 1901. The Company began operating in 1901 as the Pontas de Paris nail factory controlled by the Gerdau family based in Porto Alegre, who is still the Company's indirect controlling shareholder. In 1969, Pontas de Paris was renamed Metalúrgica Gerdau S.A., which today is the holding company controlled by the Gerdau family and the parent company of Gerdau S.A.

A detailed chronology of the development of the Company from its founding is set forth in [our Annual Report on Form 20-F for the year ended December 31, 2020 \(File No 001-14878\)](#), "Item 4A. History and Development of the Company", which is not incorporated by reference into this Annual Report.

Gerdau is the largest Brazilian producer of steel, a leading producer of long steel in the Americas and one of the world's leading suppliers of special steel. In Brazil, it also produces flat steel and iron ore for its own consumption.

Gerdau is the largest recycling company in Latin America and uses scrap as a key input, with around 70% of its steel production derived from this material. Every year, Gerdau transforms about 10 million tonnes of scrap into a variety of steel products.

B. BUSINESS OVERVIEW

Steel Industry

The world steel industry is composed of hundreds of steel producing facilities and is divided into two major categories based on the production method utilized: integrated steel mills and non-integrated steel mills, sometimes referred to as “mini mills.” Integrated steel mills normally produce steel from iron oxide, which is extracted from iron ore melted in blast furnaces, and refine the iron into steel, mainly using basic oxygen furnaces or, more rarely, electric arc furnaces. Non-integrated steel mills produce steel by melting in electric arc furnaces scrap steel, which occasionally is complemented by other metals such as direct-reduced iron or hot-compressed iron. According to World Steel, in 2024 (the most recent year for which information is available), 29.3% of the total crude steel production in the world was through electric furnaces (non-integrated process), 70.5% was through basic oxygen furnaces (integrated process) and the remaining 0.3% in other processes.

Crude Steel Production by Process in 2024*

Blast Furnace	Crude Steel Production (in million tonnes)	Production by Process (%)	
		Mini mill	Integrated
World	1,887	29.3	70.5
China	1,005	10.2	89.8
India	149	58.8	41.2
Japan	84	26.2	73.8
U.S.A.	79	71.6	28.4
Russia	71	32.6	65.2
S. Korea	64	27.8	72.2
Turkey	37	70.0	30.0
Germany	37	29.0	71.0
Brazil	34	23.5	75.2

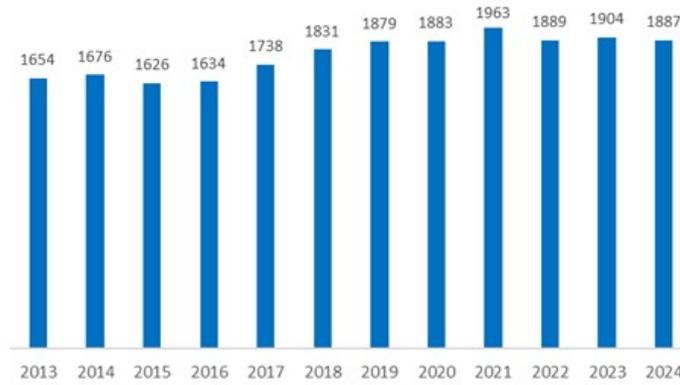
Source: World Steel / Steel Statistical Yearbook 2025

*Most recent year for which information is available.

Over the past 10 years, according to World Steel, total annual crude steel production has grown from 1,676 million tonnes in 2014 to 1,887 million tonnes in 2024, an increase of 12.6%.

The main factor responsible for the increase in the demand for steel products has been China. Since 1993, China has become the world’s largest steel market and currently consumes more than half as much as the rest of the world.

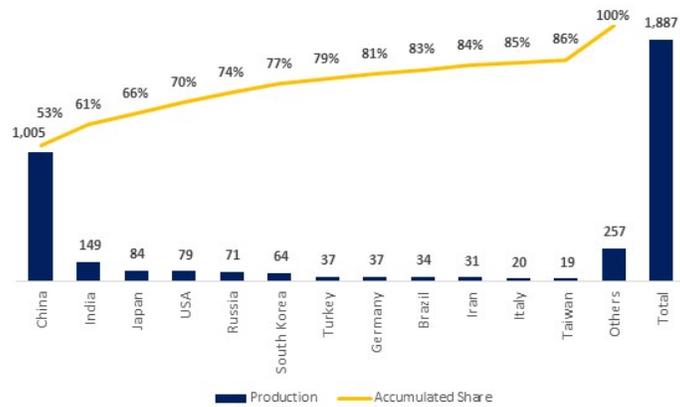
Crude Steel Production (in million tonnes) *



Source: World Steel / Steel Statistical Yearbook 2025
*Most recent year for which information is available

China continues to rebalance its economy toward a more consumption-driven growth model. GDP growth was broadly aligned with government expectations, and despite continued credit injections into the construction and infrastructure sectors, steel consumption declined for the fourth consecutive year. In 2024, China's share of world steel production was 53% of world total crude steel.

Crude Steel Production by Country in 2024 (million tonnes) *



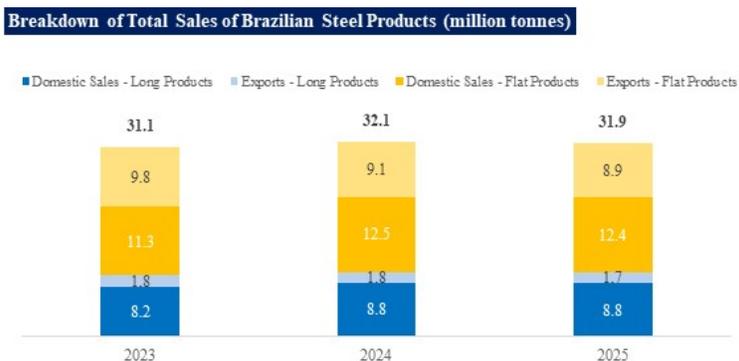
Source: World Steel / Steel Statistical Yearbook 2025
*Most recent year for which information is available

The Brazilian Steel Industry

According to World Steel Association, in 2025 Brazil was the world’s 9th largest producer of crude steel, with a production of 33.3 million tonnes, a 1.8% share of the world market. In South America, Brazil represented approximately 80.2% of the total steel production in 2025.

According to Instituto Aço Brasil, in 2025 the total of Brazilian steel products sales was 31.9 million tonnes. The breakdown of total sales was 67.1% or 21.4 million tonnes of flat steel products, formed by domestic sales of 12.4 million tonnes and exports of 8.9 million tonnes. The remaining 32.9% or 10.5 million tonnes represented sales of long steel products, which consisted of domestic sales of 8.8 million tonnes and exports of 1.7 million tonnes.

Breakdown of Total Sales of Brazilian Steel Products (million tonnes)



Source: Instituto Aço Brasil

Domestic demand — Historically, the Brazilian steel industry has been affected by significant variations in domestic steel demand. Although domestic consumption varies in accordance with Gross Domestic Product (GDP), variations in steel consumption tend to be more accentuated than changes in the level of economic growth. In 2025, the Brazilian GDP increase was 2.3%, while steel consumption grew by 2.6%.

Exports and imports — Over the past 20 years, the Brazilian steel industry has been characterized by a structural need for exports. The Brazilian steel market has undergone periods of excess capacity, cyclical demand and intense competition in recent years. Demand for finished steel products has lagged the total supply (total production plus imports).

In 2025, Brazilian steel exports totaled 10.7 million tonnes, representing 33.5% of total sales (domestic sales plus exports). Brazil has performed an important role in the steel export market, mainly as a supplier of semi-finished products (slabs, blooms and billets) for industrial use or for re-rolling into finished products. Brazilian exports of semi-finished products totaled 8.5 million tonnes in 2025, 8.9 million tonnes in 2024 and 9.3 million tonnes in 2023, representing 80.0%, 81.9% and 80.1% of Brazil’s total exports of steel products, respectively. Brazil was the second largest exporter of steel to the United States in 2025. In 2025, when the quota for Brazilian products under Section 232 ended, exports to the U.S. were no longer subject to quantitative restrictions, and importers began paying the 25% tariff, consistent with other exporting countries. As a result, exports to the U.S. in 2025 were 7.7% higher over 2024. However, prices declined by 16% compared to 2024 for Brazilian slabs, reflecting direct competition with lower-priced products of Asian origin.

Brazilian Production and Apparent Demand for Steel Products (million tonnes)



Source: Instituto Aço Brasil

Raw materials — One of Brazil’s major competitive advantages is the low cost of its raw materials. Brazil has an abundance of high-quality iron ore. Various integrated producers are in the state of Minas Gerais, where some of the world’s biggest iron ore mines are located. The cost of iron ore from small miners in Brazil is very competitive if compared to the cost of iron ore in China, for example.

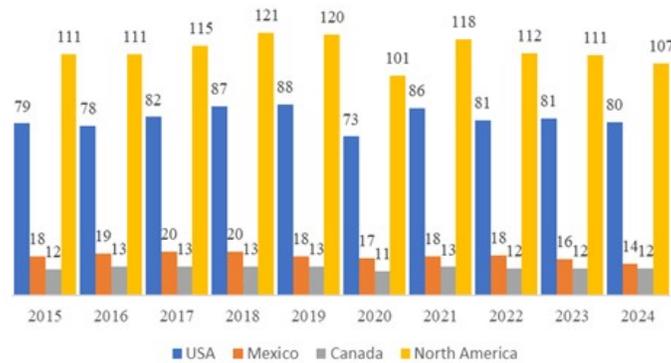
In Brazil, most of the scrap metal consumed by steel mills comes from Brazil’s southeast and south regions. Mill suppliers deliver scrap metal obtained from obsolete products and industrial scrap directly to the steel mills.

Brazil is a major producer of pig iron. Most of the pig iron used in the steel industry comes from the state of Minas Gerais and the Carajás region, where it is produced by various small and mid-sized producers. The price of pig iron follows domestic and international markets, with charcoal and iron ore the main components of its cost formation.

North American Steel Industry

According to World Steel Association, in 2025 U.S. was the 3rd largest global steel producer (4th in 2024), with 81.9 million metric tons. Mexico holds the 15th position, contributing 13.5 million metric tons. Canada has the 17th spot, manufacturing 11.5 million metric tons.

Crude Steel Production by North American Countries (million tonnes)*



Source: World Steel / Steel Statistical Yearbook 2025
 *Most recent year for which information is available

The North American steel market is mature and well established, demand fluctuates within a stable band, and its level of activity is directly influenced by general economic conditions, steel import levels, and the strength of the U.S. dollar. Traditionally, the North American market has been a target for steel imports with global origins. The imported steel material was often priced at low levels, sometimes even below production and shipping costs.

In response to these import practices, the U.S. supported the domestic industry through Section 232 tariffs—initially set at 25% in March 2018 for national security reasons. Over time, these were largely replaced by bilateral agreements: Australia was exempted, while South Korea, Brazil, and Argentina negotiated hard-cap quotas. By 2019, tariffs were removed for Canada and Mexico in favor of volume monitoring. Additionally, Section 301 tariffs targeting Chinese steel were established in 2018 and maintained through the Biden administration. In 2022, the 25% tariffs for the EU, UK, and Japan were transitioned into tariff-rate quotas, which defined the trade landscape until the recent universal reinstatements.

On February 18, 2025, a proclamation was issued announcing the termination of existing 232 exception agreements with several countries, including Canada, Mexico, the European Union, Japan, South Korea, the United Kingdom, Argentina, Australia, and Brazil. The document underscored national security concerns regarding the surge in steel imports, which adversely affected U.S. domestic production driving the steel industry’s capacity utilization below the critical 80% level, necessary for sustaining production capabilities for national security. Additionally, the measure aimed at addressing transshipment and further processing of steel from restricted countries, such as China, through Mexico and other exempted nations. Imports from Ukraine, previously exempted, are also now subject to tariffs, as the exemption was found to primarily benefit EU producers rather than Ukraine. Furthermore, certain derivative steel products not originally covered by the 2018 tariffs are now subject to the 25% duty. The previous system allowing U.S. importers to request exemptions for specific steel products was also terminated, with no further exclusions permitted to prevent loopholes that could undermine the tariffs’ intended objectives. In June 2025, President Trump announced that Section 232 steel tariffs were being increased to 50% (with the exception of the UK, which remained at 25%).

Finally, the shift in U.S. trade policy is still developing, and therefore there are no assurances that the reimposed 50% tariffs expected to favor the domestic steel production will not be lifted, altered, or significantly weakened – whether by legal challenges, new legislation, additional executive actions, or other means – it is likely that foreign steel imports will rise, leading to a decrease in U.S. steel prices. This change could have a significant negative impact on our revenues, financial performance, and cash flow.

Company Profile

Gerda S.A. is mainly dedicated to the production and commercialization of steel products in general, through its mills located in Brazil, Canada, the United States, Argentina, Peru, Uruguay and Mexico (joint venture).

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Gerdau is the leading manufacturer of long steel in North and South America. Gerdau believes it is one of the major global suppliers of special steel for the automotive industry. In Brazil, Gerdau also produces flat steel and iron ore for internal consumption, activities that are expanding Gerdau's product mix and the competitiveness of its operations. In addition, Gerdau believes it is one of Latin America's biggest recyclers and, worldwide, transforms millions of tonnes of scrap metal into steel every year, reinforcing its commitment to sustainable development in the regions where it operates. Gerdau's shares are listed on the New York and São Paulo stock exchanges.

Gerdau holds significant market share in the steel industries of almost all countries where it operates and was classified by World Steel Association as the world's 33rd largest steel producer based on its consolidated crude steel production in 2024, the most recent year for which information is available.

Gerdau operates steel mills that produce steel in blast furnaces and in electric arc furnaces (EAF). In Brazil it operates three integrated steel mills, including its largest mill, Ouro Branco, located in the state of Minas Gerais. Gerdau currently has a total of 29 steel producing facilities globally.

As of December 31, 2025, Gerdau's total consolidated installed annual capacity, excluding investments in joint ventures and associate companies, was approximately 15.7 million tonnes of crude steel and 15.0 million tonnes of rolled steel products. The Company had total consolidated assets of R\$ 81.7 billion, shareholders' equity (including non-controlling interests) of R\$ 53.8 billion, consolidated net sales of R\$ 69.9 billion and total consolidated net income (including non-controlling interests) of R\$ 1.4 billion for the year ended December 31, 2025.

Its product mix includes crude steel (slabs, blooms and billets), which is sold to rolling plants; finished products for the construction industry, such as rebar, wire-rods, structural shapes, hot-rolled coils and heavy plates; finished industrial products, such as commercial rolled-steel bars, light profiles and wires; and agricultural products, such as stakes, smooth wire and barbed-wire. Gerdau also produces special steel items using cutting-edge technology.

The Company currently operates 10 steel production units (including special steels units) in the United States and 3 steel production units in Canada and believes it is one of the leading companies in North America in the production of certain long steel products, such as rebar, merchant bars and beams.

The Company's operating strategy is based on the acquisition and construction of steel mills located near its clients and the sources of the raw materials needed to make steel, such as scrap steel, pig iron and iron ore. Therefore, historically, most of production has been directed to supply the local markets of the regions where the Company operates. However, the Company also exports an excess portion of its production to other countries.

Through its subsidiaries and associate companies, the Company also engages in other activities related to the production and sale of steel products, including reforestation projects; electric power generation projects; production of iron ore and pig iron; as well as fab shops and downstream operations.

Operations

The Company sells its products to a diversified list of customers for use in the construction, manufacturing and agricultural industries. Shipments by the Company's Brazilian operations include both domestic and export sales. Most of the shipments by the Company's business segments in North and Latin America (except Brazil) are aimed at their respective local markets.

Starting with the disclosure of the results of 2025, the Company began to disclose the information and results of its business segments as follows:

- Brazil Segment*: includes the long, flat and special steel operations and the iron ore operation located in Brazil and joint ventures and associated companies located in Brazil;
- North America Segment: includes the long and specialty steel operations located in Canada and the United States and the joint ventures located in Canada and Mexico;
- South America Segment**: includes the operations in Argentina, Peru and Uruguay.

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With these changes, the information and results of the former Special Steel Segment, which included the special steel operations located in Brazil and the United States, are now disclosed jointly with the other segments, according to their geographic location, as the Brazil Segment and the North America Segment, respectively.

This new format for disclosing information and results is in line with recent changes in the global steel industry scenario, which have led to an increasing regionalization of markets, business dynamics and local currencies of these operations, improving the presentation of Gerdau's results in Brazil and North America, the main regions in which it operates. The comparative information of the segments presented in these Financial Statements has been adjusted to reflect this new composition.

*On February 10, 2025, the Company, after fulfilling all the conditions precedent, including approval by the antitrust authorities, concluded the transaction with Sumitomo Corporation and The Japan Steel Works Ltd., for the acquisition of 39.53% and 1.74%, respectively, of the total shares issued by Gerdau Sumit Aços Fundidos e Forjados S.A. ("Gerdau Summit"). With the closing of the transaction, the Company will own 100% of the Gerdau Summit's capital Gerdau Summit, until then a joint venture, with this transaction becomes a subsidiary of the Company.

**In January 2024, Gerdau announced the sale of its stake in joint ventures Diaco S.A. and Gerdau Metaldom Corp. and their subsidiaries, which were part of the South America Business Segment.

The following tables present the Company's consolidated shipments in tonnage, net sales, and production by Business Segment for the periods indicated:

Shipments

Gerdau S.A. Shipments by Business Segments ⁽¹⁾ (1,000 tonnes)	2025	2024	2023
TOTAL	11,360	10,984	11,323
Brazil	5,833	5,667	5,740
North America	4,999	4,569	4,735
South America	1,111	1,010	1,125
Eliminations and Adjustments	(313)	(261)	(278)

(1) The information does not include data from associate and joint ventures.

Net Sales

Gerdau S.A. Net Sales by Business Segments ⁽¹⁾ (R\$ million)	2025	2024	2023
TOTAL	69,859	67,027	68,916
Brazil	29,688	30,218	31,196
North America	35,787	31,931	33,179
South America	5,561	5,759	5,118
Eliminations and Adjustments	(1,178)	(881)	(576)

(1) The information does not include data from associate and joint ventures.

Production

Annual production ⁽¹⁾ (million tonnes)	2025	2024	2023
Crude Steel Production	12,127	11,702	11,557
Rolled Steel Production	10,707	10,226	10,469
Iron Ore Production	3,717	4,484	5,435

(1) The information does not include data from associate and joint ventures.

Brazil Business Segment

The Brazil Business Segment has annual production capacity of approximately 7.9 million tonnes of crude steel and 8.2 million tonnes of finished steel products. This Business Segment minimizes delays by delivering its products directly to customers through outsourced companies under Gerdau's supervision. Sales trends in both the domestic and export markets are forecasted monthly. The Brazil Business Segment uses a proprietary information system to stay up to date on market developments so that it can respond swiftly to fluctuations in demand. Gerdau considers its flexibility in shifting between markets (Brazilian and export markets) and its ability to monitor and optimize inventory levels for most of its products in accordance with changing demand as key factors to its success.

In 2025, crude steel production decreased 2.9% compared to 2024, reflecting the fierce competitive local environment, notably due to the growing share of imported steel and new capacity entrants in Brazil.

The Company directed 78.1% of its shipments in the Brazil Business Segment to the domestic market in 2025, which represents -3.2 p.p versus 2024. However, its domestic market volumes remained impacted by the excessive importation of steel into the country in 2025, creating a predatory competition dynamic with the local industry. On the other side, even with steel tariff escalation abroad, Brazil Business Segment exports grew 21% in volume versus 2024 and contributed to the dilution of fixed costs and operational leverage for the period, representing 21.9% of Gerdau's shipments. Despite the resilience of the construction sector, in both the retail segment and direct sales to contractors, industries like manufacturing showed mixed results with gains in light vehicles and declines in sectors like heavy trucks, road transport equipment and white goods.

Gerdau's mineral assets were incorporated to its business through the acquisition of lands and mining rights of Grupo Votorantim, in 2004, encompassing the Miguel Burnier, Várzea do Lopes, and Gongo Soco compounds, located in the iron producing region in the state of Minas Gerais, Brazil. From 2004 to 2019, several geological surveys (drilling and superficial geological mapping) were conducted to obtain further information on the acquired resources. As part of that undertaking, in 2023 Gerdau received a report prepared by SRK Consulting, certifying the reserves of Miguel Burnier mine. According to the conclusions of the report, the Company now holds certified reserves of 476 million metric tonnes (Dry metric tonnes) of iron ore. For more information, see Item 3.D –“Risk Factors — Risks Relating to our Mining Operations — Estimates of Gerdau's mineral resources are based on interpretations and assumptions, involving a level of uncertainty, and may differ substantially from the quantities that can be extracted.”

North America Business Segment

The North America Business Segment has annual production capacity of approximately 6.9 million tonnes of crude steel and 6.0 million tonnes of finished steel products. It has a vertically integrated network of 10 steel units, scrap recycling facilities and downstream operations. The North America Business Segment's products are generally sold to steel service centers, steel fabricators or directly to original equipment manufacturers for use in a variety of industries, including construction, automotive, mining, energy, cellular and electrical transmission, metal construction fabrication, and equipment fabrication. Most of the raw material feed stock for the mini mill operations is recycled steel scrap.

The mills of this business operation manufacture and commercialize a wide range of steel products, including steel reinforcement bars (rebar), merchant bars, structural shapes, beams, piling, and special sections. Some of these products are used by the downstream units to make products with higher value-added, which consists of railroad spikes, super light beam processing, elevator guide rails, grinding balls and solar piles.

Sales of finished products to U.S. and Canadian customers are centrally managed by the sales office in Tampa, Florida. There is also a sales office in Selkirk, Manitoba for managing sales of special sections and one in Midlothian, Texas for managing sales of structural and merchant bar products. Metallurgical service representatives at the mills provide technical support to the sales group. Sales of the super light beam products are managed by sales representatives located at their respective facilities. Elevator guide rails are generally sold through a bidding process in which employees at Gerdau's facilities work closely with customers to tailor product requirements, shipping schedules and prices.

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In 2025, crude steel production and steel shipments in North America were 11.5% and 9.4% higher than in 2024, respectively, evidencing not only the improved momentum of the local industry, driven by declining imports following the reinforcement of tariffs, but also the enhancement of position in key markets and the growing share of higher value-added products and solutions. Steel shipments in 2025 were positively impacted by a strong customer preference for domestic steel, and by increasing demand from end-market sectors such as Data Centers and Renewable Energy.

South America Business Segment

The South America Business Segment comprises 3 steel facilities, retail facilities, fab shops and scrap processing facilities. The entire operation is focused on the respective domestic markets of each country, operating mini mills facilities with annual manufacturing capacity of approximately 900 thousand tonnes of crude steel and 800 thousand tonnes of finished steel products. The countries in the South America Business Segment are Argentina, Peru, and Uruguay.

Steel production and shipments in 2025 increased by 5.0% and 10.0%, respectively, compared to 2024 fueled by increased volumes in the three countries where we operate. However, the key sectors served still showed weaker demand throughout the year. In Argentina, civil construction activity levels hit all-time lows, while in Uruguay, infrastructure works remained halted. On the other hand, in Peru, the order backlog remained resilient, driven by demand from the civil construction distribution sector

Exports

In 2025, the steel industry worldwide faced an increase in trade defense measures against predatory suppliers, as China's finished steel exports hit an all-time record of 119M mt. More than ever, countries and blocs are trying to protect their local production and industries by promoting a trade war, like the import tariff increase from 25% to 50% made by the current United States government under Section 232.

With this scenario, world crude steel production contracted 2% year over year in 2025, according to recently published data from the World Steel Association. Increases in India (10.4%), Vietnam (12.2%), US, Turkey and Italy (~3%) were not enough to offset the decline in China (4.4% YoY), as well as decreases in the other five of the top 10 steel-producing countries. Also, according to World Steel, demand for steel was set to remain stable at 1,749Mt in 2025, with China accounting for 50.8% of apparent consumption.

Gerdau's focus remains primarily on the Americas, with increased sales to Europe concentrated mainly on higher value-added products. With the end of steel import quotas in the United States, North America's share grew significantly in the first half of the year compared to the previous period. The table below presents Gerdau's Brazilian exports by destination for selected periods:

Exports of Gerdau by Destination (%)	2025	2024	2023	2022	2021	2020
Total including shipments to subsidiaries (1,000 tonnes)	1,185	966	1,004	928	714	825
Africa	1 %	— %	— %	4 %	— %	2 %
Central America	22 %	37 %	43 %	28 %	12 %	21 %
North America	24 %	17 %	8 %	4 %	9 %	3 %
South America	41 %	42 %	44 %	56 %	61 %	54 %
Asia	2 %	— %	— %	5 %	17 %	17 %
Europe	10 %	4 %	5 %	23 %	1 %	3 %
Middle East	— %	— %	— %	— %	— %	— %

The company remains focused on serving strategic markets that contribute to the overall performance of its operations, continuously assessing the impacts and opportunities arising from the persistent volatility of the international political and economic environment.

Products

The Company supplies its customers with a wide range of products, including steel products:

Semi-finished products (Billets, Blooms and Slabs)

The semi-finished products (billets, blooms and slabs) have relatively low added value compared to other steel products. Billets are bars from square sections of long steel that serve as inputs to produce wire rod, rebars and merchant bars. They represent an important part of the products from the Ouro Branco mill. Blooms are used to manufacture products such as springs, forged parts, heavy structural shapes and seamless tubes. Slabs are used in the steel industry for the rolling of a broad range of flat rolled products and mainly used to produce hot and cold rolled coils, heavy slabs, profiles and heavy plates.

The semi-finished products are produced using continuous casting and, in the case of blooms and billets there is subsequent rolling process.

Common Long Rolled Products

Common long rolled products represent a major portion of the Company's production. The Company's main long rolled products include rebars, wire rods, merchant bars, light shapes and profiles, which are used mainly by the construction and manufacturing industries.

Drawn Products

Drawn products include barbed and barbless fence wire, galvanized wire, fences, concrete reinforcing wire mesh, nails and clamps. These products are not exported and are usually sold to the manufacturing, construction and agricultural industries.

Special Steel Products

Special steel requires advanced manufacturing processes because they have specific physical and metallurgical characteristics for applications with high mechanical demands. This steel is a key product for the automotive industry, as it is used in auto parts, light and heavy vehicles and agricultural machinery. Special steels also serve other significant markets, such as oil and gas, wind energy, machinery and equipment, mining and rail, among others.

Flat Products

The Ouro Branco unit produces cast slabs, which are rolled into flat products, such as hot-rolled coils, which are sold in the domestic market, and heavy plates, which are sold in the domestic and export markets. The Company, through its distribution channel and direct sales, distributes these hot-rolled coils and heavy plates, which adds more value through additional processing at flat steel service centers.

Iron Ore

Gerdau has two mines producing iron ore, all located in the Brazilian state of Minas Gerais (Várzea do Lopes and Miguel Burnier). The mines produce the following: sinter feed (featuring low content of contaminants and good metallurgical properties, enabling its use as a base material); pellet feed/concentrated (superior quality enabling its use as a chemical balancer in the synthesizing process, while also adequate for pelletizing, blast furnace quality - low loss by calcination — PPC); hematite fines (small scale production, used as input in Gerdau's furnaces); used chiefly for own consumption at the Ouro Branco Mill).

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The following table presents the main products and the contributions to net revenue and net income by Business Segment for the periods shown (consolidated):

Products Year	Brazil			North America			South America			Eliminations and Adjustments		
	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023
Net Sales (R\$ thousand)	29,687,978	30,217,819	31,195,557	35,787,268	31,931,433	33,179,048	5,561,450	5,758,695	5,118,150	(1,178,164)	(881,291)	(576,309)
% of Consolidated Net Sales	42.5 %	45.1 %	45.3 %	51.2 %	47.6 %	48.1 %	8.0 %	8.6 %	7.4 %	(1.7)%	(1.3)%	(0.8)%

Production Process

In Brazil, the Company has a decentralized production process, using both mini mills and integrated facilities. In general, the Company has used the mini mill model to produce steel products outside of Brazil.

Semi-integrated Process (Mini-mills)

The Company operates 27 mini-mills worldwide, 11 located in Brazil, 13 in North America and 3 in South America. Mini-mills recycle steel scrap and are equipped primarily with electric arc furnaces that can melt steel scrap and produce steel products at the required specifications requested by customers. After loading the furnace with a preset mixture of raw material (i.e., steel scrap), electric power is applied in accordance with a computer-controlled melting profile. The Company’s mini mill production process generally consists of the following steps: obtaining raw material (steel scrap), melting, casting, rolling, and drawing. The basic difference between this process and the integrated mill production process described below is in the first processing phase, i.e., the steelmaking process. Mini mills are smaller plants than integrated facilities and the Company believes they provide certain advantages over integrated mills, including:

- Be a recycling process;
- Lower greenhouse gas emissions;
- Lower capital costs;
- Lower operational risks due to the low concentration of capital and installed capacity in a single production plant;
- Proximity of production facilities to raw-material sources;
- Proximity to local markets and easier adjustment of production levels; and
- More effective managerial structure due to the relative simplicity of the production process.

Integrated Process

Integrated mills produce steel from iron ore and are equipped primarily with blast furnaces that can transform iron ore into metallic iron.

Gerdau operates three integrated mills located in Brazil. The Ouro Branco Mill is the largest integrated facility operated by the Company. It produces steel from pig iron from the blast furnace and has some of the advantages of a mini mill, since it is located near Gerdau’s iron ore source and linked by railways to Gerdau’s ports from which Gerdau exports part of its production. The Divinópolis Mill is the other integrated facility operated by the Company and produces steel using charcoal instead of mineral coal to transform iron ore into metallic iron. This route is considered low greenhouse emission since charcoal is sustainably produced at Gerdau’s farms. The third mill, Barão de Cocais, suspended production in 2024 due to the tougher domestic market in Brazil.

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Gerdau's steel manufacturing process at integrated units consists of four basic stages: preparation of raw materials, production of pig iron, production of steel, and production of semi-finished steel products (billets, blooms, and slabs). In the first stage, sinter (a mixture of iron ore and limestone), coke, and other raw materials are consumed in the Ouro Branco unit blast furnace to produce pig iron, while charcoal and other raw materials are consumed at the Divinópolis unit. Coke and charcoal act as both fuel and a reducing agent, transforming the oxide called iron ore into metallic iron.

Gerdau's blast furnaces have an aggregate installed capacity of approximately 4.1 million tonnes of molten pig iron per year. The pig iron produced is transported by rail to the desulphurization unit to reduce the steel's sulfur content. After the desulphurization process, the low-sulfur pig iron is transformed into steel using LD-type oxygen converters. The LD steelmaking process utilizes molten pig iron and scrap to produce steel by blowing oxygen over the metallic charge inside the converters. The process does not require any external source of energy, which is fully supplied by the chemical reactions occurring between oxygen and the impurities in the molten pig iron. The LD steelmaking process is currently the most widely used in the world. There is also secondary refining after the LD converters' output with ladle furnaces and degassing processes. Liquid steel is then sent to the continuous casting equipment, where it is solidified into billets, blooms, or slabs.

These products may be sold to clients directly, transferred to other Gerdau units for transformation, or used in the production of finished rolled steel products at the integrated units. Gerdau's integrated units in Brazil have rolling mills for rebars, bars and profiles, wire rod, structural shapes, hot-rolled coils, and heavy plates.

Logistics

Gerdau sells its products through a combination of independent distributors, direct sales from the mills and its retail network.

Logistics costs are an important component in the steel businesses and are a significant factor in maintaining competitive prices in both domestic and export markets. Gerdau's mills are strategically located in different geographic regions, allowing the Company to gain a competitive advantage. The proximity of these mills to raw material sources and important consumer markets helps reduce costs in obtaining raw material and enhances customer service. This logical efficiency is a significant advantage for both inbound and outbound operations.

To monitor and reduce logistic costs, Gerdau employs tailored solutions for various transportation modes, including road, rail, sea and cabotage, as well for terminals, technology and equipment. Gerdau stands out as one of the Brazilian industries with the greatest participation in multimodal transportation, aligned with our effort to reducing our carbon footprint. The Company is committed to continuously improving its performance by receiving raw materials and delivering products to its customers of designated ports. As part of this effort, Gerdau develops and maintains long-term relationships with logistic suppliers specializing in delivering raw materials and steel products.

In 1996, Gerdau acquired an interest in MRS Logística, one of the most important rail companies in Brazil, which operates connecting the states of São Paulo, Rio de Janeiro and Minas Gerais, which are Brazil's main economic centers, and also reaches the main ports of the country in this region. This interest assures the availability of this mode to transport raw materials (scrap and pig iron) as well as final products.

Gerdau uses a variety of ports to deliver products from the entire Brazilian coastline. Most exports are shipped from the Praia Mole Private Steel Terminal in Vitória, Espírito Santo.

Overseas, Gerdau owns a private port terminal in Chimbote (Peru), where the Company has a steel mill, used to deliver inputs, raw material and products for the operation.

Competition

The steel market is divided into manufacturers of long steel products, flat steel products and special steel.

The Company operates in the long steel market, which is the most important market for Gerdau, by supplying to the following customer segments: (i) construction, to which it supplies rebars, merchant bars, sections, beams, nails and meshes; (ii) manufacturing, to which it supplies products for machinery, agricultural equipment, tools and other industrial products; and (iii) other markets, to which it supplies wires and posts for agricultural installations and reforestation projects. In North America, the Company also supplies customers with special sections, including elevator guide rails and super light beams. The Company also provides its customers with higher value - added products at rebar and wire rod fabrication facilities.

The Company operates in the flat steel market only in Brazil through the Ouro Branco mill that produces slabs, which are used to roll flat products such as hot-rolled coils and heavy plates. The Company distributes these hot-rolled coils to which it adds further value through additional processing at its flat steel service centers.

The Company produces special and stainless steel used in tools and machinery, chains, fasteners, railroad spikes, special coil steel, grader blades, smelter bars, light rails, super light I-beams, elevator guide rails and other products that are made on demand for the Company's customers at its special steel units in Brazil and United States.

Competitive Position — Brazil

The Brazilian steel market is very competitive. In the year ended December 31, 2024 (most recent information), ArcelorMittal Brasil and the Company were the two largest Brazilian crude steel producers, according to the Brazilian Steel Institute (IABr - Instituto Aço Brasil).

World common long rolled steel demand is met principally by steel mini mills and, to a much lesser extent, by integrated steel producers. In the Brazilian market, no single company competes against the Company across its entire product range.

The Company believes that the diversification of its products, the solution developed by its fab shops units and the decentralization of its business provide a competitive edge over its major local competitors. The main Gerdau competitors in long steel segment are ArcelorMittal, Simec, Sinobrás, Aço Verde do Brasil (AVB) and Companhia Siderúrgica Nacional (CSN). Regarding the flat steel market, Gerdau's competitors are ArcelorMittal, Usiminas and CSN.

Besides the local competitors, the Company has been facing substantial competition from long and flat steel products imports, mainly coming from China. According to the Brazil Steel Institute, the steel import penetration rate in Brazil reached 21% in 2025, 60% above the average of the last ten years, while the import volume in 2025 was 7.4% higher than in 2024, increasing the local competitive imbalance, chiefly due to steel imports under predatory competition conditions. Although the Company is a modern and highly efficient producer, it cannot compete with heavily subsidized imports, which directly affect the competitiveness of its industry.

Competitive Position — Outside Brazil

Gerdau's geographic market in North America encompasses primarily the United States and Canada. The Company faces substantial competition in the sale of each of its products from numerous competitors in its markets. Rebar, merchant bars and structural shapes are commodity steel products for which pricing is the primary competitive factor. Due to the high cost of freight relative to the value of steel products, competition from non-regional producers is somewhat limited. Proximity of product inventories to customers, combined with competitive freight costs and low-cost manufacturing processes, are key to maintaining margins on rebar and merchant bar products. Rebar deliveries are generally concentrated within a 350-mile radius of the mini mills and merchant bar deliveries are generally concentrated within a 500-mile radius. Some products produced by the Midlothian, Jackson, Cartersville and Petersburg mini mills are shipped greater distances, including overseas.

The Company's principal competitors include Commercial Metals Company (CMC), Nucor Corporation, and Steel Dynamics Inc.

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In South America, each country has a specific competitive position that depends on conditions in their respective markets. Most compete domestically and face significant competition from imports. More than 90% of shipments from Gerdau's South American operation originate from Argentina and Peru. In this market, the main barriers faced by Gerdau sales are freight and transportation costs and the availability of imports. The main products sold in the South American market are for the construction, agriculture and mining markets.

Despite the large-scale characteristic of rebars, bars and profiles, Gerdau believes that it stands out from many of its competitors for its wide range of products, quality, consistent delivery performance and the ability to fulfill large orders. Gerdau believes that it produces one of the most complete lines of bars and profiles. The variety of products offered by Gerdau is an important competitive advantage in a market where many customers seek to meet their needs with few key suppliers.

Business Cyclicity and Seasonality

The steel industry is highly cyclical. Consequently, the Company is exposed to fluctuations in the demand for steel goods that in turn cause fluctuations in the prices of these goods. Furthermore, since the production capacity of Brazil's steel industry exceeds its demand, it is dependent on export markets. The demand for steel goods and consequently the financial conditions and results of operations of steel producers, including the Company, are generally affected by fluctuations in the world economy and in particular the performance of the manufacturing, construction and automotive industries.

Unfavorable conditions in China and steel-exporting countries can significantly impact steel prices in other markets. China, as the world's largest steel producer and consumer, influences global steel demand and supply dynamics. Factors like a lack of real estate investment, lower consumer confidence and rationalization of government stimulus can diminish steel demand within China, affecting global prices. Additionally, steel-exporting countries, benefiting from lower production costs, efficient supply chains, and economies of scale, can exert competitive pressures on international steel prices, particularly when coupled with government subsidies or trade agreements. These combined factors create a complex interplay of supply and demand forces that can swiftly impact steel prices worldwide. In Gerdau's Brazilian and South American operations, shipments in the second and third quarters of the year tend to be stronger than in the first and fourth quarters, given the seasonality, and reduction of sector's activity such as construction. In Gerdau's North American operations, demand is influenced by winter conditions, when consumption of electricity and other energy sources (i.e., natural gas) for heating increases and may be exacerbated by adverse weather conditions, contributing to increased costs and decreased construction activity, and in turn leading to lower shipments.

Information on the Extent of the Company's Dependence

The Company is not dependent on industrial, commercial or financial agreements (including agreements with clients and suppliers) or on new production processes that are material to its business or profitability. The Company also has a policy of diversifying its suppliers, which enables it to replace suppliers without affecting its operations in the event of failure to comply with the agreements, except in the case of its energy and natural gas supply.

In addition to the government regulations that apply to its industry in general, the Company is not subject to any specific regulations that materially or adversely affect its business.

In the case of a power outage, there are no alternative supply options available at most Gerdau mills due to the high volume and tension required for the operation of these plants. Some of Gerdau's small plants may choose, as an alternative, to use generators to compensate for the energy shortage. Moreover, at the Ouro Branco Mill, about 90% of the thermal demand in stationary equipment such as furnaces, regenerators and boilers is met by gases resulting from the steelmaking process.

In case of a lack of natural gas, the equipment could be adjusted to use diesel and LPG.

Gerdau's operations are spread across various geographic regions, which provides a risk diversification of any electricity or natural gas supply problems in Brazil.

The distribution of electric power and natural gas is a natural monopoly in most countries, which leads the distributor to be the only supplier in each geographic region. In some countries, regulations allow for a choice of electrical power or natural gas commodity supplier, allowing Gerdau to diversify its supply agreement portfolio.

Production Inputs

Price volatility

Gerdau's production processes are based mainly on the mini mill concept, with mills equipped with electric arc furnaces that can melt ferrous scrap and produce steel products at the required specifications. The main raw material used at these mills is ferrous scrap, which at some plants is blended with pig iron. The component proportions of this mixture may change in accordance with prices and availability to optimize raw material costs. Iron, iron ore (used in blast furnaces) and ferroalloys are also important.

Although international ferrous scrap prices suffer high influence by the U.S. domestic market (since the United States is the largest scrap exporter), the price of ferrous scrap in Brazil varies from region to region and is influenced by supply, demand and transportation costs.

Brazil Segment — The Company's Brazilian mills use scrap and pig iron purchased from local suppliers. Due to the nature of the raw materials used in its processes, Gerdau acquires scrap from the domestic market in accordance with the operational requirements of its mills. Scrap for the Brazilian operation is priced in Brazilian reais; thus input prices are not directly affected by currency fluctuations.

Due to its size, the Ouro Branco mill has developed over the last few years a strategy to diversify its raw materials, which are supplied through various types of contracts and from multiple sources, which include: (i) coking coals imported from Colombia, the United States and Russia as well as petroleum coke purchased from Petrobras; (ii) ferroalloys, of which around 90% are purchased in the domestic market; and (iii) iron ore, which is mainly produced from its own mines and partially supplied by mining companies, most of them strategically located close to the plant.

North America Business Segment — The main input used by the Company's mills in North America is ferrous scrap, and it has consistently obtained adequate supplies of raw materials, not depending on a small number of suppliers. Since the United States are one of the largest scrap exporters in the world, the prices of this raw material, in the country, may fluctuate according to domestic supply vs. global demand. In September 2024 Gerdau acquired the assets of Dales Recycling Partnership, a company engaged in the operation, processing, and recycling of ferrous and non-ferrous scrap with an annual capacity to process approximately 160,000 tons of ferrous and non-ferrous scrap. This acquisition aims to increase Gerdau's captive ferrous scrap in North America through proprietary channels, supplying raw materials at a competitive cost.

South America Business Segment — The main input used by the Company's mills in South America is ferrous scrap. This operation is exposed to market fluctuations, varying its prices according to each local market.

Ferrous Scrap

There are two broad categories of ferrous scrap: (i) obsolete scrap, which is steel from various sources, ranging from cans to car bodies and white goods; and (ii) industrial scrap, which is composed of scrap from manufacturing processes, essentially steel bushings and flashings, steel turnings and even scrap generated by production processes at steel producers, such as Gerdau. In Brazil, the use of scrap in electric arc furnaces varies between scrap from obsolescence and industrial scrap. Special Steel mills mainly use industrial scrap.

Because ferrous scrap is one of its main raw materials in steel production, Gerdau is dedicated to improving its supply chain in various countries, aiming to develop and integrate micro and small suppliers into the Company's business. In Brazil, the main part of the scrap consumed by the Company comes from small scrap collectors who sell all their material to Gerdau, which provides a direct supply at more competitive costs for the Company. In North America, although the scrap supply is more consolidated, the number of vendors is still significant, ensuring the competitiveness of the business in the region.

Brazil Business Segment — The price of steel scrap in Brazil varies by region and reflects local supply, demand and transportation costs. The Southeast is the country's most industrialized region and generates the highest volume of scrap. Due to the high concentration of players in this region, competition is more intense.

In Brazil, Gerdau has five scrap shredders, including mega-shredder at the Cosigua mill in Rio de Janeiro and at the Araçariçuama mill in Sao Paulo, with capacity to process scrap in volumes superior to 200 vehicles per hour. The Company will start a new mega shredder at the Pindamonhangaba mill by 2026.

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North America Business Segment — Ferrous scrap is the main raw material. The availability of this input varies according to the level of economic activity, seasonality, export levels, climatic conditions and price fluctuations. Of the thirteen units in the North America Business Segment, five of them have shredders on-site. Considering that not all the scrap consumed comes from their yards, the rest of the demand is guaranteed through direct acquisitions or via resellers who originate and prepare the scrap.

In North America, all production units are semi-integrated mills or mini mills, in which results of operations are closely related to the cost of ferrous scrap and its substitutes, which are the main input of mini mills. Ferrous scrap prices are relatively higher during the winter months in the north hemisphere due to the impact of climate on collection and supply. More than half of North America's steel industry output is currently produced in electric arc furnaces with the use of ferrous scrap. Prices of ferrous scrap are subject to market forces beyond the Company's control, including demand from the United States and international steel producers, freight costs and speculation.

South America Business Segment — The price of scrap in South America varies widely from country to country in accordance with supply, demand and transportation cost.

Pig Iron and Sponge Iron

Brazil is an exporter of pig iron. Most of Brazil's pig iron is produced in the state of Minas Gerais by small producers. Pig iron is an important component of the metallic charge in steelmaking complementing scrap in the mix. The price of pig iron follows domestic and international demand, and its cost production is basically composed by reducers and minerals.

In North America, the availability of scrap plays an important role for our operations. Sponge iron and pig iron are used in limited quantities to produce steels with specific characteristics.

Iron Ore

Iron ore is the main input used to produce pig iron at Gerdau's blast furnace mills located in the state of Minas Gerais, southeastern Brazil. The pig iron is used in the melt shops together with scrap, to produce steel.

Iron ore is purchased in its natural form as lump ore, pellet feed or sinter feed, or agglomerated as pellets. The lump ore and pellets are loaded directly into the blast furnace, while the sinter feed and pellet feed need to be agglomerated in the sinter plant and then loaded into the blast furnace, to produce pig iron. The production of 1.0 tonne of pig iron requires about 1.6 tonnes of iron ore.

Iron ore consumption in Gerdau mills in Brazil amounted to 6.3 million tonnes in 2025, partially supplied by mining companies adjacent to the steel plants and partially supplied by Gerdau's mines.

Other Inputs

In addition to scrap and iron ore, Gerdau's operations use other inputs to produce steel such as ferroalloys, electrodes, furnace refracting materials, oxygen, nitrogen, and other industrial gases and limestone, albeit in smaller amounts. Additional inputs associated with the production of pig iron are thermal reducers, such as coal coke, charcoal, or natural gas, which are used in blast furnace mills.

The Ouro Branco mill's significant raw materials and inputs also include solid fuels, comprising metallurgical coal, used in the production of coke and for pulverized injection into the blast furnace. This process increases productivity and consequently reduces the final cost of pig iron. Besides metallurgical coal, the Company also uses anthracite, a solid fuel used in the production of sinter. The gases resulting from the production of coke and pig iron are reused to generate thermal energy, which is converted into electric energy for the mill, improving energy efficiency.

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The North American operations also use additional inputs. Various domestic and foreign companies supply other important raw materials or operating supplies required for the business, including refractory materials, ferroalloys and graphite electrodes that are available in the national and international market. Gerdau North America Business Segment has obtained adequate quantities of these raw materials and supplies at competitive market prices. The Company is not dependent on any one supplier as a source for any particular material and believes there are adequate alternative suppliers available in the marketplace if the need to replace an existing one arises.

Energy Requirements

Steel production is a process that consumes large amounts of electricity, especially in electric arc mills. Electricity represents an important role in the production process, along with natural gas, which is used mainly in furnaces to re-heat billets in rolled steel production.

In Brazil, electricity is currently supplied to the Company's industrial units under one type of contracts:

- Contracts executed in the Free Market Environment, in which Gerdau is a "Free Consumer", are used by the following units: Açonorte, Araçariguama, Araucária, Caucaia, Charqueadas, Cosígua, Cearense, Ouro Branco, Divinópolis, Barão de Cocais, Riograndense, São José dos Campos, Cumbica, Cotia, Pindamonhangaba, Mogi das Cruzes, Várzea do Lopes, Miguel Burnier, São Caetano do Sul, Sete Lagoas and Usiba. The load of these units is served by a portfolio of contracts and by self-generation. The power supply contracts are entered into directly with generation and/or distributing companies at prices that are pre-defined and adjusted in accordance with conditions pre-established by the parties. The transmission and distribution rates are regulated and revised annually by ANEEL (Regulatory agency for the electricity sector in Brazil).

In the Ouro Branco mill approximately 25% of the electricity consumed is generated internally. As a result, this makes the plant have significantly lower exposure to the energy market than mini mills.

The Company holds the following power generation concession in Brazil:

- Dona Francisca Energética S.A. (DFESA) operates a hydroelectric power plant with nominal capacity of 125 MW located between Nova Palma and Agudo, Rio Grande do Sul State (Brazil). Its corporate purpose is to operate, maintain and maximize use of the energy potential of the Dona Francisca Hydroelectric Plant. DFESA participates in a consortium (Consórcio Dona Francisca) with the power utility Companhia Estadual de Energia Elétrica (CEEE). The shareholders of DFESA are Gerdau S.A. (53.94%), COPEL Participações S.A (23.03%) and Celesc (23.03%).

The terms of the Dona Francisca generation concession agreements are for 39 years as of the signature of the agreement. As such: DFESA expires in 2037.

- Gerdau holds a 40% stake in Newave Energia. As a result, the Company consumes 40% of the energy generated from the Solar Arinos (approximately 45 average megawatts) and will acquire approximately 23 MWm from four Barro Alto SPEs of Newave Energia, when they start operations.
- Gerdau has entered into agreements to fully acquire 100% of three other SPEs of the Barro Alto Solar Park (Barro Alto V, Barro Alto VI and Barro Alto VII), thereby obtaining the right to all the energy to be generated by them, estimated at approximately 43 average megawatts (MWm)
- Barro Alto Solar Park is scheduled to start operations in 2026.
- On January, 21, 2025, Gerdau has entered into contracts for the acquisition of Small Hydroelectric Plants (SHPs) named Garganta da Jararaca and Paranatinga II. The SHPs Garganta da Jararaca and Paranatinga II are located in the state of Mato Grosso, and each has an installed capacity of 29MW, with an average of 21MW and 17MW of assured energy, respectively.

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In Brazil, natural gas is currently supplied to the Company's industrial units under two types of contracts:

- Contracts in the Regulated Contractual Environment, in which the Company is a "Captive Consumer", are used at the following units: Açonorte, Araucária, Caucaia, Cearense, Mogi das Cruzes and São José dos Campos.
- Contracts executed in the Free Market Environment, in which Gerdau is a "Free Consumer," are used by the following units: Ouro Branco, Cosigua, Charqueadas, Rio Grandense, Araçariçuama, Pindamonhangaba and Cilindros.

The Várzea do Lopes, Miguel Burnier, São Caetano do Sul, Sete Lagoas, Cumbica, Cotia, Barão de Cocais and Divinópolis units do not have access to natural gas supplies. In the United States, there are essentially two types of electricity markets: regulated and deregulated. In the regulated market, contracts are approved by Public Utility commissions and are subject to an approved rate of return. These regulated tariffs are specific to local distributors and generally reflect the utilities transmission, generation capital and operational costs including fuel. In deregulated markets, the price of electricity has three main components: generation capital costs, transmission costs and variable costs. The variable cost is set by the marginal resource and fluctuates with demand and fuel cost. Natural gas in the United States is mostly deregulated. While in general, the U.S. energy market is benefiting from the increased exploration of shale gas, the environmental goals of decarbonization have resulted in natural gas scarcity during periods of high electricity and heating demand causing shortages and price volatility of natural gas and electricity.

In Uruguay, electricity is purchased under agreements that are renewed automatically on an annual basis from the state-owned utility UTE. Natural gas is purchased from Montevideo Gas with prices set by the Argentinean export tariff agreement (fuel oil as substitute).

In Peru, the Company holds an electricity supply contract valid from January 2023 to December 2034. Additionally, it has a natural gas supply contract spanning from January 2025 to December 2034. The natural gas is supplied as LNG (Liquefied Natural Gas), transported by trucks, decompressed, and gasified for distribution through the internal network to support production processes.

In Argentina, natural gas agreements are renewed annually with private companies. In 2008, Gerdau Sipar signed a long-term agreement with a private company to supply the electrical needs of the plant.

In Mexico, electricity is purchased under agreements regulated by the state-owned utility Compañía Federal de Electricidad (CFE). The natural gas agreements are annually renewed with private companies. Electricity and natural gas prices are indexed and adjusted monthly based on the NYMEX prices indexes.

Technology and Quality Management

All Gerdau mills have a Quality Management System supported by a wide range of quality control tools. Product development projects are headed by specialists who use quality tools such as, but not limited to, "Six Sigma" (a set of statistical methods for improving the assessment of process variables), DOE (Design of Experiment) and Process Analysis. In general, production, market developers, and quality teams are responsible for developing new products to meet customer and market needs.

Given this level of quality management, mills are ISO 9001 certified, and certain mills have additional certifications such as but not limited to IATF 16949 (Automotive Industry), ABS (American Bureau of Shipping), German Ü-Sign conformity mark (Ü-Zeichen) and AASHTO Product Evaluation for US highway and bridge construction.

The Gerdau Quality Management System requires robust tests on products and processes to ensure that the specifications and requirements are met. A specially trained team and modern technologies guarantee high quality standards for the products manufactured. Gerdau's market developers do planned visits, some are randomly selected, and some are scheduled visits, to its customers to identify new product development opportunities and check on the quality of the delivered products to guarantee the final user satisfaction for products purchased.

Due to the specialized nature of its business, the Gerdau special steel mills are constantly investing in technological upgrading and in research and development. These mills are active in the automotive segment and maintain a technology department (Research and Development) responsible for new products and the optimization of existing processes.

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International machinery manufacturers and steel technology companies supply most of the sophisticated production equipment that Gerdau uses. These suppliers generally sign technology transfer agreements with the purchaser and provide extensive technical support and staff training for the installation and commissioning of the equipment. Gerdau has technology transfer and benchmarking agreements with worldwide recognized performance companies.

As is common with mini mill steelmakers, Gerdau usually acquires technology in the market rather than develops new technology through intensive process research and development, since steelmaking technology is readily available for purchase.

The Company is not dependent on patents or licenses or new manufacturing processes that are material to its business. See item “Information on the Extent of the Company’s Dependence” for further details.

Sales Terms and Credit Policy

The Company’s Brazilian sales are usually made on a 21/28-day settlement CIF (Cost, Insurance and Freight) basis. Comercial Gerdau, the retail arm of Gerdau in Brazil, sells on 28-day settlement basis, mainly CIF. Brazilian customers are subject to a credit approval process. The concession of credit limits is controlled by a corporate-level system (ECC) that can be accessed by all sales channels. The credit and collection department are responsible for evaluating, determining and monitoring credit in accordance with the credit limit policy. This policy includes the active participation of staff from the various sales channels. At Comercial Gerdau, the criteria for retail sales also include practices such as the use of credit card services. Gerdau exports are guaranteed via letters of credit and/or pre-payment before the product is shipped. Exports to Gerdau’s subsidiaries may be sold on credit at market interest rates.

Gerdau North American credit terms to customers are generally based on customary market conditions and practices. The Company’s North American business is seasonal, with orders in the second and third quarters tending to be stronger than those in the first and fourth quarters, primarily due to weather-related slowdowns in the construction industry.

The Company’s Special Steel operations in the United States and Brazil have their own credit departments for customer credit analysis.

The Company’s impairment loss on financial assets has been at low levels. On December 31, 2025, provision for expected credit losses was 1.9% based on gross account receivables per Note 5 to the Consolidated Financial Statements, compared to 2.2% on December 31, 2024, and 1.8% on December 31, 2023. Gerdau has improved its credit approval controls and enhanced the reliability of its sales process using risk indicators and internal controls.

Insurance

The Company maintains insurance coverage in amounts that it believes suitable to cover the main risks of its operating activities. The Company has purchased insurance for its integrated mill Ouro Branco to insure against operating losses, which covers assets of approximately US\$ 7.9 billion (R\$ 43.2 billion as of December 31, 2025), including material damage to installations of US\$ 7.6 billion (R\$ 41.7 billion as of December 31, 2025) and losses of gross revenues of US\$ 275.7 million (R\$ 1.5 billion as of December 31, 2025), such as halts in production due to business interruptions caused by accidents for a period up to twelve months. The Company’s current insurance policy relating to the Ouro Branco mill remains effective until May 31, 2026. The Company’s mini mills are also covered under insurance policies which insure against certain operational losses resulting from business interruptions.

Trade Investigations and Government Protectionism

Over the past several years, exports of steel products from several companies and countries, including Brazil, have been subject to antidumping, countervailing duties and other trade-related investigations in importing countries. Most of these investigations resulted in duties and/or volume quotas limiting the investigated companies’ ability to access such import markets. Prior to 2025, the U.S. managed steel trade through Section 232 tariffs, initially implemented at 25% in 2018 for national security reasons. Over time, this framework evolved into a network of bilateral agreements: Australia received a full exemption, while countries like South Korea, Brazil, and Argentina moved to “hard-cap” quotas. Additionally, tariffs were removed for Canada and Mexico in 2019 in favor of volume monitoring, and by 2022, the Biden administration had transitioned tariffs for the EU, UK, and Japan into tariff-rate quotas.

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This regulatory environment shifted on February 18, 2025, with a proclamation terminating these exceptions to restore domestic capacity utilization to the critical 80% threshold. The new measures addressed transshipment concerns—specifically Chinese steel entering via Mexico—and expanded the 25% duty to previously exempt regions like Ukraine and to various derivative steel products. This overhaul also ended the product-specific exclusion process for importers to ensure the tariffs' objectives were not undermined. By June 2025, the administration intensified these protections by raising the standard Section 232 rate to 50%, with the UK remaining at 25% pending the finalization of the U.S.-UK Economic Prosperity Deal (EPD).

These measures are set to not only increase tariffs on steel imports, but limit import volume as well, which could significantly affect the export volumes of some companies and redirect the export flow to other regions.

Finally, given the evolving nature of the current U.S. trade environment, there is no guarantee that the 50% steel tariffs will remain in place. These protections, currently benefiting domestic production, could be modified, rescinded, or diluted through legislative changes, executive orders, or legal rulings. Should these tariffs be lifted or weakened, a subsequent rise in foreign steel imports would likely exert downward pressure on U.S. steel prices. Such a shift in the market would potentially result in a significant adverse effect on our North American revenues, cash flow, and overall financial results.

Material effects of government regulation on the Company's activities

The Company's steel production activities are not subject to special authorizations other than the licenses and permits typical to the industry. The Company maintains a good relationship with the government agencies responsible for issuing common authorizations and does not have any history of problems in obtaining them.

Gerdau's mining operations in Brazil are subject to the rules of the Brazilian Mining Code and its regulation (Decree-Law 227, of February 28, 1967, and Decree 9,406, of June 12, 2018) and to the applicable mining legislation, with mining exploration governed by Mining Property Rights and Concessions.

Gerdau acquired the surface of the properties located in the polygon of the respective mining rights, as well as all other Mining Property Rights and Concessions, under an Agreement for the Sale of Assets and Assignment of Rights entered into by and between Gerdau Açominas S.A. and Companhia Paraibuna de Metais, Siderúrgica Barra Mansa S.A., Votorantim Metais Ltda., and Votorantim International Holding N.V., on May 19, 2004.

The Company's mining exploration activities are subject to the conditions and limitations imposed by the Federal Constitution of Brazil, the Brazilian Mining Code and related laws and regulations, which include requirements connected to, among other factors, how mineral deposits are used, occupational safety and health, environmental protection and restoration, pollution prevention and the health and safety of the local communities where the mines are located. The Brazilian Mining Code also establishes some requirements for the submission of notifications and information.

Companies authorized to economically explore mineral resources are required to pay royalties to the Federal Government, which distributes most of them to States and Municipalities. On July 26, 2017, Provisional Presidential Decree 789/17 was published, which was later converted into Federal Law 13,540/17, amending Federal Laws 7,990/89 and 8,001/90, which provide for the Financial Compensation for Exploration of Mineral Resources (CFEM).

For iron ore, the rate is fixed at 3.5%. In this case, upon a justified need, the regulatory entity of the mining sector could exceptionally reduce the iron compensation rate from 3.5% to as low as 2% to not adversely affect the economic feasibility of deposits with low performance and profitability due to the iron content, production scale, payment of taxes and number of employees.

Gerdau holds environmental licenses for commercial operation of the mines located in the cities of Miguel Burnier/Ouro Preto and Várzea do Lopes/Itabirito in the Brazilian state of Minas Gerais.

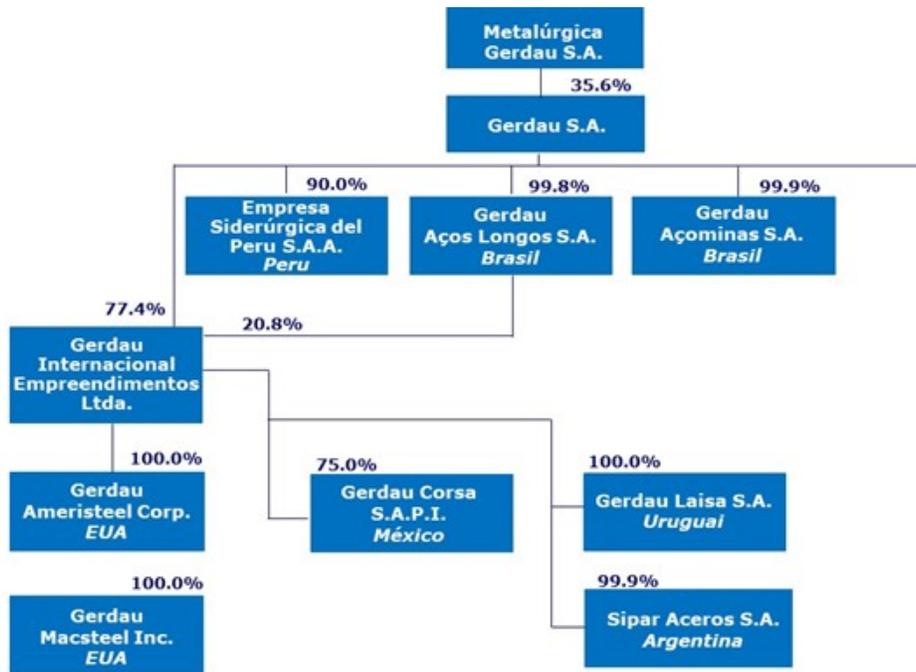
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The mining rights held by Gerdau cover 8,837.19 hectares, and the concessions are valid until the mining deposits are exhausted, provided the legal requirements are fulfilled annually. The table below lists the ANM processes referring to the mining rights held by Gerdau:

ANM Process	City	Location / Mine / Project	State
001.978/1935	BARÃO DE COCAIS	GONGO SOCO	MG
000.724/1942	OURO PRETO / OURO BRANCO	MORRO GABRIEL	MG
004.575/1935	OURO PRETO	MIGUEL BURNIER	MG
003.613/1948	OURO PRETO	MIGUEL BURNIER	MG
005.303/1948	OURO PRETO	MIGUEL BURNIER	MG
005.514/1956	OURO PRETO	MIGUEL BURNIER	MG
005.975/1956	OURO PRETO	MIGUEL BURNIER	MG
006.549/1950	OURO PRETO	MIGUEL BURNIER	MG
930.600/2009	OURO PRETO	GM MIGUEL BURNIER	MG
003.583/1957	ITABIRITO / MOEDA	VÁRZEA DO LOPES	MG
003.584/1957	ITABIRITO	VÁRZEA DO LOPES	MG
003.585/1957	ITABIRITO	VÁRZEA DO LOPES	MG
008.141/1958	ITABIRITO	VÁRZEA DO LOPES	MG
006.255/1960	ITABIRITO	VÁRZEA DO LOPES	MG
000.317/1961	ITABIRITO	VÁRZEA DO LOPES	MG
005.945/1961	ITABIRITO	VÁRZEA DO LOPES	MG
932.705/2011	ITABIRITO	GM VÁRZEA DO LOPES	MG
833.209/2006	OURO PRETO / OURO BRANCO	DOM BOSCO	MG
832.090/2005	OURO PRETO / OURO BRANCO	DOM BOSCO	MG
832.044/2006	OURO BRANCO	DOM BOSCO	MG
830.158/2007	OURO PRETO	DOM BOSCO	MG
830.159/2007	OURO PRETO	DOM BOSCO	MG
830.160/2007	OURO PRETO	DOM BOSCO	MG
831.640/2003	OURO PRETO	DOM BOSCO	MG
830.475/2007	OURO PRETO	DOM BOSCO	MG
832.620/2006	OURO PRETO	MIGUEL BURNIER	MG
830.798/2013	OURO PRETO	MIGUEL BURNIER	MG
832.377/2014	OURO PRETO	MIGUEL BURNIER	MG
832.375/2014	OURO PRETO	MIGUEL BURNIER	MG
833.018/2015	ITABIRITO	VÁRZEA DO LOPES	MG
832.625/2016	ITABIRITO	VÁRZEA DO LOPES	MG

C. ORGANIZATIONAL STRUCTURE

The Company's operational structure (including its main operating subsidiaries engaged in steel production) on December 31, 2025, is below:



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The table below lists the significant consolidated subsidiaries of Gerdau on December 31, 2025, 2024 and 2023:

Consolidated Company	Country	Equity Interests		
		Total capital ^(*)		
		2025	2024	2023
Gerdau GTL Spain S.L.	Spain	100.00	100.00	100.00
Gerdau Internacional Empreendimentos Ltda. - Grupo Gerdau	Brazil	100.00	100.00	100.00
Gerdau Ameristeel Corporation and subsidiaries ⁽¹⁾	USA/Canada	100.00	100.00	100.00
Gerdau Açominas S.A. and subsidiary ⁽²⁾	Brazil	99.89	99.86	99.86
Gerdau Aços Longos S.A. and subsidiaries ⁽³⁾	Brazil	99.84	99.83	99.83
Gerdau Steel Inc.	Canada	100.00	100.00	100.00
Paraopeba - Fixed-income investment fund ⁽⁴⁾	Brazil	77.83	84.49	75.36
Gerdau Hungria Holdings Limited Liability Company	Hungary	100.00	100.00	100.00
GTL Equity Investments Corp.	British Virgin Islands	100.00	100.00	100.00
Empresa Siderúrgica del Perú S.A.A. - Siderperú	Peru	90.03	90.03	90.03
Gerdau GTL México, S.A. de C.V.	Mexico	100.00	100.00	100.00
Seiva S.A. - Florestas e Indústrias	Brazil	97.73	97.73	97.73
Gerdau Laisa S.A.	Uruguai	100.00	100.00	100.00
Sipar Gerdau Inversões S.A.	Argentina	99.99	99.99	99.99
Sipar Aceros S.A. and subsidiary ⁽⁵⁾	Argentina	99.98	99.98	99.98
Gerdau Trade Inc.	British Virgin Islands	100.00	100.00	100.00
Gerdau Next S.A. and subsidiaries ⁽⁶⁾	Brazil	100.00	100.00	100.00

(*) The voting capital is substantially equal to the total capital. The interests reported represent the ownership percentage held directly and indirectly in the subsidiary.

(1) Subsidiaries: Gerdau Ameristeel US Inc., GUSAP III LLP, GNA Financing Inc., Gerdau Macsteel Inc. and Chaparral Steel Company and Gerdau Steel North America Two Corporation.

(2) Subsidiary: Gerdau Açominas Overseas Ltd.

(3) Subsidiaries: SPEs Barro Alto Solar Park (SPE Barro Alto V, SPE Barro Alto VI and SPE Barro Alto VII), Paranatinga Energia S.A., Comercial Gerdau Aços Planos Ltda., Sul Renováveis Participações S.A. and Rio do Sangue Energia S.A.

(4) Fixed-income investment fund managed by Santander Bank. The participation shown refers to the balances applied by the Company in relation to the total fund each year.

(5) Subsidiary: Siderco S.A.

(6) Subsidiaries: G2L Logística S.A., G2base Fundações e Conteções Ltda, G2 Adições Minerais e Químicas Ltda. and Circulabi S.A..

The Company's investment in MRM Guide Rail in North America, in which Gerdau Ameristeel holds a 50% of the total capital; the investment in Gerdau Corsa S.A.P.I. de CV in Mexico, in which Gerdau holds a 75% stake; the investment in Dona Francisca Energética S.A, in Brazil, in which the Company holds a 53.94% stake; the investment on Newave Energia S.A., in Brazil, in which Gerdau holds a 40% stake; the investment in Gerdau Summit Aços Fundidos e Forjados S.A., in Brazil, in which Gerdau had a 58.73% stake and on February 10, 2025 came to own 100%; the investment in Addiante S.A., in Brazil, in which the Company holds a 50% stake; the investment in Juntos Somos Mais Fidelização S.A., in Brazil, in which Gerdau holds a 27.48% stake; the investment in Brasil ao Cubo S.A., in Brazil, in which Gerdau holds a 44.66% stake; the investment in MRS Logística S.A., in Brazil, in which Gerdau holds a 1.32% stake; and the investments in Bradley Steel Processor in which Gerdau Ameristeel had a stake of 50% and on December 01, 2025 came to own 100%, are accounted in the Company's financial statements using the equity method (for further information, see Note 3 — Consolidated Financial Statements).

On February 10, 2025, the Company, after fulfilling all the conditions precedent, including approval by the antitrust authorities, concluded the transaction with Sumitomo Corporation and The Japan Steel Works Ltd., for the acquisition of 39.53% and 1.74%, respectively, of the total shares issued by Gerdau Summit Aços Fundidos e Forjados S.A. ("Gerdau Summit"). With the closing of the transaction, the Company owns 100% of the Gerdau Summit's capital Gerdau Summit, until then a joint venture, with this transaction becomes a subsidiary of the Company.

On March 21, 2025, Sul Renováveis Participações S.A acquired 100% of the shares of Rio do Sangue Energia S.A., previously held by Atiaia Energia S.A.

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On April 11, 2025, Gerdau Aços Longos S.A. acquired 100% of the shares of Kloeckner Metals Brasil Ltda. (currently Comercial Gerdau Aços Planos Ltda.) previously held by Kloeckner & Co.SE.

On April 28, 2025, Gerdau Aços Longos S.A. acquired 100% of the shares of Paranatinga Energia S.A., previously held by Atiaia Energia S.A

On December 1, 2025, Gerdau Ameristeel Corporation completed the transaction with John Buller Inc. to acquire 50% of the total outstanding shares of Bradley. Upon closing the transaction, the company came to own 100% of the share capital of Bradley.

The main operating companies that are accounted according to the equity accounting method in the financial statements of Gerdau are described below:

Gerdau Metaldom Corp. — On January 17, 2024, Gerdau S.A. celebrated the Share Purchase Agreement selling its stake in Gerdau Metaldom Corp. to INICIA Group, which sale was concluded on February 1, 2024.

Gerdau Corsa S.A.P.I de C.V. — The subsidiary of this company is a long steel producer located in the metropolitan area of Mexico City with annual installed capacity of 1,500,000 tonnes of crude steel and 1,350,000 tonnes of rolled products.

Gerdau Summit Aços Fundidos e Forjados S.A. — On January 5, 2017, the Company subscribed capital stock in Gerdau Summit Aços Fundidos e Forjados S.A. through the contribution of some of its assets and liabilities, which were valued by a specialized independent evaluation firm. Gerdau Summit Aços Fundidos e Forjados S.A. is accounted for as a joint venture in the Financial Statements of Gerdau S.A., with a 58.73% interest. On February 10, 2025, the Company, after fulfilling all the conditions precedent, including approval by the antitrust authorities, concluded the transaction with Sumitomo Corporation and The Japan Steel Works Ltd., for the acquisition of 39.53% and 1.74%, respectively, of the total shares issued by Gerdau Summit Aços Fundidos e Forjados S.A. (“Gerdau Summit”). With the closing of the transaction, the Company will own 100% of the Gerdau Summit’s capital Gerdau Summit, until then a joint venture, with this transaction becomes a subsidiary of the Company.

The main operating companies that are fully consolidated in the financial statements of Gerdau are described below:

Gerdau Aços Longos S.A. — This company produces common long steel and has ten mills distributed throughout Brazil and an annual installed capacity of 3.2 million tonnes of crude steel. This company also sells general steel products and has steel distribution centers located throughout Brazil.

Gerdau Açominas S.A. — Gerdau Açominas S.A. owns the mill located in the state of Minas Gerais, Brazil. The Ouro Branco mill is Gerdau’s largest unit, with an annual installed capacity of 3.6 million tonnes of crude steel, accounting for 52.9% of Gerdau’s crude steel output in the Brazil Business Segment.

Gerdau Ameristeel Corporation — Gerdau Ameristeel has an annual capacity of 5.7 million tonnes of crude steel and 4.8 million tonnes of rolled products. The company is one of the largest producers of long steel in North America.

Gerdau MacSteel Inc. — This company is the largest special steel producer in the U.S., has three units and a combined annual production capacity of 1.2 million tonnes of crude steel and 1.2 million tonnes of rolled products.

Gerdau Laisa S.A. — Gerdau Laisa is the one of largest long steel producers in Uruguay and has annual installed capacity of 85,000 tonnes of crude steel and 80,000 tonnes of rolled products.

Sipar Gerdau Inversiones S.A. — Sipar Gerdau Inversiones, through its operational subsidiary Sipar Aceros S.A. has annual installed capacity of 450,000 tonnes of crude steel and 240,000 tonnes of rolled products.

Empresa Siderúrgica del Perú S.A.A. — This company is a long steel producer with annual installed capacity of 377,000 tonnes of crude steel and 500,000 tonnes of rolled steel.

D. PROPERTY, PLANT AND EQUIPMENT

Facilities

Gerdaul's principal properties are for the production of steel, rolled products and drawn products. The following is a list of the locations, capacities and types of facilities, as well as the types of products manufactured on December 31, 2025:

PLANTS	LOCATION		INSTALLED CAPACITY (1,000 tonnes)			EQUIPMENT	PRODUCTS
	COUNTRY	STATE	PIG IRON/ SPONGE IRON	CRUDE STEEL	ROLLED PRODUCTS		
BRAZIL OPERATION			4,130	7,921	8,179		
Ouro Branco	Brazil	MG	3,700	3,600	3,034	Integrated with blast furnace, LD converter and rolling mills	Billets, blooms, slabs, wire rod, heavy structural shapes and HRC
Araçariquama	Brazil	SP	—	950	550	EAF mini mill, rolling mill	Billets, rebars and coil rebar
Cosigua	Brazil	RJ	—	936	1,398	EAF mini mill, rolling mill, drawing mill, nail and clamp factory	Rebar, merchant bars, wire rod, drawn products and nails
Divinópolis	Brazil	MG	430	600	460	Integrated/blast furnace, EOF converter and rolling mill	Rebar and merchant bars
Riograndense	Brazil	RS	—	450	475	EAF mini mill, rolling mill, drawing mill, nail and clamp factory	Rebar, merchant bars, wire rod, drawn products and nails
Açonorte	Brazil	PE	—	265	272	EAF mini mill, rolling mill, drawing mill, nail and clamp factory	Rebar, merchant bars, wire rod, drawn products and nails
Caucaia	Brazil	CE	—	—	425	EAF mini mill, rolling mill	Billets, rebars and coil rebar
Usiba	Brazil	BA	—	495 *	397 *	EAF mini mill, rolling mill, drawing mill, nail and clamp factory	Rebar, merchant bars, wire rod, drawn products and nails
Guaira	Brazil	PR	—	420 *	—	EAF mini mill	Billet
Barão de Cocais	Brazil	MG	330 *	330 *	193 *	Integrated/blast furnace, LD converter and rolling mill	Merchant bars
Cearense	Brazil	CE	—	160	135 *	EAF mini mill, rolling mill	Rebar and merchant bars
Sete Lagoas	Brazil	MG	132 *	—	—	Blast furnace	Pig iron
Pindamonhangaba	Brazil	SP	—	530	866	EAF mini mill, rolling mill, finishing and foundry	Bars, wires, wire rod, finished and rolled bar, rolling mill rolls.
Charqueadas	Brazil	RS	—	430	699	EAF mini mill, rolling mill and finishing	Bars, special profiles, wires, wire rod, cold finished bar
Mogi das Cruzes	Brazil	SP	—	280 *	264 *	EAF mini mill, rolling mill and finishing	Bars, special profiles
NORTH AMERICA OPERATION			—	6,884	6,006		
Midlothian	USA	TX	—	1,407	1,393	EAF mini mill, rolling mill	Rebar, merchant bars and beams
Petersburg	USA	VA	—	821	519	EAF mini mill, rolling mill	Merchant bars and beams
Whitby	Canada	ON	—	882	671	EAF mini mill, rolling mill	Structural shapes, rebar, merchant bars
Cartersville	USA	GA	—	875	670	EAF mini mill, rolling mill	Merchant bars, structural shapes, beams
Jackson	USA	TN	—	629	472	EAF mini mill, rolling mill	Rebar, merchant bars
Charlotte	USA	NC	—	410	279	EAF mini mill, rolling mill	Rebar, merchant bars
Manitoba - MRM	Canada	MB	—	360	296	EAF mini mill, rolling mill	Special sections, merchant bars, rebar
Wilton	USA	IA	—	270	237	EAF mini mill, rolling mill	Rebar and merchant bars
St. Paul	USA	MN	—	370 *	360 *	EAF mini mill, rolling mill	Rebar, merchant bars, special bars (SBQ) and round bars
Cambridge	Canada	ON	—	299 *	279	EAF mini mill, rolling mill	Rebar, merchant bars
Fort Smith	USA	AR	—	500	500	EAF mini mill, rolling mill and finishing	Special bars and shapes and cold finished bar
Monroe	USA	MI	—	730	690	EAF mini mill, rolling mill and finishing	Special bars and shapes and cold finished bar
Jackson	USA	MI	—	280 *	250 *	EAF mini mill, rolling mill and finishing	Special bars and shapes and cold finished bar
SOUTH AMERICA OPERATION			—	912	820		
Peru	Peru	—	—	377	500	EAF mini mill, rolling mill	Rebar and merchant bars
Argentina	Argentina	—	—	450	240	EAF mini mill, rolling mill, drawing mill	Rebar, merchant bars and mesh
Uruguay	Uruguay	—	—	85	80	EAF mini mill, rolling mill	Rebar, merchant bars and mesh
GERDAU TOTAL**			4,130	15,717	15,005		

* Temporarily idle units.

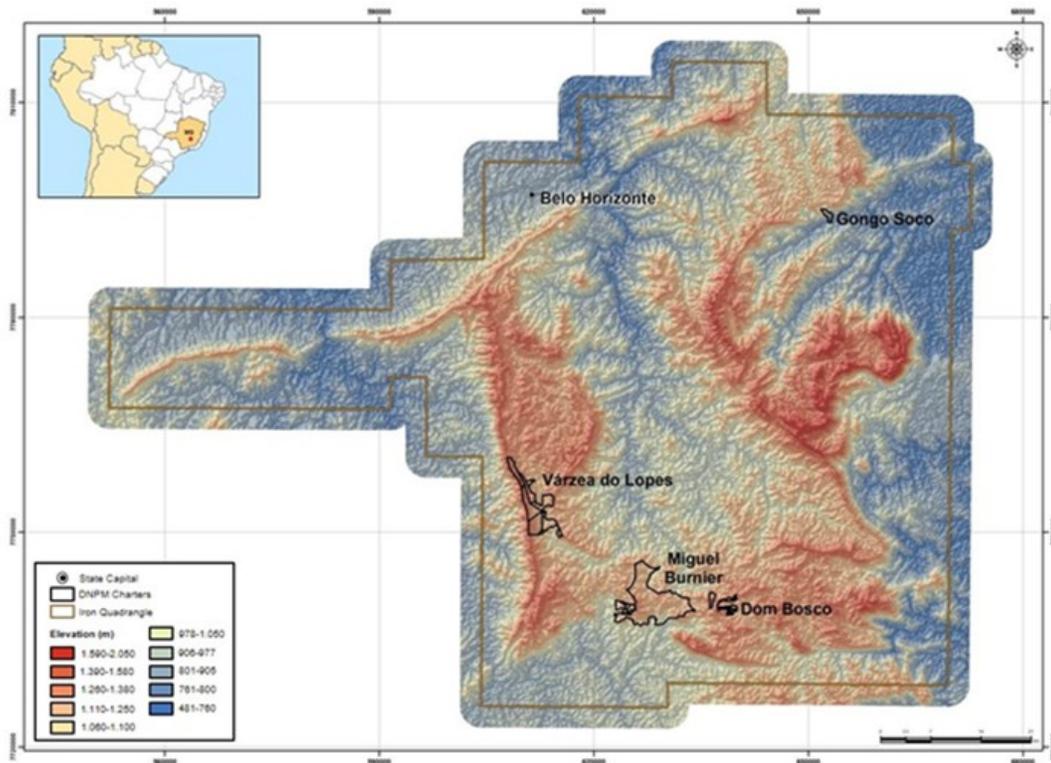
** The capacity of the idle units is not included in the total company.

Mining Assets

Iron ore mines

Gerdaul's activities related to the iron ore mines began after acquiring the mining rights from the Votorantim Group, in the cities of Ouro Preto (district of Miguel Burnier), Itabirito and Barão de Cocais, in 2004. These areas are located in the Iron Quadrilateral region of Minas Gerais state, in Brazil, one of the country's most prominent mineral regions, as shown in the following figure.

Location of Gerdau's mining operations



The current and future iron ore production units encompass mainly open-pit mines, processing plants, waste and tailing piles, and logistics and operational support infrastructure.

The current iron ore production units are the following:

- Miguel Burnier/Dom Bosco Complex: includes the mines located in Miguel Burnier and in Dom Bosco;
- Várzea do Lopes Complex;
- Gongo Soco.

Location and Access

Miguel Burnier/Dom Bosco Complex

Miguel Burnier and Dom Bosco are located in the city of Ouro Preto, in the southwestern region of the Iron Quadrilateral region of Minas Gerais, in Brazil, around 80 km from Belo Horizonte and 5 km from Vila do Pires, on Highway BR-040. The Dom Bosco Mine is located approximately 11 km from the Miguel Burnier Mine. Vila do Pires is situated on both sides of Highway BR-040, in the northern region of the city of Congonhas. Access to the mines is via a five-kilometer road starting in the Vila do Pires next BR-040 Highway.

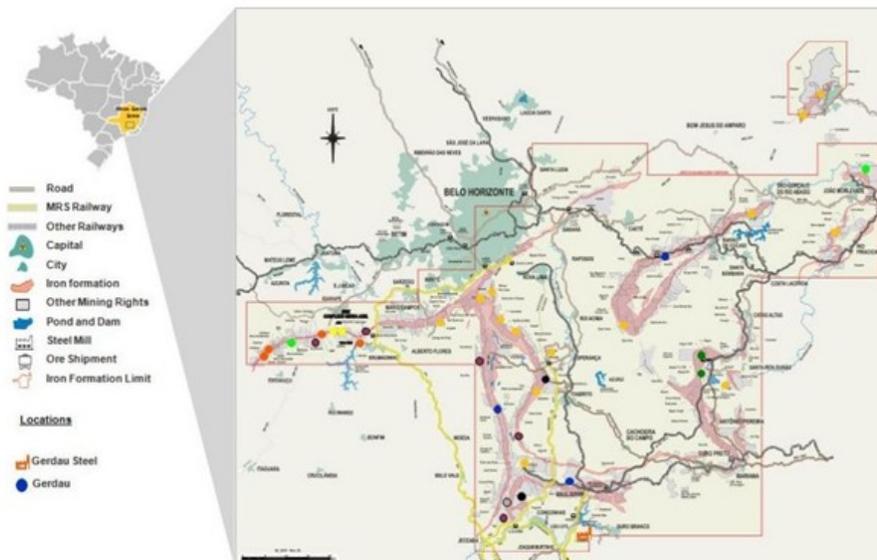
Várzea do Lopes Complex

Várzea do Lopes is located in the city of Itabirito, in the Iron Quadrilateral region of Minas Gerais, in Brazil, approximately 46 km from downtown Belo Horizonte. Access to the mine is from Belo Horizonte via Highway BR-040, heading towards Rio de Janeiro. Várzea do Lopes is located approximately 20 km from Miguel Burnier, in a straight line.

Gongo Soco

The mining rights, as well as the mine, were leased by the company SPE MSA Trindade Mineração Ltda. In 2024, MSA Trindade obtained the environmental license to operate the Gongo Soco mine. With this, it is expected that production will start during the first half of 2025.

The image below represents what the Company believes to be the location of the current and eventual iron ore production units and their main access routes:



Certification of Reserves and Future Investments

On August 9, 2023, Gerdau received the report prepared by SRK Consulting, certifying the reserves of Miguel Burnier mine, located in the district of Ouro Preto (MG - Brazil) and an integral part of the Brazil Segment.

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The certification is a significant milestone in Gerdau's R\$ 3.6 billion investments in the sustainable mining platform, aimed at providing high-quality and competitively priced ore for the Ouro Branco Unit, while also playing an important role in its decarbonization process. The investment will be spread between the years 2023 and 2026, with the amount allocated to 2025 already included in the investment Plan announced on February 19, 2025.

According to the conclusions of the report, the Company now holds certified reserves of 476 million metric tonnes (Dry metric tonnes) of iron ore.

The Report was prepared in accordance with subchapter 1300 of Regulation S-K issued by the U.S. Securities and Exchange Commission – SEC, adhering to the technical report standard established by said regulation.

Considering the expected annual production level of 5.5 million metric tonnes (Wet metric ton, assuming a humidity of 10%) of iron ore, we believe that the certified reserves should provide a 40-years lifespan for the investment, reinforcing Gerdau's commitment to the socioeconomic development of the state of Minas Gerais today and in the future.

Investment Programs

On February 19, 2025, Gerdau approved its investment plan in the amount of R\$ 6.0 billion for 2025. This investment plan is divided into two fronts: (i) Maintenance and (ii) Competitiveness and it was concluded on December 31, 2025. In addition, the Company maintained the level of nearly R\$1.1 billion in projects focused on environmental returns and safety initiatives, in line with building an increasingly sustainable future and our commitment to people's safety.

On October 1st, 2025, Gerdau approved its investment plan in the amount of R\$ 4.7 billion for 2026. This investment plan is divided into two fronts: (i) Maintenance and (ii) Competitiveness.

Regarding Maintenance projects, the Company estimates an average investment of nearly R\$3.0 billion/year over the next five years, considering assets' current status, the current exchange rate and inflation levels.

Maintenance projects are associated with the concept of reinvestment of depreciation over the years to ensure the good functioning of plants, while Competitiveness projects are related to the growth, technological updating and modernization of the business segments, with a focus on improving Environmental, Social and Governance (ESG) practices and sustainable development.

The Company's expenditure in its investment plan will be directly related to market conditions and the economic scenario of the countries and the sectors in which it operates.

Environmental Issues

Gerdau is currently in compliance with environmental regulations. The Company also believes that there are no environmental issues that could affect the use of its fixed assets.

In 2025, Gerdau invested R\$ 640.95 million in the improvement of its eco-efficiency practices and in technologies for the protection of the air, water and soil.

Environmental Regulations

In all of the countries in which the Company operates, it is subject to federal, state and municipal environmental laws and regulations governing, but not limited to, the air emissions, wastewater discharges and solid and hazardous waste handling and disposal. Its manufacturing facilities have been operating under the applicable environmental rules. The respective permits and licenses require compliance with conditions and various performance standards, which are monitored by regulatory authorities. The Company employs a staff of experts to manage all phases of its environmental programs and uses outside experts where needed. The Company works to ensure that its operations maintain compliance in all material respects with the applicable environmental laws, regulations, permits and licenses currently in effect. When Gerdau acquires new plants, it conducts an assessment of potential environmental issues and prepares a work plan in compliance with the local authorities.

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In most countries, both federal and state governments have the power to enact environmental protection laws and issue regulations under such laws. In addition to those rules, the Company is also subject to municipal environmental laws and regulations. Under such laws, individuals or legal entities whose conduct or activities cause harm to the environment are usually subject to criminal, civil and administrative sanctions, as well as any costs to repair the actual damages resulting from such harm.

The steel industry uses and generates substances that can cause environmental damage. The Company's management conducts surveys periodically to identify areas potentially impacted and recorded as its best estimate of the costs for inspecting, treating and cleaning potentially impacted areas the amounts of R\$ 620,665 on December 31, 2025 (R\$ 382,800 recognized as current liabilities and R\$ 237,865 as non-current liabilities), R\$ 659,082 on December 31, 2024 (R\$ 245,429 recognized as current liabilities and R\$ 413,653 as non-current liabilities) and R\$ 517,669 on December 31, 2023 (R\$ 139,395 recognized as current liabilities and R\$ 378,274 as non-current liabilities). The Company adopted assumptions and estimates to determine the amounts involved that could vary in the future due to the conclusion of the inspection and the assessment of the actual environmental impact at the time of the ultimate settlement. In the Gerdau Corporate Environmental Guideline, there are environmental management practices the adoption of which is aimed at optimizing natural resources and minimizing environmental impacts. Among these practices, there is the management of contaminated areas, which aims to ensure controls and preventive or corrective measures to avoid soil and water body contamination. The management process includes communication, assessment, identification, and remediation. Provisioning costs must cover remediation and monitoring activities, being sufficient to meet the Company's plans. Units or operations in the process of closing activities at Gerdau must also undergo evaluation. Closure plans are updated periodically, and information is monitored according to the governance established in the Policy, with evaluation by technical and financial areas. See Note 22 – Environmental Liabilities.

Brazilian Environmental and Regulatory Legislation

The Company's activities are subject to wide-sweeping Brazilian environmental legislation at the federal, state and municipal levels that encompass, among other aspects, the dumping of effluents, atmospheric emissions and the handling and final disposal of dangerous waste, as well as the obligation to obtain operating licenses for the installation and operation of potentially polluting activities.

Brazilian environmental legislation provides for the imposition of criminal, civil and administrative liabilities on individuals and legal entities that commit environmental crimes or infractions, as well as for the obligation to repair the environmental damage caused. Any potential environmental crimes or infractions could subject the Company to penalties that include:

- fines that at the administrative level could reach as high as R\$ 1 billion, and that could be influenced by the wrongdoer's economic capacity and past record, as well as the severity of the facts and prior history, that could be potentially doubled or tripled in case of repeat offenders;
- suspension of or interference in the activities of the respective enterprise; and
- loss of benefits, such as the suspension of government financing and the inability to qualify for public bidding processes and tax breaks.

The application of environmental liability in the criminal sphere depends on evidence of intent (intention) or fault (negligence and/or recklessness) and, is considered subjective. Therefore, individuals only would be prosecuted or convicted to the extent of their action, intention or fault. In the case of the administrative sphere, recent judicial precedents provide for subjective environmental liability as well, although most environmental agencies apply administrative environmental liability regardless of proof of intent or fault.

In the civil sphere, environmental damage results in joint and several liability as well as strict liability. This means that the obligation to repair the environmental damage may affect all those directly or indirectly involved, regardless of intent or fault. In this case, acknowledging the causal link between the action and the damage is enough to imputation of civil responsibility. As a result, hiring of outsourced companies to intervene in its operations to perform services such as final disposal of solid waste does not exempt the Company from liability for any environmental damage that may occur.

Environmental legislation also provides for piercing the corporate veil, affecting shareholder assets, whenever the lack of solvency of an entity represents an impediment to recovery of environmental damages.

North American Environmental Legislation

The Company is required to comply with a complex and evolving body of Environmental, Health and Safety Laws (EHS Laws) concerning, among other things, air emissions, discharges to soil, surface water and groundwater, noise control, the generation, handling, storage, transportation and disposal of toxic and hazardous substances and waste, the clean-up of contamination, indoor air quality and worker health and safety. These laws vary by location and can fall within federal, provincial, state or municipal jurisdictions.

Most EHS Laws are of general application but result in significant obligations in practice for the steel sector. For example, the Company is required to comply with a variety of EHS Laws that restrict emissions of air pollutants, such as lead, particulate matter. Because the Company's manufacturing facilities emit significant quantities of air emissions, compliance with these laws does require the Company to make investments in pollution control equipment and to report to the significant government authority if any air emissions limits are exceeded. The government authorities typically monitor compliance with these limits and use a variety of tools to enforce them, including administrative orders to control, prevent or stop a certain activity; administrative penalties for violating certain EHS Laws; and regulatory prosecutions, which can result in significant fines and (in rare cases) imprisonment. The Company is also required to comply with a similar regime with respect to its wastewater. EHS Laws restrict the type and number of pollutants that Company facilities can discharge into receiving bodies of waters, such as rivers, lakes and oceans, and into municipal sanitary and storm sewers. Government authorities can enforce these restrictions using the same variety of tools noted above.

The Company has installed pollution control equipment at its manufacturing facilities to address these emissions and discharge limits and has an environmental management system in place designed to reduce the risk of non-compliance.

Environmental Permits

According to Brazilian environmental legislation, the proper functioning of activities considered effectively or potentially polluting or that in some way could cause environmental damage requires environmental licenses. This procedure is necessary for both the activity's initial installation and operating phases as well as for its expansion phases, and these licenses must be renewed periodically.

The Brazilian Institute for the Environment and Renewable Resources (IBAMA) has jurisdiction to issue licenses for projects with national or regional environmental impacts. In all other cases, the state environmental agencies have jurisdiction, and, in the case of local impact, the municipal agencies have jurisdiction.

Environmental licensing of activities with significant environmental impacts is subject to a Prior Environmental Impact Study and respective Environmental Impact Report (EIA/RIMA), as well as the implementation of measures to mitigate and compensate for the environmental impact of the project.

In most cases that involve significant environmental impact, the licensing process includes the issuance of three licenses: Pre-License (LP), Installation License (LI) and Operational License (LO). These licenses are issued in accordance with each phase of project implementation, and maintaining their validity requires compliance with the requirements established by the environmental licensing agency. The failure to obtain an environmental license, regardless of whether or not the activity is actually harming the environment, is considered an environmental crime and an administrative infraction, and may subject the wrongdoer to administrative fines, at the federal level (subject to being doubled or tripled in the case of repeat violations), an Environmental legislation also provides for piercing the corporate veil, affecting shareholder assets, whenever the lack of solvency of an entity represents an impediment to recovery of environmental damages and the suspension of operations. The Operational License (LO) must be renewed periodically.

The Company's operations currently comply with all legal requirements related to environmental licenses. However, any delay or refusal on the part of environmental licensing agencies to issue or renew these licenses, as well as any difficulty on its part to meet the requirements established by these environmental agencies during the course of the environmental licensing process, could jeopardize or even impair the installation, operation and expansion of new and current projects.

Decarbonization Strategy

Gerdau determines the most significant material issues linked to the SDGs (Sustainability Development Goals) through a tool called materiality matrix. The materiality matrix enables us to guide our strategy and management initiatives and guide the way in which we communicate with our stakeholders and society in general. One of the issues identified as most significant was “Climate change management.” GHG emissions are a key issue in the debate on climate change and a sensitive point for the steel industry, given the level of emissions from its production facilities in relation to the industrial sector.

The Company defines its risk management guidelines and procedures based on business analysis, including issues related to climate change and the Sustainability Scorecard indicators. Industry trends that can impact business in the short-, medium- and long-term, as well as environmental, social and governance factors, image and legislation are assessed.

The identified risk factors concerning climate change are related to unexpected interruptions in the production capacity of the Company’s main units and facilities that would increase production costs, reducing sales and earnings in the affected period. The Company could be affected by risks, such as:

- Reduced availability of electricity arising from a period of water crisis: the production of crude steel is an electricity-consuming process, especially in steel mills that use electric arc furnaces. Electricity is an important component for the production, as is natural gas, although to a lesser extent. Electricity cannot be replaced by another energy source in the Company’s mills and rationing or interruptions in supply can affect the production of these units.
- Fires or severe weather conditions: Unforeseen periods of drought can impair the performance of our forest areas, reducing the availability of the bio-reducer for our operating units that use this input; Floods can result in unforeseen periods of production stoppage, among others.
- Water shortage resulting from a period of water crisis: Reduction of water withdrawal for the production process, leading to a reduction in production.

Such risks would increase production costs, reducing sales and earnings in the affected period as a result of unexpected events. Consequently, the Company is susceptible to periods of stoppage or reduction of production in the steel mills, which may also occur in the future. Interruptions in production capacity may adversely affect Gerdau’s productivity and operating results. In addition, any interruption in production capacity may require additional troubleshooting expenses which would impact the Company’s cash flow. As a result, long business interruptions can also damage the Company’s reputation and lead to the loss of customers, which can have a negative impact on business, results of operations and cash flows. The Company could also be affected by transition risks related to policy, legal, technology, market and reputation risks.

In 2021, the Company prepared the GHG inventory of all of its global industrial units (base year, 2020). Since then, the data has been audited by a third party, following ISO 14064 and ISAE 3410 (GHG emissions inventory), and reporting its GHG emissions management on CDP Climate Change since 2021 (2020 base year), CDP is a reference entity in the evaluation of sustainable actions. In 2025 (2024 base year), Gerdau achieved the A- score, reaching the climate leadership level, according to CDP, reinforcing the Company’s commitment to the sustainability of its operations. Also, in 2025 (base year 2024), Gerdau reported CDP Water Security and received a B score, reinforcing the Company’s commitment to transparency.

With the support of specialized consultants, we study the scenarios of productive and technological changes with the lowest effective carbon cost to define goals and guide our strategy. Consistent with this, the Company adopted the MACC “Marginal Cost Curve Abatement” and structured and published on February 1, 2022 the goal of reducing GHG emissions related to Scopes 1 and 2 by 2031, from 0.93 t of CO_{2e} per tonne of steel produced to 0.82 t of CO_{2e} per tonne of steel produced. Failure to achieve the target is a risk associated with the organization’s reputation, and it is mitigated through emissions projections monitoring in accordance with operation and investment plans, incorporating additional actions, if necessary. This target is factored in our Long-Term Incentive Plan.

Gerdau’s production model and efforts for over a century have placed the Company at the vanguard on the issue of GHG emissions. Currently, we have one of the lowest emission averages in the steel industry, which is equivalent to approximately half of the global industry average.

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- Around 70% of the steel we produce comes from recycling of ferrous scrap: transforming about 10 million tonnes of scrap into steel. This enables us to promote a circular economy, saving natural resources and reduce energy consumption and GHG emissions.
- The Company has more than 200,000 hectares of forests. Our planted forests are sources of renewable raw material in the production of charcoal, a bioreducer used to produce pig iron, resulting in decreased emissions of GHG.
- Currently, we are leaders in managing GHG emissions and being well thought of as a benchmark for industry entities. Our constant efforts include the use of renewable sources, recycling, reduction of raw material consumption and energy efficiency.

Our goal of reduction from 0.93t CO₂e / t steel (base year 2020) to 0.82t CO₂e / t steel, by 2031, in scopes 1 and 2 prioritizes:

- Greater energy and operational efficiency;
- Expansion of scrap use;
- Investment in renewable energy;
- Exploration of viable new technologies; and
- Maximization of the potential of the forestry base.

The Company aims to be carbon neutral by 2050; for this, disruptive technologies will be necessary in steel production, which are not yet economically and operationally feasible on an industrial scale. No assurance can be given that it can be achieved, since there are externalities involved that we do not control; nonetheless, to contribute to this outcome, we continue to study and collaborate with diverse partners and entities in the sector to seek low carbon solutions.

Public policies and measures to reduce GHG emissions from industrial processes will also be necessary. Our efforts are also dedicated to clean and renewable energy solutions. The Company has already announced the construction of a solar complex in Brazil. Moreover, we will continue to streamline our production processes and invest in new energy matrices and new technologies.

In Canada, the three Gerdau mills are required to report facility-level GHG emissions and production data with verification by a third-party. Manitoba Mill is regulated by the Canadian Federal Greenhouse Gas Pollution Pricing Act, which has been in effect since 2019, setting a carbon price at CAD 95/tCO₂e for 2025 and includes the Output-Based Pricing System (OBPS) Regulations. Facilities operating above the standard pay an excess emissions charge (CAD 95/tCO₂e for 2025, rising \$15/t per year out to 2030), while facilities operating below (better than) the standard can receive credits. Under the Canada GHG program, facilities are granted allowances based on our production x output-based standard(s) for each activity (in our case, both EAF steel and hot-rolled steel). The resulting balance is the difference between the allocations provided and the actual emissions. Emission units are not transferable outside of the Federal OBPS. Since January 1, 2022, the Whitby and Cambridge Mills have been regulated by the Provincial (Ontario) Emissions Performance Standards (EPS) Regulation. The Federal Greenhouse Gas Pollution Pricing Act applies a regulatory charge on fuel, but a facility is exempt from the carbon tax when registered under the Ontario EPS. The EPS includes performance standards, called Baseline Emission Intensities (BEIs) for the industrial facilities. Facilities operating above the standard pay an excess emissions charge (currently CAD 95/tCO₂e for 2025 and rising \$15/t per year in accordance with the Federal pricing), while facilities operating below (better than) the standard can receive credits. Under the EPS program, facilities are granted allowances based on our production x output-based standard(s) for each activity (in our case, both EAF steel and hot-rolled steel). The resulting balance is the difference between the allocations provided and the actual emissions. As Gerdau operates two facilities under the Ontario EPS program, we can move allowances within the Company to assist with any carbon compensation obligations.

In Mexico, our operations in Tultitlán and La Presa are currently regulated by the states where they are located, which levy carbon-emission taxes. These taxes do not generate a significant financial impact.

Areas of permanent forest preservation and legal reserves

Some activities of the Company, mainly those involving reforestation to produce thermal-reducer used in its industrial units, are subject to the Brazilian Forest Code.

The Code determines that some areas, due to their importance for the preservation of the environment and water resources, are considered permanent preservation areas (APP), such as, for example, areas adjacent to rivers or natural or artificial reservoirs. At Gerdau's forestry units, permanent preservation areas are an integral part of the business, being protected and in compliance with the legislation.

Moreover, depending on the region where the property is located, the Code requires rural land owners to restore and preserve between 20%, 35% or 80% of areas containing native vegetation. The maintenance of these percentages of native vegetation is important because it guarantees the preservation of the local natural vegetation, perpetuating the genetic resources and the biodiversity of each Brazilian biome. Gerdau maintains its Legal Reserve areas preserved and in accordance with governing legislation.

ITEM 4A. UNRESOLVED SEC STAFF COMMENTS

The Company has no unresolved comments from the staff of the U.S. Securities and Exchange Commission with respect to its annual report under the Securities Exchange Act.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of the Company's financial condition and results of operations should be read in conjunction with the Company's audited Consolidated Financial Statements of financial position as of December 31, 2025 and 2024 and for each year in the three year period ended December 31, 2025, included in this Annual Report that have been prepared in accordance with IFRS Accounting Standards, as well as with the information presented under "Presentation of Financial and Other Information" and "Selected Financial and Other Information of Gerdau."

Starting with the disclosure of the results of 2025, the Company began to disclose the information and results of its business segments as follows:

- Brazil Segment: includes the long, flat and special steel operations and the iron ore operation located in Brazil and joint ventures and associated companies located in Brazil;
- North America Segment: includes the long and specialty steel operations located in Canada and the United States and the joint ventures located in Canada and Mexico; and
- South America Segment: includes the operations in Argentina, Peru and Uruguay.

With these changes, the information and results of the former Special Steel Segment, which included the special steel operations located in Brazil and the United States, are now disclosed jointly with the other segments, according to their geographic location, as the Brazil Segment and the North America Segment, respectively.

This new format for disclosing information and results is in line with recent changes in the global steel industry scenario, which have led to an increasing regionalization of markets, business dynamics and local currencies of these operations, improving the presentation of Gerdau's results in Brazil and North America, the main regions in which it operates. The comparative information of the segments presented in Financial Statements for the years ended on December 31, 2024 and December 31, 2023 has been adjusted to reflect this new composition.

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The following discussion contains forward-looking statements that are based on management's current expectations, estimates and projections and that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements because of various factors, including those described in the sections "Forward-Looking Statements" and "Risk Factors."

The primary factors affecting the Company's results of operations include:

- Economic and political conditions in the countries in which Gerdau operates, especially Brazil and the U.S.;
- The fluctuations in the exchange rate between the Brazilian *real* and the U.S. dollar;
- The cyclical nature of supply and demand for steel products both inside and outside of Brazil, including the prices for steel products;
- The Company's level of exports; and
- The Company's production costs.

Brazilian Economic Conditions

The Company's results and financial position depend largely on the situation of the Brazilian economy, most notably economic growth and its impact on steel demand, financing costs, the availability of financing and the exchange rates between Brazilian and foreign currencies.

Since 2003, the Brazilian economy has become more stable, with significant improvement in the main indicators. The continuity of the macroeconomic policies focused on tax matters, the inflation-targeting system, the adoption of a floating foreign exchange rate, the increase in foreign investment and compliance with international financial agreements, including the full repayment of debt with the International Monetary Fund, contributed to the improved economic conditions in Brazil.

In 2025, Brazilian GDP increased 2.3% (equivalent to US\$ 2.5 trillion Nominal GDP) driven by the agriculture and services sectors. Inflation, as measured by the IPCA index, was 4.3%. The average CDI rate in the year was 14.3%. The Brazilian *real* appreciated by 11.1% against the U.S. dollar, ending the year at R\$ 5.50 to US\$ 1.00.

In 2024, Brazilian GDP increased 3.4% (equivalent to US\$ 2.2 trillion Nominal GDP) driven by services and industrial sectors. Inflation, as measured by the IPCA index, was 4.8%. The average CDI rate in the year was 10.9%. The Brazilian *real* depreciated by 27.9% against the U.S. dollar, ending the year at R\$ 6.19 to US\$ 1.00.

In 2023, Brazilian GDP increased 2.9% (equivalent to US\$ 1.9 trillion Nominal GDP) driven by services, industrial and agribusiness sectors. Inflation, as measured by the IPCA index, was 4.6%. The average CDI rate in the year was 13.0%. The Brazilian *real* appreciated by 7.1% against the U.S. dollar, ending the year at R\$ 4.84 to US\$ 1.00.

The interest rates the Company pays depend on multiple drivers, such as movements in benchmark interest rates (often influenced by inflation), the ratings assigned by credit rating agencies that assess the Company, and the pricing of the Company's debt securities traded in the secondary market. To reduce this exposure, the Company from time to time enters into hedging arrangements to mitigate rate fluctuations.

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The table below presents GDP growth, inflation, interest rates and the foreign exchange rate between the U.S. dollar and the Brazilian *real* for the periods shown.

	2025	2024	2023
Actual GDP growth	2.3 %	3.4 %	2.9 %
Inflation (IGP-M) (1)	(1.1)%	6.5 %	(3.2)%
Inflation (IPCA) (2)	4.3 %	4.8 %	4.6 %
CDI rate (3)	14.3 %	10.9 %	13.0 %
Depreciation (appreciation) in the Brazilian <i>real</i> against the U.S. dollar	(11.1)%	27.9 %	(7.1)%
Foreign exchange rate at end of year — US\$ 1.00	R\$ 5.5024	R\$ 6.1923	R\$ 4.8413
Average foreign exchange rate — US\$ 1.00 (4)	R\$ 5.5855	R\$ 5.3895	R\$ 4.9841

Sources: *Getúlio Vargas Foundation, Central Bank of Brazil and Bloomberg*

- (1) Inflation as measured by the General Market Price index (IGP-M) published by the Getúlio Vargas Foundation (FGV).
- (2) Inflation as measured by the Board Consumer Price Index (IPCA) measured by Brazilian Institute of Geography and Statistics (IBGE).
- (3) The CDI rate is equivalent to the average fixed rate of interbank deposits recorded during the day in Brazil (annualized monthly cumulative figure at end of period).
- (4) Average of the foreign exchange rates, according to the Brazilian Central Bank, on the last day of each month in the period indicated.

U.S. Economic Conditions

In view of the size of the Company's operations in the United States, U.S. economic conditions have a significant effect on the Company's results, particularly with regards to U.S. economic growth and the related effects on steel demand, financing costs and the availability of credit.

In 2025, according to the IMF (International Monetary Fund) October 2025 report, the U.S. Real GDP increased by 2.0%. Inflation, as measured by the CPI, ended the year at 2.7% (December-to-December), with an average annual rate slightly higher due to mid-year volatility. The average Fed Funds rate (the interest rate established by the U.S. Federal Reserve) for 2025 was approximately 4.1%, reflecting a gradual decrease from the prior year as the Fed implemented three quarter-point rate cuts during the second half of the year.

In 2024, according to the IMF (International Monetary Fund) October 2024 report, the U.S. Real GDP increased 2.8%. Inflation, as measured by the CPI, was 3.0%. The average Fed Funds rate (the interest rate established by the U.S. Federal Reserve) was 5.3%.

In 2023, according to the IMF (International Monetary Fund) October 2023 report, the U.S. Real GDP increased 2.1%. Inflation, as measured by the CPI, was 4.1%. The average Fed Funds rate (the interest rate established by the U.S. Federal Reserve) was 5.5%.

The table below presents actual U.S. Real GDP growth, inflation and interest rates for the periods indicated.

	2025	2024	2023
Actual Real GDP growth (1)	2.0 %	2.8 %	2.1 %
Inflation (CPI) (2)	2.7 %	3.0 %	4.1 %
Fed Funds (3)	4.1 %	5.3 %	5.5 %

Sources: *International Monetary Fund and Federal Reserve Statistical Release*

- (1) Real GDP growth (annual percent change) published by the International Monetary Fund (IMF).
- (2) Consumer price index, average of consumer prices (annual percent change) published by the International Monetary Fund (IMF). The CPI is a survey of consumer prices for all urban consumers.
- (3) Fed Funds corresponds to the interest rate set by the U.S. Federal Reserve.

Impact of Fluctuations in Exchange Rates

Gerdau's results and its financial position are largely dependent on the state of the Brazilian economy, notably (i) economic growth and its impact on steel demand, (ii) financing costs and the availability of financing, and (iii) the rates of exchange between the Brazilian *real* and foreign currencies.

A portion of Gerdau's trade accounts receivable, trade accounts payable and debt is denominated in currencies other than the respective functional currencies of each subsidiary. The functional currency of the Brazilian operating subsidiaries is the Brazilian *real*. Brazilian subsidiaries have some of their assets and liabilities denominated in foreign currencies, mainly the U.S. dollar.

The foreign exchange effect on translation of foreign subsidiaries is recorded directly in shareholders' equity. Foreign exchange gains and losses on transactions, including the exchange gains and losses on some non-*real* denominated debt of the subsidiaries in Brazil are recognized in the income statement. However, gains and losses from debts contracted for acquisition of overseas investments are designated as a hedge of net investment in foreign subsidiaries and are also recorded directly in shareholders' equity. The operations of Gerdau in Brazil have both liabilities and assets denominated in foreign currency, with the amount of assets exceeding the amount of liabilities. The effect of the valuation of the Brazilian *real* versus other currencies (mainly the U.S. dollar) has a net positive effect in our shareholders' equity.

The cyclical nature of supply and demand for steel products including the prices of steel products

The prices of steel products are generally sensitive to changes in world and local demand, which in turn are affected by economic conditions in the world and in the specific country. The prices of steel products are also linked to available installed capacity. Most of the Company's long rolled steel products, including rebars, merchant bars and common wire rods, are classified as commodities. However, a significant portion of the Company's long-rolled products, such as special steel, wire products and drawn products, are not considered commodities due to differences in shape, chemical composition, quality and specifications, with all of these factors affecting prices. Accordingly, there is no uniform pricing for these products.

Over the past years, global steel prices have experienced notable volatility due to various macroeconomic factors, supply chain disruptions, and geopolitical events. In 2021, steel prices surged to record highs driven by strong post-pandemic recovery, supply constraints, and increased infrastructure spending in major economies such as the United States and China. Most of long rolled steel products saw sharp price increases due to heightened construction activity and supply shortages.

However, in 2022, steel prices declined as demand weakened due to rising inflation, tighter monetary policies, and slowing economic growth, particularly in China, the world's largest steel consumer. Additionally, the war in Ukraine disrupted global steel and raw material supply chains, leading to further market volatility. For instance, Turkish rebar export prices, a key reference point for the global rebar market, spiked in early 2022 due to supply concerns, but later softened as construction activity slowed. Other products, such as merchant bars and beams, widely used in industrial and manufacturing applications, also faced price corrections as steel mills increased production in response to high prices from the previous year.

In 2023 and 2024, steel markets remained uncertain and saw a downward trend in international steel prices, mainly due to oversupply and a slow recovery in China's real estate sector. Additionally, government interventions, such as export restrictions and import tariffs, further influenced pricing dynamics, affecting the competitiveness of steel producers worldwide.

In 2025, the global steel market remained pressured, with prices generally stable to slightly lower compared to 2024. Persistent oversupply (particularly from China) continued to weigh on international markets, as exports stayed elevated amid a still-fragile recovery in the Chinese real estate sector.

In the United States, domestic prices showed relative resilience supported by infrastructure spending and trade measures, although levels remained well below the 2021 peaks. Long steel products, such as rebar and merchant bars, experienced moderate volatility, largely reflecting regional construction trends and increased import penetration.

Export levels — during periods of lower domestic demand for the Company's products, the Company actively pursues export opportunities for its excess production to maintain capacity utilization rates and shipments. During periods of higher domestic demand for its products, export sales volumes may decline as the Company focuses on satisfying domestic demand. Gerdau exports products from Brazil to customers in other continents with whom we have long-established commercial relations. In 2025, exports were 18.2% higher than 2024, going from 1.1 to 1.3 million tonnes, which represented 21.4% of total shipments from Brazil operations. Export revenue totaled R\$ 4,792 million in 2025 (R\$ 3,822 million in 2024).

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Production costs — raw materials account for the highest percentage of the Company’s production costs. Metallic inputs, which include scrap, pig iron, iron ore, coke and metallic alloys, represented approximately 47.4% of production costs in 2025, while Energy and Reducing Agents, which represent the cost of coal, electricity, oxygen, natural gas and fuel oil, accounted for 13.1%. Personnel totaled 12.6% of production costs and Specific Materials, which includes refractories, electrodes, rolling cylinders, rollers, guides, carburants and lime, were 10.2% of total production costs. The table below presents the production costs breakdown by business segment:

Production Costs Breakdown in 2025, 2024 and 2023 (%)

% of costs	Consolidated			Brazil Business Segment			North America Business Segment			South America Business Segment		
	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023
Personnel and Others	17.8	18.1	18.4	16.8	15.3	18.4	19.4	18.6	17.2	13.1	14.1	13.2
Maintenance	7.1	7.2	7.6	4.9	4.5	6.1	9.0	10.6	10.6	4.0	5.5	4.9
Depreciation	4.0	4.0	3.9	6.0	4.9	5.4	4.0	3.1	2.6	2.0	1.7	1.3
Metallic Inputs	47.4	46.5	44.3	41.0	40.7	30.3	50.0	50.2	52.8	67.0	64.9	65.6
Energy and Reducing Agents	13.1	14.1	15.2	22.0	25.6	29.1	7.0	5.9	5.7	8.0	8.5	9.5
Specific Materials	10.2	10.2	10.7	10.0	9.0	10.7	11.0	11.6	11.1	5.0	5.3	5.5

Significant events affecting financial performance during 2025

In Brazil, the year was again marked by record steel import levels, totaling 6.4 million tonnes (including semi-finished products), a 7.4% year-over-year increase, according to Brazil Steel Institute data. The flat steel segment was the most affected, recording 29.6% higher imports throughout the year. This movement increased the steel oversupply in the domestic market, putting pressure on the local industry’s profitability and hindering shipment growth, despite a scenario of apparent consumption 3% higher than in 2024; Gerdau’s exports benefited from the devaluation of the Real, but the greater share of exports in the mix also contributed to the decline in Net sales in the period. The cost of goods sold was higher in 2025 versus 2024, driven by increased shipment volume and, mainly, by scheduled shutdowns and structural and operational adjustments necessary throughout the year to implement improvements and prepare for new investments at the Ouro Branco industrial unit. These factors temporarily raised fixed costs, raw materials, and maintenance. However, during the second half of the year, the industrial unit then recorded greater operational stability. In addition, the higher occupancy rate of mini mills contributed to cost dilution and efficiency gains, partially mitigating the effects seen earlier in the year. It is worth noting that, in 2024, costs of goods sold benefited from optimization initiatives and hibernations, which reduced the basis for comparison.

Regarding the sectors in which Gerdau operates in Brazil, the construction sector had a firm performance in 2025, with estimated residential building launches growing by 29% compared to 2024, while sales increased by 5% in 2025. Higher family income, a lower unemployment rate, and improved public housing programs remained the highlights. The industry and manufacturing sectors had a stable year, with some steel-intensive segments presenting mixed results. While the light vehicle sector and green machinery achieved robust numbers, wind energy, heavy trucks, road transport equipment and white goods showed retractions in 2025 compared to 2024.

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In North America, throughout 2025, the non-residential construction (especially data centers) and renewable energy sectors played a pivotal role in the North America shipment volumes, benefiting demand for downstream products, while we reduced volumes of rebar and semi-finished products, in line with our focus on a more profitable product mix. On the other hand, sectors demanding special steel faced more challenging dynamics. The automotive sector, for instance, remained impacted by uncertainties surrounding Section 232 tariffs developments and high interest rates, hindering the growth of light and heavy vehicle inventories in the region, while the oil and gas sector still shows signs of slowing down;

Demand levels improved in 2025 driven by a strong customer preference for domestic materials, and by sectors with strong economic growth. The overall market remains uneven across different sectors of the economy, while the industrial sector was slower than previous years, non-residential construction, that also declined year-over-year, consumed a higher amount of steel, driven by AI infrastructure and renewable energy investments. According to US Census Bureau, total investments in construction (CPIP- Construction Put-in-Place) declined by approximately 2.0% through October 2025. The leading indicator for non-residential construction (ABI) remained under the expansion threshold for most of the year, closing 2025 at 48.5. The industrial sector demand was also pressured by the activity level, as shown by the Institute for Supply Management (ISM - PMI) index, which reached 44.9 points in December 2025, staying below 50 for the entire year.

Finally, the overall increase in demand, growing preference for domestic materials and the strong activity in certain sectors of the economy have resulted in a favorable price environment for long steel in the U.S.

In South America, steel production and shipments grew in 2025, fueled by increased volumes in the three countries where we operate; however, the key sectors served still showed weaker demand throughout the year. In Argentina, civil construction activity levels hit all-time lows, while in Uruguay, infrastructure works remained halted. On the other hand, in Peru, the order backlog remained resilient, driven by demand from the civil construction distribution sector.

In the fourth quarter of 2025, due to the revision of the Capex investment plan for its industrial plants, representing a significant reduction compared to recent years, the level of asset utilization at certain industrial plants in the Brazil segment, and the expectation of a deterioration in economic conditions to a greater extent than that contemplated in previous period scenarios, tests performed on other long-lived assets identified impairment losses in fixed assets of the Brazil segment amounting to R\$ 1,591,369, as compared to R\$ 199,627 on December 31, 2024, resulting from recoverable value below the carrying amount. Also, in December 2025, the Company assessed the recoverability of goodwill in its business segments. The analyses carried out identified impairment losses in the Brazil segment in the amount of R\$ 1,964,504. Therefore, the Company wrote off the entire goodwill of this segment in the amount of R\$ 373,135, while the remaining portion of R\$ 1,591,369 was recognized in fixed assets, as described in Note 29.2. No impairment losses were identified in 2024 and 2023.

A. Results of Operations

The following presentation of the Company's operating results for the years ended on December 31, 2025, 2024 and 2023 is based on the Company's Consolidated Financial Statements prepared in accordance with IFRS Accounting Standards included in this Annual Report. References to increases or decreases in any year or period are made in relation to the corresponding prior year or period, except when otherwise indicated.

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The table below presents information for various income statement items and are expressed in both reais and as a percentage of net sales for each of the respective years:

Year ended December 31, 2025, compared with years ended December 31, 2024 and 2023.

GERDAU S.A.
CONSOLIDATED STATEMENTS OF INCOME
In thousands of Brazilian reais (R\$)

	2025	Vertical Analysis 2025	2024	Vertical Analysis 2024	2023	Vertical Analysis 2023	Horizontal Analysis 2025 x 2024	Horizontal Analysis 2024 x 2023
NET SALES	69,858,532	100.0 %	67,026,656	100.0 %	68,916,447	100.0 %	4.2 %	(2.7)%
Cost of sales	(61,891,039)	(88.6)%	(57,823,416)	(86.3)%	(57,583,992)	(83.6)%	7.0 %	0.4 %
GROSS PROFIT	7,967,493	11.4 %	9,203,240	13.7 %	11,332,455	16.4 %	(13.4)%	(18.8)%
Selling expenses	(782,351)	(1.1)%	(762,560)	(1.1)%	(716,195)	(1.0)%	2.6 %	6.5 %
General and administrative expenses	(1,338,443)	(1.9)%	(1,404,059)	(2.1)%	(1,491,441)	(2.2)%	(4.7)%	(5.9)%
Other operating income	164,476	0.2 %	306,426	0.5 %	1,033,506	1.5 %	(46.3)%	(70.4)%
Other operating expenses	(392,976)	(0.6)%	(999,002)	(1.5)%	(522,476)	(0.8)%	(60.7)%	91.2 %
Recovery of Eletrobras Compulsory Loan	—	— %	100,860	0.2 %	—	— %	(100.0)%	— %
Results in operations with subsidiary and joint ventures	—	— %	808,367	1.2 %	—	— %	(100.0)%	— %
Impairment of financial assets	(10,249)	— %	(30,910)	— %	(10,728)	— %	(66.8)%	188.1 %
Impairment of assets	(1,964,504)	(2.8)%	(199,627)	(0.3)%	—	— %	884.1 %	— %
Equity in earnings of unconsolidated companies	95,622	0.1 %	464,467	0.7 %	827,606	1.2 %	(79.4)%	(43.9)%
INCOME BEFORE FINANCIAL INCOME (EXPENSES) AND TAXES	3,739,068	5.4 %	7,487,202	11.2 %	10,452,727	15.2 %	(50.1)%	(28.4)%
Financial income	693,610	1.0 %	726,154	1.1 %	903,019	1.3 %	(4.5)%	(19.6)%
Financial expenses	(2,073,372)	(3.0)%	(1,508,339)	(2.3)%	(1,396,789)	(2.0)%	37.5 %	8.0 %
Exchange variations, net	210,767	0.3 %	(1,064,401)	(1.6)%	(850,375)	(1.2)%	(119.8)%	25.2 %
Tax credits monetary update	—	— %	—	— %	253,002	0.4 %	— %	(100.0)%
(Losses) Gains on financial instruments, net	(45,626)	(0.1)%	(176,901)	(0.3)%	(14,979)	— %	(74.2)%	1081.0 %
INCOME BEFORE TAXES	2,524,447	3.6 %	5,463,715	8.2 %	9,346,605	13.6 %	(53.8)%	(41.5)%
Current	(1,119,427)	(1.6)%	(1,159,640)	(1.7)%	(1,810,459)	(2.6)%	(3.5)%	(35.9)%
Deferred	13,418	— %	294,987	0.4 %	837	— %	(95.5)%	35143.4 %
Income and social contribution taxes	(1,106,009)	(1.6)%	(864,653)	(1.3)%	(1,809,622)	(2.6)%	27.9 %	(52.2)%
NET INCOME	1,418,438	2.0 %	4,599,062	6.9 %	7,536,983	10.9 %	(69.2)%	(39.0)%
Net Sales by Segment (R\$ Thousand)	Year ended December 31, 2025	Vertical Analysis 2025	Year ended December 31, 2024	Vertical Analysis 2024	Year ended December 31, 2023	Vertical Analysis 2023	Horizontal Analysis 2025 x 2024	Horizontal Analysis 2024 x 2023
Brazil	29,687,978	42.5 %	30,217,819	45.1 %	31,195,557	45.3 %	(1.8)%	(3.1)%
North America	35,787,268	51.2 %	31,931,433	47.6 %	33,179,048	48.1 %	12.1 %	(3.8)%
South America	5,561,450	8.0 %	5,758,695	8.6 %	5,118,150	7.4 %	(3.4)%	12.5 %
Eliminations and Adjustments	(1,178,164)	(1.7)%	(881,291)	(1.3)%	(576,309)	(0.8)%	33.7 %	52.9 %
Consolidated	69,858,532	100.0 %	67,026,656	100.0 %	68,916,446	100.0 %	4.2 %	(2.7)%

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The year 2025 was marked by a challenging and volatile global steel environment. Key factors included an imbalance between supply and demand, as well as developments in trade policies adopted by major economies. In this context, the sector continues to face challenges due to production overcapacity, particularly from China, whose volumes are still directed to other markets, heightening international competition.

Gerdau operations reflected distinct dynamics between regions where the Company operates. In North America, the rebalancing of supply and demand evolved more favorably, creating conditions for price recovery and stronger results throughout the year. Conversely in Brazil, domestic dynamics remained significantly impacted by steel oversupply, particularly imported steel, coupled with sector-specific dynamics, putting pressure on operations' volumes and margins. Throughout 2025, the Company advanced initiatives that will enhance assets' competitiveness and continue to work to reinforce fair competitive conditions in Brazil, with an emphasis on the pivotal role of trade defense measures in bolstering local industry.

In 2025, Gerdau's net sales totaled R\$ 69.9 billion, 4.2% higher than in 2024, fueled by increased shipment volume and more favorable pricing environment in North America, which accounted for more than 50% of consolidated sales for the year. These factors offset the more challenging pricing scenario in the Brazilian market throughout 2025.

In 2024, Gerdau's net sales were R\$ 67.0 billion, down 2.7% from 2023, reflecting the cooling of sales prices of the main product lines at North America Segment from the second half of 2024. This movement was partially offset by the depreciation of the real against the dollar (+7.9%) and the price increase in some product lines at Brazil Segment. The shipments in 2024 decreased 3.0% compared to 2023, reflecting the effects explained above.

In Brazil Segment in 2025, net sales went down 1.8% from 2024, due to a fierce competitive environment in the domestic market, marked by rising steel imports and the entry of new capacity players, which pressured prices in the common long and flat steel segments throughout the year. Despite shipment volume growth, the greater share of exports in the mix also contributed to the decline in Net sales in the period. The net sales per tonne decreased 4.5% in 2025 when compared to 2024 due to effects of lower prices in the Brazilian domestic market in light of a scenario of steel oversupply.

In Brazil Segment in 2024, net sales went down 3.1% from 2023. The decrease of 1.3% in volume of sales was a consequence of excessive steel imports in Brazil. The net sales per tonne decreased 1.9% in 2024 when compared to 2023 due to effects of lower prices in the Brazilian domestic market.

In 2025, due to the steel improvement in the North America Segment, as explained above, net sales were 12.1% higher in 2025 compared to 2024, fueled by shipment volume growth of higher value-added products and the gradual price recovery across key product lines throughout 2025. The net sales per tonne increased 2.4% in 2025 when compared to 2024 supported by higher value-added products and the gradual price recovery across key product lines throughout 2025.

In the North America Segment in 2024, net sales were R\$31.9 billion, resulting in a decrease of 3.8% compared to 2023, which were R\$33.2 billion. The volume of sales in 2024 was 4.6 million tonnes, 3.5% lower than 2023, which was 4.7 million tonnes. The net sales per tonne decreased in 2024 when compared to 2023 due to volatility in the North America market.

In South America Segment, net sales in 2025 came 3.4% lower than in 2024, reflecting strong pressure on prices in the regions where the Company operates and the impact of inflation adjustments in Argentina, factors that ultimately offset the positive effect of increased shipments for the year. The net sales per tonne decreased 12.2% in 2025 when compared to 2024 due to lower prices in the Segment.

In the South America Segment, net sales in 2024 were R\$ 5.8 billion, compared to R\$ 5.1 billion in 2023, an increase of 12.5% in the year. The volume of sales in 2024 was 1.0 million tonnes, 10.2% lower than 2023, which was 1.1 million tonnes. The net sales per tonne increased in 2024 when compared to 2023 due to effects of exchange rate in the results of this Segment.

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Net sales, cost of sales and Gross Profit(*) (in R\$ thousand)	Year ended					
	2025	2024	2023	2025 x 2024	2024 x 2023	
Brazil	Net sales	29,687,978	30,217,819	31,195,557	(1.8)%	(3.1)%
	Cost of sales	(27,807,111)	(26,319,344)	(27,593,565)	5.7 %	(4.6)%
	Gross profit	1,880,867	3,898,475	3,601,992	(51.8)%	8.2 %
	Gross margin	6.3 %	12.9 %	11.5 %		
North America	Net sales	35,787,268	31,931,433	33,179,048	12.1 %	(3.8)%
	Cost of sales	(30,299,734)	(27,434,949)	(26,629,584)	10.4 %	3.0 %
	Gross profit	5,487,534	4,496,484	6,549,465	22.0 %	(31.3)%
	Gross margin	15.3 %	14.1 %	19.7 %		
South America	Net sales	5,561,450	5,758,695	5,118,150	(3.4)%	12.5 %
	Cost of sales	(4,964,009)	(4,930,715)	(4,014,010)	0.7 %	22.8 %
	Gross profit	597,441	827,980	1,104,140	(27.8)%	(25.0)%
	Gross margin	10.7 %	14.4 %	21.6 %		
Elimination and adjustments	Net sales	(1,178,164)	(881,291)	(576,309)	33.7 %	52.9 %
	Cost of sales	1,179,815	861,592	653,167	36.9 %	31.9 %
	Gross profit	1,651	(19,699)	76,858	(108.4)%	(125.6)%
	Gross margin	(0.1)%	2.2 %	(13.3)%		
Total	Net sales	69,858,532	67,026,656	68,916,447	4.2 %	(2.7)%
	Cost of sales	(61,891,039)	(57,823,416)	(57,583,992)	7.0 %	0.4 %
	Gross profit	7,967,493	9,203,240	11,332,455	(13.4)%	(18.8)%
	Gross margin	11.4 %	13.7 %	16.4 %		

(*) The information does not include data from joint ventures and associate companies.

In 2025, Gerdau's cost of goods sold totaled R\$61.9 billion, 7.0% higher than in 2024. Cost of goods sold per tonne increased 1.1%, driven by the U.S. dollar appreciation against the Brazilian real (+3.6%) and costs recorded throughout the year in Brazil's operations, as explained above. These effects were partially mitigated by productivity gains and operational efficiency recorded in operations.

In 2024, Gerdau's cost of sales reached R\$ 57.8 billion, stable comparing with 2023, to R\$ 57.6 billion, impacted by the depreciation of the real against the dollar in the conversion of costs from foreign Segments, being offset by initiatives to reduce fixed costs and expenses, as well as asset optimization to boost the Company's operational performance, mainly in Brazil, throughout 2024.

In Brazil Segment in 2025, the cost of goods sold came 5.7% higher in 2025 versus 2024, driven by increased shipment volume and, mainly, by scheduled shutdowns and structural and operational adjustments necessary throughout the year to implement improvements and prepare for new investments at the Ouro Branco industrial unit.

In Brazil Segment in 2024, the cost of sales decreased 4.6% compared to 2023, reflecting initiatives to reduce fixed costs and the continue increase in efficiency at the units in Brazil. However, this movement was offset by the increase in the price of some raw materials such as iron ore and pig iron.

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In North America Segment in 2025, cost of goods sold in 2025 was 10.4% higher than in 2024 reflecting increased volumes. The cost per tonne in U.S. dollars was 2.8% lower, driven by higher capacity utilization, ongoing efforts to control fixed costs and productivity gains, and stable prices for raw materials such as scrap.

In the North America Segment in 2024, the cost of sales increased 3.0% compared to 2023, due to the effect of exchange rate variation in the period, which offset the drop in the price of scrap.

In South America Segment, the cost of goods sold remained stable, decreasing 0.7% in 2025 compared to 2024, despite increased shipment volumes, mainly driven by inflation adjustments and improved operational performance due to higher asset utilization rate, especially in Argentina.

In the South America Segment in 2024, the cost of sales increased 22.8% compared to 2023, reflecting the effects of exchange rate and lower fixed costs dilution.

Selling, General and Administrative Expenses

Operating Expenses (*) (R\$ thousand)	2025	2024	2023	2025 x 2024	2024 x 2023
Selling expenses	782,351	762,560	716,195	2.6 %	6.5 %
General and administrative expenses	1,338,443	1,404,059	1,491,441	(4.7)%	(5.9)%
Total	2,120,794	2,166,619	2,207,636	(2.1)%	(1.9)%
Net sales	69,858,532	67,026,656	68,916,447	4.2 %	(2.7)%
% net sales	3.0 %	3.2 %	3.2 %		

(*) The information does not include data from joint ventures and associate companies.

Impairment of assets

In the fourth quarter of 2025, due to the revision of the Capex investment plan for its industrial plants, representing a significant reduction compared to recent years, the level of asset utilization at certain industrial plants in the Brazil segment, and the expectation of a deterioration in economic conditions to a greater extent than that contemplated in previous period scenarios, tests performed on other long-lived assets identified impairment losses in fixed assets of the Brazil segment amounting to R\$ 1,591,369 as compared to R\$ 199,627 on December 31, 2024, resulting from recoverable value below the carrying amount. Also, in December 2025, the Company assessed the recoverability of goodwill in its business segments. The analyses carried out identified impairment losses in the Brazil segment in the amount of R\$ 1,964,504. Therefore, the Company wrote off the entire goodwill of this segment in the amount of R\$ 373,135. No impairment losses were identified in 2024 and 2023.

Income before Financial Income (Expenses) and Taxes

Income before financial income (expenses) and taxes was R\$ 3,739 million in 2025, compared to income of R\$ 7,487 million in 2024. The reduction in 2025, when compared to 2024, was mainly related to the decrease in gross profit, which was related to higher cost of sales in 2025.

Income before financial income (expenses) and taxes was R\$ 7,487 million in 2024, compared to income of R\$ 10,453 million in 2023. The reduction in 2024, when compared to 2023, was mainly related to the decrease in gross profit, which was related to lower demand and sales in 2024.

Financial Income, Financial Expenses, Exchange Variation, net and Gains and Losses on

Derivatives, net (R\$ thousand)	2025	2024	2023	2025 x 2024	2024 x 2023
Financial income	693,610	726,154	903,019	(4.5)%	(19.6)%
Financial expenses	(2,073,372)	(1,508,339)	(1,396,789)	37.5 %	8.0 %
Exchange rate variation, net	210,767	(1,064,401)	(850,375)	(119.8)%	25.2 %
Tax credits monetary update	—	—	253,002	— %	(100.0)%
(Losses) Gains on financial instruments, net	(45,626)	(176,901)	(14,979)	(74.2)%	1081.0 %
Total	(1,214,621)	(2,023,487)	(1,106,122)	(40.0)%	82.9 %

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The Financial result for 2025 totaled R\$ 1.2 billion, 40.0% lower than in 2024, reflecting variation of the U.S. dollar against the Brazilian real and other currencies in the countries where we operate, as well as inflation adjustments to non-monetary items in Argentina.

In 2024, the financial result was negative by R\$ 2,0 billion, 82.9% higher than 2023, mainly due to the depreciation of the real against the dollar and other currencies in the countries where Gerdau operates, as well as inflation adjustments on non-monetary items of subsidiaries in Argentina. Additionally, the reduction in financial income is explained by the lower cash position of the portion denominated in reais in 2024, reducing returns on financial investments.

Income and Social Contribution Taxes

Income tax and social contribution was an expense of R\$ 1,106 million in 2025 compared to an expense of R\$ 865 million in 2024. This increase in the expense is mainly related to the reduction in deferred income and social contribution taxes, which more than compensated the reduction of 3.5% in the current income and social contribution taxes expenses for the year of 2025, when compared to 2024.

Income tax and social contribution was an expense of R\$ 865 million in 2024 compared to an expense of R\$ 1,810 million in 2023. This decrease in the expense is mainly related to the reduction in income before taxes, which resulted in a reduction of 52.2% in the current income and social contribution taxes expenses for the year of 2024, when compared to 2023.

Net Income

Net income of R\$ 1.4 billion in 2025 was 69.2% lower than 2024, mainly related to the lower operational results, as well as the variation in the financial result.

Net income of R\$ 4.6 billion in 2024 was 39.0% lower than 2023, mainly related to the lower operational results, as well as the variation in the financial result.

B. Liquidity and Capital Resources

The table below presents information for the cash flow of the respective years:

GERDAU S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the years ended December 31, 2025, 2024 and 2023
In thousands of Brazilian reais (R\$)

	For the years ended on			Horizontal Analysis	
	December 31, 2025	December 31, 2024	December 31, 2023	2025 x 2024	2024 x 2023
Cash flows from operating activities					
Net income for the year	1,418,438	4,599,062	7,536,983	(69.2)%	(39.0)%
Adjustments to reconcile net income for the year to net cash provided by operating activities					
Depreciation and amortization	3,683,585	3,126,247	3,047,212	17.8 %	2.6 %
Impairment of assets	1,964,504	199,627	—	884.1 %	— %
Equity in earnings of unconsolidated companies	(95,622)	(464,467)	(827,606)	(79.4)%	(43.9)%
Exchange variation, net	(210,767)	1,064,401	850,375	(119.8)%	25.2 %
Losses on derivative financial instruments, net	45,626	176,901	14,979	(74.2)%	1081.0 %
Post-employment benefits	271,217	257,359	235,977	5.4 %	9.1 %
Long-term incentive plans	149,210	152,414	157,979	(2.1)%	(3.5)%
Income tax	1,106,009	864,653	1,809,622	27.9 %	(52.2)%
Losses on disposal of property, plant and equipment	75,397	45,859	27,525	64.4 %	66.6 %
Gain from a bargain purchase	(41,306)	—	—	— %	— %
Results in operations with subsidiary and joint ventures	—	(808,367)	—	(100.0)%	— %
Impairment of financial assets	10,249	30,910	10,728	(66.8)%	188.1 %
Provision of tax, civil, labor and environmental liabilities, net	(40,432)	210,305	160,245	(119.2)%	31.2 %
Tax credits recovery	(100,860)	(100,860)	(1,098,218)	(100.0)%	(90.8)%
Interest income on short-term investments	(166,307)	(274,291)	(481,624)	(39.4)%	(43.0)%
Interest expense on debt and debentures	1,274,472	796,933	840,069	59.9 %	(5.1)%
Interest expense on leases liabilities	122,321	129,137	127,787	(5.3)%	1.1 %
(Reversal) Provision for net realizable value adjustment in inventory, net	23,472	(33,137)	12,036	(170.8)%	(375.3)%
	9,590,066	9,972,686	12,424,069	(3.8)%	(19.7)%
Changes in assets and liabilities					
Decrease (Increase) in trade accounts receivable	149,592	549,548	(294,509)	(72.8)%	(286.6)%
Decrease in inventories	956,924	542,496	1,305,424	76.4 %	(58.4)%
Decrease in trade accounts payable	(486,382)	(1,192,990)	(355,416)	(59.2)%	235.7 %
Decrease (Increase) in other receivables	197,222	1,881,763	(107,171)	(89.5)%	(1855.9)%
Decrease in other payables	(203,599)	(407,073)	(434,100)	(50.0)%	(6.2)%
Dividends from associates and joint ventures	235,327	414,653	461,292	(43.2)%	(10.1)%
Purchases of short-term investments	(362,906)	(924,686)	(7,223,644)	(60.8)%	(87.2)%
Proceeds from maturities and sales of short-term investments	616,006	3,020,432	7,908,990	(79.6)%	(61.8)%
Cash provided by operating activities	10,692,250	13,856,829	13,684,935	(22.8)%	1.3 %
Interest paid on loans and financing	(1,461,147)	(946,936)	(858,301)	54.3 %	10.3 %
Interest paid on lease liabilities	(122,321)	(129,137)	(127,787)	(5.3)%	1.1 %
Income and social contribution taxes paid	(1,121,328)	(1,399,513)	(1,560,137)	(19.9)%	(10.3)%
Net cash provided by operating activities	7,987,454	11,381,243	11,138,710	(29.8)%	-2.2 %
Cash flows from investing activities					
Purchases of property, plant and equipment	(6,681,620)	(5,778,381)	(5,209,128)	15.6 %	10.9 %
Proceeds from sales of property, plant and equipment, investments and other intangibles	69,729	1,559,697	40,661	(95.5)%	3735.9 %
Additions in other intangibles	(171,221)	(168,036)	(127,195)	1.9 %	32.1 %
Shares repurchase from joint venture	—	—	47,006	— %	(100.0)%
Payment for acquisition of company control	(699,118)	(455,683)	—	53.4 %	— %
Capital increase in associate and joint venture	(91,436)	(191,947)	(524,185)	(52.4)%	(63.4)%
Net cash used by investing activities	(7,573,666)	(5,034,350)	(5,772,841)	50.4 %	(12.8)%
Cash flows from financing activities					
Purchases of Treasury stocks	(1,169,314)	(1,194,726)	—	(2.1)%	— %
Dividends and interest on capital paid	(1,285,673)	(1,656,414)	(2,683,328)	(22.4)%	(38.3)%
Proceeds from loans and financing	9,221,436	3,918,019	1,776,684	135.4 %	120.5 %
Payment of loans and financing	(7,994,826)	(3,269,587)	(2,830,684)	144.5 %	15.5 %
Leasing payment	(487,784)	(459,504)	(388,202)	6.2 %	18.4 %
Intercompany loans, net	—	(24,992)	102	(100.0)%	(24602.0)%
Net cash used in financing activities	(1,716,161)	(2,687,204)	(4,125,428)	(36.1)%	(34.9)%
Exchange variation on cash and cash equivalents	(536,270)	1,102,479	(710,659)	(148.6)%	(255.1)%
(Decrease) Increase in cash and cash equivalents	(1,838,643)	4,762,168	529,782	(138.6)%	798.9 %
Cash and cash equivalents at beginning of year	7,767,813	3,005,645	2,475,863	158.4 %	21.4 %
Cash and cash equivalents at end of year	5,929,170	7,767,813	3,005,645	(23.7)%	158.4 %

Net cash provided by operating activities

In 2025, net cash from operating activities was R\$ 8.0 billion, 29.8% lower compared to 2024, mainly reflecting lower operational results and the high basis for comparison, as in 2024 the Company received nearly R\$1.8 billion related to the judicial deposit from the case regarding the exclusion of ICMS tax from the PIS and COFINS calculation basis.

In 2024, net cash from operating activities was R\$ 11.4 billion, 2.2% higher compared to 2023. Despite a lower net income for the year, the net cash from operating was partially compensated by income taxes and tax credit recovery.

Cash conversion cycle

In December 2025, the cash conversion cycle (working capital divided by net revenue for the quarter) decreased to 77 days, compared to 85 days in December 2024, representing a reduction of 8 days compared to 2024. This was influenced by the Company's efforts to optimize inventories, mainly raw materials, as well as the devaluation of the dollar against the real during the period.

In December 2024, the cash conversion cycle was 85 days compared to 87 days in December 2023, reflecting higher net sales in 2024.

Net cash used in investing activities

Net cash used in investing activities increased in 2025 when compared to 2024, mainly due to higher capex expenditure in 2025 and the higher proceeds from sales of property, plant and equipment, investments, and other in 2024.

Net cash used in investing activities decreased in 2024 when compared to 2023, mainly due to proceeds from sales of property, plant and equipment, investments, and other.

Net cash used in financing activities

Net cash used in financing activities decreased in 2025 compared to 2024, reflecting funds raised throughout the year (debentures, bonds, and bilateral loans with first-tier institutions) aimed at reinforcing cash and extending debt average maturity. These effects were partially offset by loan repayments during the period.

Net cash used in financing activities decreased in 2024 compared to 2023, mainly due to proceeds from loans and financing related to the issuance of debentures aimed at reprofiling short-term debts with higher rates, as well as to lengthen the Company's debt profile. This effect partially offset the net cash used for treasury share purchases, in line with the Buyback Program announced by the Company on July 31, 2024.

Indebtedness

The Company's debt is used to finance investments in fixed assets, including the modernization and technological upgrade of its plants and the expansion of installed capacity, as well as for working capital, acquisitions and, depending on market conditions, short-term financial investments.

- (1) *Working capital*: trade accounts receivable, plus inventories, less suppliers (based on the balance of each account at the end of the year).
- (2) *Cash conversion cycle*: working capital, divided by net sales (of the last three months as of the date presented), multiplied by 90.

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The following table profiles the Company's debt and debentures as of the years ended December 31, 2025, 2024 and 2023 (in thousands of Brazilian *reais*):

	2025	2024	2023
CURRENT:	941,904	735,737	1,797,622
Short-term debt	897,295	697,049	1,783,201
Debentures	44,609	37,988	14,421
NON-CURRENT:	13,240,247	12,901,447	9,095,686
Long-term debt	8,877,457	9,110,972	8,296,474
Debentures	4,362,790	3,790,475	799,212
TOTAL DEBT:	14,182,151	13,636,484	10,893,308
Total cash and cash equivalents and short-term investments	6,374,797	8,276,843	5,343,742
Brazil	1,019,968	2,234,748	2,618,434
Companies abroad	5,354,829	6,042,095	2,725,308
NET DEBT (1)	7,807,354	5,359,641	5,549,566

(1) The calculation of net debt is made by subtracting cash and cash equivalents and short-term investments from total debt. Net debt is not a GAAP measure recognized under IFRS Accounting Standards and should not be considered in isolation from other financial measures. Other companies may calculate net debt differently and therefore this presentation of net debt may not be comparable to other similarly titled measures used by other companies. The Company uses "net debt" as indicator of indebtedness in its financial management.

Total debt was R\$ 14,182 million, R\$ 13,636 million and R\$10,893 million for the years ended December 31, 2025, 2024 and 2023, respectively.

At the end of December 2025, the nominal weighted average cost of gross debt was CDI – 0.21% for the portion denominated in Brazilian *real* and 6.12% for the portion denominated in U.S. dollar. On December 31, 2025, the average gross debt term was 8.5 years, with the debt maturity schedule well balanced and well distributed over the coming years.

Gerdau S.A. Non-Current Amortization	(R\$ thousand)
2027	1,778,633
2028	1,551,833
2029	1,547,660
2030 and after	8,362,121
Total	13,240,247

Financial Agreements

Below are the material financial agreements outstanding at year end 2025:

Bonds

The Company, through its subsidiaries, Gerdau Trade Inc. and GUSAP III LP, has issued bonds due in 2027, 2035 and 2044. The following companies guaranteed these transactions: Gerdau S.A., Gerdau Açominas S.A. and Gerdau Aços Longos S.A.. In June 2025, the Company's subsidiary Gerdau Trade Inc. completed the issuance of a bond maturing in June 2035 in the aggregate principal amount of US\$ 650 million (equivalent to R\$ 3,624 million at the issuance date). A portion of the proceeds, totaling US\$238 million (equivalent to R\$ 1,316 million at the repurchase date), was used to repurchase a portion of the Company's outstanding bonds originally maturing in October 2027.

Additionally, in December 2025, the Company, through its subsidiary GUSAP III, executed the early redemption ("Make-Whole") of all outstanding bonds maturing in 2030, totaling US\$ 500 million in principal amount.

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On December 31, 2025, the outstanding balance of these bonds was as follows:

Bond	Issuance Date	Maturity	Interest Payment Months	Coupon	Initial Amount (US\$ million)	Outstanding Balance (USD million)
2027	October 24 th , 2017	October 24 th , 2027	April & October	4.875%	650	US\$ 180 (R\$ 988)
2035	June 09 th , 2025	June 09 th , 2035	June & December	5.750%	650	US\$ 650 (R\$ 3,577)
2044	April 16 th , 2014	April 16 th , 2044	April & October	7.250%	500	US\$ 481 (R\$ 2,647)
					TOTAL	US\$ 1,311
					TOTAL	R\$ 7,212

Debentures

The Company concluded in 2025 the issuance of debentures with maturity of 7 years. In June 2025, the Company paid the debentures issued in 2019 at maturity, with total amount of R\$ 800 million. On December 31, 2025, the outstanding balance of these debentures was as follows:

Debenture	Issuance Date	Due Date	Interest Payment Months	Coupon	Initial Amount (R\$ million)	Outstanding Principal (R\$ million)
2028	December 10 th , 2024	December 10 th , 2028	June & December	CDI + 0.50%	1,500	1,500
2029	May 29 th , 2024	May 29 th , 2029	May & November	CDI + 0.60%	1,500	1,500
2032	June 04 th , 2025	June 04 th , 2032	June & December	CDI + 0.65%	1,375	1,375
					TOTAL	4,375

Other Financial Agreements

The Company and its subsidiaries maintain other financing contracts, mainly bilateral bank loans. On December 31, 2025, the outstanding balance of these loans was R\$ 2,261 million. See Note 15 - Short-Term Debt and Long-Term Debt in its Consolidated Financial Statements included herein for further details.

Credit Lines

In 2022, the Company concluded the roll-over of its senior unsecured working capital revolving facility with a total committed amount of US\$ 875 million (equivalent to R\$ 4,815 million) and final maturity in September 2027. On December 31, 2025, there were no outstanding loans under this facility.

Exchange Rate

The Company has designated a portion of its debt denominated in foreign currency and contracted by companies in Brazil as a hedge for a portion of the net investments in foreign subsidiaries. As a result, the effects from exchange variation gains or losses on the portion of debt designated for hedge accounting are also recognized in shareholders' equity, in accordance with IFRS Accounting Standards. The subsidiaries that issued the debt are not subject to income taxes and as such there is no income tax effect on the exchange gains and losses on the debt. However, the subsidiaries have loaned the proceeds to other entities in Brazil with terms identical to those of the Ten-Year Bonds. The payable by the subsidiaries in Brazil to the foreign subsidiaries denominated in US dollars generates exchange gains (losses) that are taxable and results in income tax recognized in the income statement, while these exchange variances are eliminated in consolidation with the offsetting exchange gains (losses) recognized by the foreign subsidiaries.

Starting from April 1, 2012, with the objective of eliminating the tax effect from the exchange variance of these debts, the Company designated part of its debt in foreign currency as a hedge for a portion of the investments in subsidiaries located outside Brazil. As a result, the effect of exchange rate changes on these debts in the amount of US\$ 0.8 billion (equivalent to R\$ 4.6 billion on December 31, 2025) (designated as a hedge) has been recognized in the Statement of Comprehensive Income.

Derivatives

Risk management objectives and strategies: The Company understands that it is subject to different market risks, such as fluctuations in exchange rates, interest rates and commodity prices. In order to carry out its strategy for profitable growth, the Company implements risk management strategies with the objective of mitigating such market risks.

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The Company's objective when entering into derivative transactions is always related to mitigation of market risks as stated in our policies and guidelines. All outstanding derivative financial instruments are monthly reviewed by the Finance Committee, which validates the fair value of such financial instruments. All gains and losses in derivative financial instruments are recognized by its fair value in the Consolidated Financial Statements of the Company.

Policy for use of derivatives: according to internal policy, the financial result must arise from the generation of cash from its business and not gains from the financial market. The Company uses derivatives and other financial instruments to reduce the impact of market risks on its financial assets and liabilities or future cash flows and earnings. Gerdau has established policies to assess market risks and to approve the use of derivative financial instruments transactions related to those risks. The Company enters into derivative financial instruments to manage the above-mentioned market risks and never for speculative purposes.

Policy for determining fair value: the fair value of the derivative financial instruments is determined using models and other valuation techniques, which involve future prices and curves discounted to present value as of the calculation date. Amounts are gross before taxes. Due to changes in market rates, these amounts can change up to the maturity or in situations of early settlement of transactions.

The derivative financial instruments may include: interest rate swaps, cross currency/commodities swaps, currency options contracts and currency/commodities forward contracts.

Dollar forward contracts: the Company entered into NDF operations (Non Deliverable Forward) in order to mitigate the foreign exchange risk on assets and liabilities denominated in foreign currencies, mainly U.S. dollar. The counterparties of these transactions are financial institutions with low credit risk.

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The effects of financial instruments are classified as follow:

Contracts	Position	Notional value			Amount receivable			Amount payable		
		2025	2024	2023	2025	2024	2023	2025	2024	2023
Currency forward contracts										
Maturity in 2024	buyed in US\$	—	—	US\$ 34,2 million	—	—	—	—	—	17,337
Commodity derivatives										
Maturity in 2024	buyed in US\$	—	—	US\$ 12,1 million	—	—	32	—	—	1,349
Maturity in 2025	buyed in US\$	US\$ 1,1 million	US\$ 4,3 million	—	—	—	—	—	1,747	—
Commodity contracts										
Maturity in 2026	—	—	—	—	20,113	16,921	—	—	—	—
Swaps IPCA x DI										
Maturity in 2024	—	—	—	RS 450.0 million	—	—	734	—	—	356
Maturity in 2026	CDI -1.10%	RS 300 million	—	—	—	—	—	2,192	—	—
Maturity in 2026	CDI -0.90%	RS 150 million	—	—	—	—	—	1,114	—	—
Swaps USD x DI										
Maturity in 2026	107.9% CDI	US\$ 30.6 million	US\$ 30.6 million	US\$ 30.6 million	16,510	35,947	—	—	—	1,606
Total fair value of financial instruments					36,623	52,868	766	3,306	1,747	20,648
Fair value of derivatives					2025	2024	2023			
Current assets					36,623	16,921	766			
Non-current assets					—	35,947	—			
					<u>36,623</u>	<u>52,868</u>	<u>766</u>			
Fair value of derivatives										
Current liabilities					3,306	1,747	19,042			
Non-current liabilities					—	—	1,606			
					<u>3,306</u>	<u>1,747</u>	<u>20,648</u>			
Net Income					2025	2024	2023			
Gains on financial instruments					22,107	86,743	39,895			
Losses on financial instruments					(67,733)	(263,644)	(54,874)			
					<u>(45,626)</u>	<u>(176,901)</u>	<u>(14,979)</u>			
Other comprehensive income										
Gains on financial instruments					—	—	783			
Losses on financial instruments					—	(783)	—			
					<u>—</u>	<u>(783)</u>	<u>783</u>			

Capital Expenditures

2025 – Capital Expenditures

In fiscal year 2025, capital expenditure on fixed assets was R\$ 6.1 billion. Of this amount, 77% was allocated in *Brazil Segment* and the remaining 23% was allocated to other operations of Gerdau.

Brazil Segment — a total of R\$ 4,734 million was invested in this operation for capital expenditures.

North America Segment — a total of R\$ 1,227 million was invested in this operation for capital expenditures.

South America Segment — a total of R\$ 184 million was invested in this operation for capital expenditures.

2024 – Capital Expenditures

In fiscal year 2024, capital expenditure on fixed assets was R\$ 6.2 billion. Of this amount, 73% was allocated in *Brazil Segment* and the remaining 27% was allocated to other operations of Gerdau.

Brazil Segment — a total of R\$ 4,501 million was invested in this operation for capital expenditures.

North America Segment — a total of R\$ 1,454 million was invested in this operation for capital expenditures.

South America Segment — a total of R\$ 225 million was invested in this operation for capital expenditures.

2023 – Capital Expenditures

In fiscal year 2023, capital expenditure on fixed assets was R\$ 5.7 billion. Of this amount, 66% was allocated in *Brazil Segment* and the remaining 34% was allocated to other operations of Gerdau.

Brazil Segment — a total of R\$ 3,770 million was invested in this operation for capital expenditures.

North America Segment — a total of R\$ 1,696 million was invested in this operation for capital expenditures.

South America Segment — a total of R\$ 217 million was invested in this operation for capital expenditures.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES, ETC.

All Gerdau mills have a Quality Management System supported by a wide array of quality control tools. Product development projects are headed by specialists who use quality tools such as “Six Sigma”, a set of statistical methods for improving the assessment of process variables, and the concept of “Quality Function Deployment”, a methodology through which technicians can identify and implement the customer requirements.

Given this level of quality management, mills are ISO 9001 or ISO TS 16949 certified. In general, production, technical services and quality teams are responsible for developing new products to meet customer and market needs.

Gerdau uses a Quality Management System developed in house that applies tests for product design, manufacturing processes and final-product specifications. A specially trained team and modern technologies also exist to assure the manufactured product high standards of quality. Gerdau’s technical specialists do planned visits, some are randomly selected, and some are scheduled visits, to its customers to check on the quality of the delivered products in order to seek the final user satisfaction for products purchased indirectly.

Due to the specialized nature of its business, the Gerdau special steel mills are constantly investing in technological upgrading and in research and development. These mills are active in the automotive segment and maintain a technology department (Research and Development) responsible for new products and the optimization of existing processes.

International machinery manufacturers and steel technology companies supply most of the sophisticated production equipment that Gerdau uses. These suppliers generally sign technology transfer agreements with the purchaser and provide extensive technical support and staff training for the installation and commissioning of the equipment. Gerdau has technology transfer and benchmarking agreements with worldwide recognized performance companies.

As is common with mini mill steelmakers, Gerdau usually acquires technology in the market rather than develops new technology through intensive process research and development, since steelmaking technology is readily available for purchase.

The Company is not dependent on patents or licenses or new manufacturing processes that are material to its business. See item “Information on the Extent of the Company’s Dependence” for further details.

D. TREND INFORMATION

In 2025, Gerdau produced 12.1 million tonnes of steel, an increase of 3.6% more compared to 2024. Gerdau's shipments reached 11.6 million tonnes, generating net sales of R\$ 69.9 billion, 4.2% lower than in 2024. All Gerdau operations take place in the Americas.

For 2026, Gerdau's perspectives remain positive, mainly in the U.S., where demand has a positive trend in the solar energy, data centers, and infrastructure sectors, with customers reporting healthy backlog levels. However, the automotive sector continues to face more challenging dynamics, impacting the special steel segment. Additionally, the Company will closely monitor new developments in Section 232 tariffs and USMCA negotiations.

In Brazil, moderate growth in demand is expected, in line with the IABR, with emphasis on infrastructure and civil construction. Nevertheless, the Company remains vigilant on the automotive sector, which may be impacted by a prolonged high-interest rate environment and the inflow of imported vehicles.

The Company continues to invest in modernization and technology updates at its units, aiming to constantly improve the profitability and productivity of its assets. The use of technological enablers such as analytics, AI, and digital twins is also being considered by management, due to its potential for greater operational efficiency. Additionally, Gerdau remains focused on identifying opportunities for cost reduction across all units.

E. CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those that require 'management's most difficult, subjective or complex judgments, often as a result of the need to make estimates that impact matters that are inherently uncertain. As the number of estimates and assumptions affecting the possible future resolution of the uncertainties increases, those judgments become even more subjective and complex. In the preparation of the Consolidated Financial Statements, the Company has relied on estimates and assumptions derived from historical experience and various other factors that it deems reasonable and significant. Although these estimates and assumptions are reviewed by the Company in the normal course of business, the presentation of its financial position and results of operations often requires making judgments regarding the effects of inherently uncertain matters on the carrying value of its assets and liabilities. Actual results may differ from estimates based on different variables, assumptions or conditions.

In order to provide an understanding of how the Company forms its judgments about future events, including the variables and assumptions underlying the estimates, the Company presents below the subjects that demand critical accounting estimates:

- revenue recognition;
- the recoverable amount of goodwill and long-lived assets;
- provisions for tax, civil and labor claims;
- recoverability of deferred tax assets;
- estimates in selecting interest rates, return on assets, mortality tables and expectations for salary increases; and
- long-term incentive plans through the selection of the valuation model and rates.

Revenue recognition

Net sales are presented net of taxes and discounts. The significant judgment made by the Company is presented in Note 2.17 and regarding revenue recognition it considers that such recognition is derived from the sole performance obligation to transfer its products or services in accordance with contracts and commercial agreements. The transfer of control and the fulfillment of the Company's performance obligation occur at the same time, at which time the revenue of sale of goods and services is recognized by the Company. It is also considered that the buyer obtains the benefits of the acquisitions, the potential cash flows, and the amount of revenue (transaction price) can be reliably measured, and the consideration must be transferred, meaning that the Company is likely to receive the consideration to which it is entitled in exchange for the products or services.

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For the Company's operations, generally the revenue recognition criteria are met when its products are delivered to its customers (CIF term) or to a carrier that will transport the goods to its customers (FOB term) and these are the times when the Company has generally fulfilled its performance obligations. Revenue is measured by the transaction price of the consideration received or receivable, an amount to which the Company expects to be entitled.

The Company's products follow industry production standards for its applications. Historically, only a small portion of the Company's products are returned or have claims filed against the sale as result of quality complaints or other problems. Claims may be one of the following: product shipped and billed to an end customer that did not meet industry quality standards, such as physical defects in the goods, goods shipped to the wrong location or goods shipped outside acceptable time parameters. The Company estimates the consideration for such claims and reduces the amount of revenue recognized.

The warranties and claims arise when the product fails on the criteria mentioned above. Sales-related warranties associated with the goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37. Warranties and claims represent immaterial amounts to the Company.

The recoverable amount of goodwill and long-lived assets

At each balance sheet date, the Company performs an assessment to determine whether there is evidence that the carrying amount of long-lived assets might be impaired. If such evidence is identified, the recoverable amount of the assets is estimated by the Company. The recoverable amount of an asset is determined as the higher of: (a) its fair value less estimated costs to selling and (b) its value in use. The value in use is measured based on discounted cash flows (before taxes) derived from the continuous use of the asset until the end of its estimated useful life. Regardless of whether or not there is any indication that the carrying amount of the asset may be impaired, the balances of goodwill arising from business combinations and intangible assets with indefinite useful lives are tested for impairment at least once a year in December.

When the carrying amount of the asset exceeds its recoverable amount, the Company recognizes a reduction in the book value of the asset (Impairment). The reduction to the recoverable amount of the asset is recorded as an expense. Goodwill impairment, after recognized, is not allowed to be reversed, even if circumstances that resulted in the impairment changes. Other assets impairment may be reversed if circumstances that resulted in the impairment no longer exists, but in these circumstances the reversal of impairment is limited to the residual depreciated balance of the asset at the time of the reversal, determined as if the impairment had not been recorded.

If actual results are not consistent with estimates and assumptions used in estimating future cash flows and asset fair values, the Company may be exposed to losses that could be material.

The Company performs tests for impairment of assets, notably goodwill and other long-lived assets, based on projections of discounted cash flows, which take into account assumptions such as: cost of capital, growth rate and adjustments applied to flows in perpetuity, methodology for working capital determination, investment plans, and long-term economic-financial forecasts. The impairment test of these assets are assessed based on the analysis of facts or circumstances that may indicate the need to perform the impairment test and are performed at least annually, for groups of cash generating units containing goodwill, in December, or whenever changes in events or circumstances indicate that the goodwill and other long-lived assets may be impaired.

To determine the recoverable amount of each cash generating unit, the Company uses the discounted cash flow method, using as basis, financial and economic projections for each one. The projections are prepared by taking into consideration observed changes in the economic scenario in the market where the Company operates, as well as assumptions with respect to future results and the historical profitability of each segment.

The Company maintains its monitoring of the steel market in order to identify any deterioration, significant drop in demand from steel consuming sectors (notably automotive and construction), stoppage of industrial plants or significant changes in the economy or financial market that result in increased perception of risk or reduction of liquidity and refinancing capacity.

Goodwill impairment test

The Company has three operating segments, which represents the lowest level in which goodwill is monitored by the Company. Goodwill balances by business segment are presented in Note 11 of the Consolidated Financial Statements contained herein.

In December 2025, the Company assessed the recoverability of goodwill in its business segments. The analyses carried out identified impairment losses in the Brazil segment in the amount of R\$ 1,964,504. Therefore, the Company wrote off the entire goodwill of this segment in the amount of R\$ 373,135, while the remaining portion of R\$ 1,591,369 was recognized in fixed assets. No impairment losses were identified in 2024 and 2023.

The period for projecting the cash flows for the goodwill impairment test was five years. The assumptions used to determine the value in use based on the discounted cash flow method include analysis prepared in dollars, such as: projected cash flows based on management estimates for future cash flows, exchange rates, discount rates and growth rates. The cash flow projections already reflect a competitive scenario, as well as macroeconomic challenges in some geographies in which the Company operates. The perpetuity was calculated considering stable operating margins, levels of working capital and investments. The perpetuity growth rates considered in the fourth quarter of 2024 test were: a) North America: 3% (3% in December 2024); b) South America: 3% (3% in December 2024); and c) Brazil: 3% (3% in December 2024).

The post-tax discount rates used were determined taking into consideration market information available on the date of performing the impairment test. The Company adopted distinct rates for each business segment tested with the purpose of reflecting the differences among the markets in which each segment operates, as well as the risks associated to each of them. The post-tax discount rates used were: a) North America: 10.75% (10.50% in December 2024); b) South America: 13.25% (14.75% in December 2024); and c) Brazil 11.75% (11.75% in December 2024). As required by the accounting standard, the Company made a calculation to determine the discount rates, before income tax and social contribution (gross rate of tax effects) and this calculation resulted in the following discount rates for each segment: a) North America 13.46% (13.28% in December 2024); b) South America: 19.04% (22.14% in December 2024); and c) Brazil: 14.68% (15.16% in December 2024).

Discounted cash flows are compared to the book value of each segment and result in the recoverable amount that exceeded book value as shown below: a) North America: R\$ 9,584 million (R\$ 5,824 million in 2024); and b) South America: R\$ 913 million (R\$ 1,435 million in 2024). In the Brazil segment, the recoverable amount was below the carrying amount by R\$ 1,965 million (exceeded the carrying amount by R\$ 5,293 million in 2024).

The Company performed a sensitivity analysis in the assumptions of discount rate and perpetuity growth rate, due to the potential impact in the discounted cash flows.

An increase of 0.5 percentage points in the discount rate of each segment's cash flow would result in a recoverable amount that exceeded book value as shown below: a) North America: R\$ 7,465 million (R\$ 3,642 million in 2024) and b) South America: R\$ 724 million (R\$ 1,247 million in 2024). In the Brazil segment, the recoverable amount would be below the book value by R\$ 3,456 million (it would exceed the book value by R\$ 3,424 million in 2024).

On the other hand, a decrease of 0.5 percentage points in the perpetuity growth rate of the cash flow of each business segment would result in a recoverable amount that exceeded book value as shown below: a) North America: R\$ 8,046 million (R\$ 4,220 million in 2024) and b) South America: R\$ 790 million (R\$ 1,326 million in 2024). In the Brazil segment, the recoverable amount would be below the book value by R\$ 3,008 million (it would exceed the book value by R\$ 3,962 million in 2024).

It is important to note that significant events or changes in the outlook may lead to losses due to goodwill recoverability. A combination of the above-mentioned sensitivities in the cash flow of each segment would result in an impairment value exceeding the book value as shown below: a) North America: R\$ 6,130 million (R\$ 2,255 million in 2024) and b) South America: R\$ 614 million (R\$ 1,149 million in 2024). In the Brazil segment, the recoverable amount would be below the book value by R\$ 4,374 million (it would exceed the book value by R\$ 2,253 million in 2024).

Other assets impairment test

In the fourth quarter of 2025, due to the revision of the Capex investment plan for its industrial plants, representing a significant reduction compared to recent years, the level of asset utilization at certain industrial plants in the Brazil segment, and the expectation of a deterioration in economic conditions to a greater extent than that contemplated in previous period scenarios, tests performed on other long-lived assets identified impairment losses in fixed assets of the Brazil segment amounting to R\$ 1,591,369 (R\$ 199,627 in 2024), resulting from recoverable value below the carrying amount.

These losses were determined based on the difference between the carrying amount of assets and its recoverable amount, which represents their value in use (the greater of the fair value less disposal expenses or their value in use). These losses were recorded as an expense, in the "Impairment of assets" line in the Consolidated Statements of Income. The post-tax discount rates used for this test are the same as presented in Note 29.1 of the goodwill impairment test on the Consolidated Financial Statements contained herein.

The Company will maintain over the next year its constant monitoring of the steel market in order to identify any deterioration, significant drop in demand from steel consuming sectors (notably automotive and construction), stoppage of industrial plants or activities significant changes in the economy or financial market that result in increased perception of risk or reduction of liquidity and refinancing capacity. Although the projections made by the Company provide a more challenging scenario than that in recent years, the events mentioned above, if manifested in a greater intensity than that anticipated in the assumptions made by management, may lead the Company to revise its projections of value in use and eventually result in impairment losses.

Provisions for tax, civil and labor claims

The significant judgment is related to recognition and measurement of provisions. Information regarding provisions for tax, civil and labor liabilities is presented in Note 19 of the Consolidated Financial Statements contained herein. The Company recognizes provisions for liabilities and probable losses that have been incurred when it has a present obligation as a result of past events, it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. The table below informs amounts of tax, labor and civil provisions:

	<u>2025</u>	<u>2024</u>
a) Tax provisions	1,928,918	1,925,237
b) Labor provisions	326,315	369,041
c) Civil provisions	37,179	34,571
	<u>2,292,412</u>	<u>2,328,849</u>

a) Tax Provisions

Tax provisions refer mainly to disputes related to ICMS, IPI, Income tax and social contribution, social security contributions, offsetting of PIS and COFINS credits and incidence of PIS and COFINS on other revenues.

b) Labor Provisions

The Company is party to a group of individual and collective labor and/or administrative lawsuits involving various labor amounts and the provision arises from unfavorable decisions and/or the probability of loss in the ordinary course of proceedings with the expectation of outflow of financial resources by the Company.

c) Civil Provisions

The Company is party to a group of civil, arbitration and/or administrative lawsuits involving various claims and the provision arises from unfavorable decisions and/or probable losses in the ordinary course of proceedings with the expectation of outflow of financial resources for the Company.

Recoverability of Deferred Tax Assets

The amount of the deferred income and social contribution tax asset is revised at each Consolidated Financial Statement date and reduced by the amount that is no longer probable of being realized based on future taxable income. Deferred income and social contribution tax assets and liabilities are calculated using tax rates applicable to taxable income in the years in which those temporary differences are expected to be realized. Future taxable income may be higher or lower than estimates made when determining whether it is necessary to record a tax asset and the amount to be recorded.

The realization of deferred tax assets for tax loss carryforwards are supported by projections of taxable income based on technical feasibility studies submitted annually to the Company's Board of Directors. These studies consider historical profitability of the Company and its subsidiaries and expectation of continuous profitability and estimated the recovery of deferred tax assets over future years. The other tax credits arising from temporary differences, mainly tax contingencies, and provision for losses, were recognized according to their estimate of realization, and are consistent with recoverability described above.

Due to the lack of expectation to use tax losses, negative social contribution base and deferred exchange variation arising from some operations in Brazil, the Company did not recognize a portion of tax assets of R\$ 907,295 (R\$ 300,763 on December 31, 2024), which do not have an expiration date. The subsidiaries abroad had R\$ 701,413 (R\$ 849,200 as of December 31, 2024) of tax credits on capital losses for which deferred tax assets have not been recognized and which expire between 2029 and 2035 and also several Unrecognized tax loss carryforwards from state credits in the United States in the amount of R\$ 291,979 (R\$ 326,966 as of December 31, 2024), which expire at various dates between 2025 and 2038.

Estimates in selecting interest rates, return on assets, mortality tables and expectations for salary increases

Actuarial gains and losses are recorded in the period in which they are originated and are recorded in the statement of comprehensive income.

The Company recognizes its obligations related to employee benefit plans and related costs, net of plan assets, in accordance with the following practices:

- The cost of pension and other post-employment benefits provided to employees is actuarially determined using the projected unit of credit method and management's best estimate of expected investment performance for funded plans, salary increase, retirement age of employees and expected health care costs. The discount rate used for determining future benefit obligations is an estimate of the interest rate in effect at the balance sheet date on high-quality fixed-income investments with maturities that match the expected maturity of obligations.
- Pension plan assets are stated at fair value.
- Gain and losses related to the curtailment and settlement of the defined benefit plans are recognized when the curtailment or settlement occurs, and they are based on actuarial evaluation done by independent actuaries.

In accounting for pension and post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include discount rate assumptions, return on plan assets, future increases in health care costs, and rate of future compensation increases. In addition, actuarial computations include other factors whose measurement involves judgment such as withdrawal, turnover, and mortality rates. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

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The tables below show a summary of the assumptions used to calculate the defined benefit plans in 2025 and 2024, respectively:

	2025	
	Brazilian Plan	North American Plan
Average discount rate	11.15%	4.75% to 5.42%
Rate of increase in compensation	Not applicable	Not applicable
Mortality table	AT-2000 per sex	RP-2012 and MP-2017&2021
Mortality table of disabled	AT-2000 per sex	Not applicable
Rate of rotation	Null	Based on age and/or the service

	2024	
	Brazilian Plan	North American Plan
Average discount rate	11.07%	4.58% to 5.62%
Rate of increase in compensation	Not applicable	3.00%
Mortality table	AT-2000 per sex	RP-2006 and MP-2024
Mortality table of disabled	AT-2000 per sex	RP-2006 and MP-2024
Rate of rotation	Null	Based on age and/or the service

Quantitative information regarding pension and post-retirement benefits amounts recognized are presented in Note 21 of the Consolidated Financial Statements contained herein.

Long-term incentive plans through the selection of the valuation model and rates

The Company settles its Long-term incentive plans by delivering its own shares, which are held in treasury until the exercise of the options by the employees. Additionally, the Company granted the following long-term incentive plans: Restricted Shares and Performance Shares, as presented in Note 26 of the Consolidated Financial Statements contained herein.

Quantity Summary of Restricted Shares and Performance Shares:

Balance on January 1, 2023	10,812,887
Granted	7,697,990
Share Bonus	664,433
Cancelled	(2,192,635)
Exercised	(2,674,136)
Balance on December 31, 2023	14,308,539
Granted	5,739,213
Share Bonus	2,910,064
Cancelled	(2,581,216)
Exercised	(4,093,375)
Balance on December 31, 2024	16,283,225
Granted	8,028,770
Cancelled	(1,320,055)
Exercised	(6,018,081)
Balance on December 31, 2025	16,973,859

The Company recognizes the cost of the long-term incentive plan through Restricted Shares and Performance Shares based on the fair value of the options granted on the grant date during the vesting period of each grant. The fair value of the options granted is equivalent to the fair value of the services provided to the Company. As of December 31, 2025, the Company has a total of 25,317,258 Preferred Shares in treasury and, according to Note 23 of the Consolidated Financial Statements contained herein, these shares may be used for serving this plan.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The Directors and Senior Management of the Company as of the date hereof are as follows:

The summary of the structures of the Board of Directors and of Board of Executive Officers are:

BOARD OF DIRECTORS

Chairman

André Bier Gerdau Johannpeter

Vice-Chairmen

Claudio Johannpeter

Guilherme Chagas Gerdau Johannpeter

Members

Alberto Fernandes

Cláudia Sender Ramirez

Gustavo Werneck da Cunha

BOARD OF EXECUTIVE OFFICERS

Chief Executive Officer (CEO):

Gustavo Werneck da Cunha

Executive Vice-President, Chief Financial officer (CFO) and Investor Relations Officer:

Rafael Dorneles Japur

Executive Vice-Presidents:

Marcos Eduardo Faraco Wahrhaftig

Maurício Metz

Rafael Gamboa Lopes ⁽¹⁾

Officers:

Cesar Obino da Rosa Peres

Carlos Eduardo Vieira da Silva

Flávia Dias da Silva de Souza

Wendel Gomes da Silva

(1) As per the Board of Directors meeting held on February 23, 2026, Rafael Gamboa Lopes was elected Executive Vice-Presidente.

The following is a brief summary of the business experience of our Board of Directors and Board of Executive Officers members:

ANDRÉ BIER GERDAU JOHANNPETER (born in 1963)

- Education: Degree in Business Administration from the Pontifícia Universidade Católica do Rio Grande do Sul (PUC — RS). Studied General Business Administration at the University of Toronto (Canada), Marketing at the Ashridge Business School (UK), and Advanced Management at the Wharton School, University of Pennsylvania (United States).
- Professional Experience: Has 43 years of experience at Gerdau and held the position of Chief Executive Officer (CEO) (2007-2017). He was President of the World Steel Association (2018-2019). Currently is (i) Chairman of the Board of Directors of Gerdau SA, and member of its advisory committees, (ii) Chairman of the Board of Directors of Metalúrgica Gerdau SA, a listed company, holding company of Gerdau S.A., (iii) Board member of the Executive Committee of the World Steel association, (iv) President of Instituto Aço Brasil (Brazilian Steel Institute), (v) Board Member of Alacero (Latin American Steel Association), (vi) Vice Chairman of the Federation of Industries of São Paulo – FIESP, (vii) Vice Chairman of the Federation of Industries of Rio Grande do Sul – FIERGS, (viii) Board Member of Transforma RS and (ix) Board Member of Instituto Caldeira.

CLAUDIO JOHANNPETER (born in 1963)

- Education: Degree in Metallurgical Engineering from the Universidade Federal do Rio Grande do Sul (UFRGS). He completed courses in Operations Management at University of London (Canada), Executive Development at Penn State (United States) and Advanced Management Program at Harvard (United States).
- Professional Experience: Has 43 years of experience at Gerdau and held the position of Chief Operating Officer (COO) (2017-2012). In December 2017, he left his executive position at Executive Committee representing the Brazil Long Steel Business Operation and the Global Processes: Engineering and Industrial, Health and Safety. Was the Board Chairman of Gerdau S.A. (2015-2020), and Board Chairman of Metalúrgica Gerdau SA (2016-2020), a listed company, holding company of Gerdau S.A. Currently is (i) Vice Chairman of the Board of Directors of Gerdau SA, and member of its advisory committees and (ii) Vice Chairman of the Board of Directors at Metalúrgica Gerdau SA, a listed company, holding company of Gerdau S.A.

GUILHERME CHAGAS GERDAU JOHANNPETER (born in 1971)

- Education: Degree in Law from Unisinos in 1995 and holds an MBA from the Kellogg School of Management, Illinois, USA.
- Professional Experience: Has 40 years of experience at Gerdau and held the position of Executive Vice President in the Executive Committee Gerdau (CEG in Portuguese), coordinating the Special Steels Business Operation, Latin America Business Operation and the Actions arising from the Gerdau Project 2022 – Strategy (2014-2017). Currently is (i) Vice Chairman of the Board of Directors of Gerdau S.A. and member of its advisory committees and (ii) Vice Chairman of the Board of Directors of Metalúrgica Gerdau S.A. publicly traded company, holding company of Gerdau S.A., (iii) Board Member of the Gerdau Institute, (iv) President of IEDI - Institute for Studies in Industrial Development; (v) Member of National Council for Industrial Development (CNDI) (vi) Board Member of the Superior Economic Council (COSEC) of FIESP (Federation of Industries of the State of São Paulo and (vii) Member of the Board of GAB – Global Advisory Board of Northwestern Kellogg.

ALBERTO FERNANDES (born in 1962)

- Education: Degree in Mechanical and Production Engineering from the Polytechnic School of the Universidade de São Paulo - USP (1986).
- Professional Experience: He started his career in the financial market in 1986. He worked as Commercial Director at Crédit Commercial at France Bank (1989-1997), Commercial Director at Lloyds Bank (1997-1999) and Executive Vice President of Itaú/BBA (1999-2019). Currently (i) Board Member at Gerdau S.A. and (ii) Board Member at Metalúrgica Gerdau S.A., a listed company, holding company at Gerdau S.A., (iii) Senior Advisor at Morgan Stanley Brazil, (iv) Member of the Board at Direcional Engenharia (DIRR3) and JHSF (JHSF3), (v) Chairman of the Board at Fulwood Logística, (vi) Member of the Board at CIVI-CO Social Impact Hub and (vii) Board Member of the Museu de Arte de São Paulo (MASP).

CLÁUDIA SENDER RAMIREZ (born in 1974)

- Education: Degree in Chemical Engineering from the Polytechnic School at the University of São Paulo (“USP”) and an MBA from Harvard Business School.
- Professional Experience: Participated in Latam Airlines Brasil (2011-2019). For the last 5 years, she served as CEO of Latam Airlines Brasil and Vice President of Clients of the Latam Airlines Group. Currently is (i) Board Member of Gerdau S.A., (ii) Board Member of Embraer S.A., (iii) Board Member of Holcim (Switzerland) and (iv) Board Member of Telefonica (Spain). Also serves on the boards of NGOs such as: Amigos do Bem, Hospital Israelita Albert Einstein and Ensina Brasil.

GUSTAVO WERNECK DA CUNHA (born in 1973)

- Education: Degree in Mechanical Engineer from the Universidade Federal de Minas Gerais (UFMG - Brazil). Studied Project Management at Fundação Getúlio Vargas (Brazil), General Business Administration at INSPER Business School (Brazil), Leading Change and Organizational Renewal at Harvard Business School (United States) and Advanced Corporate Finance at London Business School (UK).
- Professional Experience: He has worked at Gerdau for 21 years. He held the positions of Executive Officer of Gerdau Long and Flat Steel Brazil, Industrial Officer of Gerdau Índia, Gerdau Corporate Officer of Information Technology (CIO). Currently, he is (i) Chief Executive Officer (CEO) of Gerdau S.A. since January 2018, (ii) Chief Executive Officer (CEO) of Metalúrgica Gerdau S.A., a listed company, holding company of Gerdau S.A. since January 2018, (iii) Board Member of Gerdau S.A., (iv) Board Member of Metalúrgica Gerdau S.A., and (v) Board Chairman of Seiva S.A. – Florestas e Indústrias, a company that is part of Gerdau’s economic group. He also serves as Board Member of the Instituto Aço Brasil (Brazilian Steel Institute) and “Juntos Somos Mais.”

RAFAEL DORNELES JAPUR (born in 1982)

- Education: Bachelor’s degree in Business Administration and Graduate in Economics from UFRGS.
- Professional Experience: Has started his career at Gerdau in 2005 as an intern in the Planning area. In 2006, he participated in the trainee program in the Planning and Management department. In 2015, he was promoted to Business Development Manager and, a year later, he became the leader of the debt and capital market management process in the Financial department. In 2018, he assumed the position of Planning, IT & Innovation Manager at Gerdau Diaco and Gerdau Metaldom, in Colombia. In 2020, he returned to Brazil as General Manager in the Financial Operations department. He currently holds the position of (i) Executive Vice President of Finance and CFO, responsible for Finance, Accounting and Tax departments. He is also an (ii) Investor Relations Officer at the companies Gerdau SA, Metalúrgica Gerdau SA and Seiva SA – Florestas e Indústrias, (iii) Vice President Director of Gerdau SA and Metalúrgica Gerdau SA and Director of Seiva SA – Florestas e Indústrias.

MARCOS EDUARDO FARACO WAHRHAFTIG (born in 1972)

- Education: Degree in Mechanical Engineering from the Federal University of Paraná (UFPR), with a MBA from the Manchester Business School (UK) and has studied Corporate Finance at ISAE/ FGV.
- Professional Experience: 31 years of experience, with 23 years in Gerdau. In the last years he has held positions as Commercial Officer of Special Steel, Corporate Commercial Officer, Commercial Officer of Gerdau Aços Brasil and Executive Vice - President - Brazil, Argentina and Uruguay. Also he was the Chairman of the Board of the Instituto Aço Brasil (Brazilian Steel Institute) in 2021/22. He was Board member of FIESP/ Concic Conselho Superior da Construção Civil; Board Member of ABRAMAT - Associação Brasileira dos Fabricantes de Materiais de Construção; (iii) Board Member of FIEMG (Federação das Indústrias do Estado Minas Gerais) - Strategic Council; (iv) Board member of ABM - Associação Brasileira de Metalurgia, Materiais e Mineração and (v) Board Member of Alacero (Associação Latino - americana do Aço). Currently holds the position of Executive Vice - President of Strategy.

MAURÍCIO METZ (born in 1979)

- Education: Degree in Mechanical Engineering from the Federal University of Rio Grande do Sul (UFRGS), Master's in Metallurgical Engineering from the Federal University of Rio Grande do Sul (UFRGS), and MBA in Administration from the Institute of Education and Research (INSPER).
- Professional Experience: Has 23 years of experience at Gerdau, leading various production areas throughout his career. He served as Executive Industrial Manager, later as Industrial Director, responsible for all Gerdau Mini Mills units in Brazil (2017 - 2022), and Corporate Director of Industrial, Engineering, and EHS (2022 - 2024). Currently, he is Vice President of Steel Operations Brazil.

RAFAEL GAMBOA LOPES (born in 1980)

- Education: Degree in Mechanical Engineering from the Federal University of São João Del Rei (UFSJ, 2003) and Executive MBA from Fundação Dom Cabral (FDC, 2014).
- Professional Experience: Has 22 years of experience in leading industrial operations and implementing capital projects in steelmaking and mining. Served as Industrial Director responsible for operations at the Ouro Branco Mill (2020-2023), Director of Ouro Branco and Engineering Brazil (2023-2024) and Corporate Director of Industrial, Engineering and HSE (2024-2025). Currently, he is Executive Vice President of Special Steel Brazil business unit.

CESAR OBINO DA ROSA PERES (born in 1962)

- Education: Graduated in Business Administration from the Faculdade de Ciências Econômicas, Contábeis e Administração Prof. de Plácido e Silva in Curitiba-PR, he has completed his academic training with a specialization course in Business Administration at Universidade Presbiteriana MACKENZIE in São Paulo-SP.
- Professional Experience: Has more than 41 years of experience at Gerdau. He held the position of Sales and Marketing Manager at the Gerdau operation in Mexico (2010-2012). In addition, held the position of Sales and Marketing General Manager at the Gerdau operation in Colombia (2013-2014), later was promoted to Executive Director of Gerdau Colombia Operation where he remained until the end of 2016. Currently holds Corporate Commercial Director of Gerdau S A and Board Member of "Instituto Aço Brasil."

CARLOS EDUARDO VIEIRA DA SILVA (born in 1974)

- Education: Degree in Mechanical Engineering from the Federal University of Minas Gerais (UFMG), MBA in Finance from the Brazilian Institute of Capital Markets (IBMEC), and MBA in Business Administration and Management from the Institute of Education and Research (INSPER).
- Professional Experience: Has 26 years of experience at Gerdau, holding positions in recent years such as Regional Manager of Raw Materials (2010 - 2015), Executive Manager at Gerdau Florestal (2015 - 2018), Executive Manager of Metals and Forestry (2018 - 2020), and Director of Metals and Forestry (2020 - 2024). Was a Member of the Deliberative Council of the Minas Gerais Association of the Forestry Industry - AMIF (2015 - 2018) and Member of Deliberative Council of the Brazilian Tree Industry - IBÁ (2015 - 2024). Currently, he is (i) the Commercial Director at Gerdau.

FLAVIA DIAS DA SILVA DE SOUZA (born in 1976)

- Education: Degree in Chemical Engineering from the Universidade Federal do Rio de Janeiro with an MBA in Business Management from Fundação Getúlio Vargas and an MBA in Finance from IBMEC.
- Professional Experience: Worked at Shell as Procurement Manager Operations South America (2004-2007), Corporate Procurement Manager for Latin America Region (2007-2011). She also worked at Vale as Global Procurement Manager (2011-2018), Global Procurement General Manager (2018-2021), Strategy, New Businesses and Management of Renewable Energy Assets (2021), Member of the Board of Directors at Aliança Geração e de Consórcios de Energia (2021-2022). Currently (i) Head of Global Procurement and Energy at Gerdau S.A.

WENDEL GOMES DA SILVA (born in 1974)

- Education: Graduated in Metallurgical Engineering from the Universidade Federal de Minas Gerais (Brasil, 1998), completed his academic training with MBA courses in Business Management at Erasmus University in Rotterdam (Netherlands, 2004), MBA in Business Management at Fundação Dom Cabral (Brasil, 2009) and Specialization in Marketing from the Universidade Federal de Minas Gerais (Brasil, 2002).
- Professional Experience: He has 28 years of professional experience, including 14 years of experience at Gerdau, where he held in the Mining area the positions of General Commercial Manager, General Commercial and Logistics Manager, General Industrial Manager and Executive Manager. Currently he is Director of Mining and Raw Materials at the Company, (ii) Board Member of the MRS and (iii) Chairman of the Raw Materials Committee of the World Steel Association.

Family Relationships

André Bier Gerdau Johannpeter, Claudio Johannpeter and Guilherme Chagas Gerdau Johannpeter are cousins.

Arrangements

Gerdau has no agreement of any kind with shareholders, clients, suppliers or other parties with respect to the election of its officers or directors. Except as described in this document, there are no pending legal proceedings to which any Board Member or Executive Officer is a party against the Company. Apart from statutory severance benefits, none of the Board Members or Executive Officers are entitled to any contractual benefits upon termination of employment.

B. COMPENSATION

The employees' compensation system is divided into two portions: a fixed salary and a variable pay linked to performance.

The fixed portion of the compensation is constantly monitored and compared to market benchmarks in order to maintain parity with the good market practices as adopted by other companies. The variable portion of the compensation package is tied to annual goals. These goals are measured against standards clearly specified that are intended to support and motivate overachievement of individual and teams results.

The human resources policy states and recognizes co-workers as being strategic to the business.

The Company uses several assessment methods, including Performance Assessment and Assessment of potential and readiness for succession. It aims to identify the behaviors and deliveries of the Directors as well as monitor individual development according to the company's strategies and business management.

In 2025, the cost of management compensation, in salaries, variable compensation, benefits and terminations, was R\$ 69.5 million. The cost of management's social charges totaled R\$ 15.3 million. The total compensation paid to Managers and Statutory Directors was R\$ 84.8 million. The variable remuneration of directors is determined based on Gerdau's financial results and individual performance evaluation. Fiscal Council members are not eligible for variable remuneration.

Gerdau Group sponsors Pension Plans for its subsidiaries in Brazil and abroad. About 5% of participants are in the Defined Benefit plans and 95% in a Defined Contribution plan.

During 2025, Gerdau's contribution to the Gerdau Plan with respect to the executive officers amounted to R\$ 1.7 million to the Defined Contribution Plan. This sum includes only that portion of contributions for executives who do not currently receive retirement benefits. These benefits are in no way different from those offered to the other employees of the Company.

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The Long - Term Incentive (LTI) Program was approved by Gerdau S.A. on April 30, 2003, offering stock options to strategic executives. Over the years, the program has been adjusted, including increases in the number of stock grants, aligning with market practices. In 2010, Gerdau linked part of the compensation to Return on Capital Employed (ROCE), and in 2013, the plan was modified to include new forms of grants, such as Restricted Shares, Performance Shares and Differed Shares. In 2020, further changes were approved, incorporating economic - financial performance indicators (EVA) and sustainability (ESG) metrics, as well as complementary programs such as LTI Matching and specific retention actions (LTI Spot), reinforcing the program's goal of attracting and retaining executives by aligning their interests with the company's and market's growth. In 2025, new rules were approved for incentive payments in cases of termination without cause, along with updates to the wording to expressly include, among other related events, the stock awards granted during the vesting period and incremental improvements to the plan's text.

The Long-Term Incentive grants distributed to the Board of Directors and Executive Committee are as follows (see Consolidated Financial Statements — Note 26 for a complete summary of the stock option plans):

Grant Price*:	R\$	21,33 *	R\$	21,63 *	R\$	23,34 *	R\$	19,50 *	R\$	18,32
Grant Date:	01/01/21		01/01/22		01/01/23		01/01/24		01/01/25	
Vesting Date:	02/01/24		02/01/25		02/01/26		02/01/27		02/01/28	
Expiration date:	02/01/24		02/01/25		02/01/26		02/01/27		02/01/28	
Grant Restricted Share	507,985		504,155		1,215,448		629,215		708,651	
Grant Restricted Share (Bonus):	19,900		246,796		140,096		124,229		—	
Exercised Restricted Share	463,983		550,243		104,357		12,988		10,140	
Cancelled Restricted Share + Adjustments	63,902		65,051		220,706		16,998		10,857	
Balance Restricted Share	—		135,657		1,030,481		723,458		687,654	
Grant Performance Share	218,638		187,367		1,330,634		236,291		292,721	
Bonus Performance Share	8,866		254,402		88,366		45,580		—	
Grant Performance Share - Performance Adjustment	316,730		527,731		1,422,267		281,871		292,721	
Exercised Performance Share	302,647		298,940		103,626		1,375		—	
Cancelled Performance Share+ Adjustments	14,083		25,303		325,935		32,513		16,286	
Balance Performance Share	—		203,488		992,706		247,983		276,435	

*The price of the share granted was retrospectively adjusted to take into account the effect of the increase in share capital with the issuance of bonus shares, in the proportion of one new share for every twenty shares of the same type (2023) and in the proportion of one new share for every five shares of the same type (2024), as detailed in Note 23 of the Financial Statements.”

C. BOARD PRACTICES

Gerdau has a historical commitment to good corporate governance practices and to strengthening the stock markets, which is why it has taken part in Corporate Governance – “Level 1 Listing Rules of the São Paulo Stock Exchange” managed by B3 since 2001.

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As a part of governance practices, the Company also has 16 corporate policies, as follows: (a) “Information Disclosure Policy” that defines the criteria guiding investor relations, including the announcement of significant acts and facts. The aim is to maintain a fast and efficient data flow of data while respecting the rules of secrecy and confidentiality. This policy covers controlling shareholders (direct or indirect); officers and managers; members of the Board of Directors and members of the supervisory board of the Company, Subsidiaries and Affiliated Companies; members of Technical or Advisory Bodies; Subsidiaries, Affiliated Companies or the Parent Company; Relevant Third Parties; and (g) the person who traded securities having relevant information not yet disclosed made use of such information in said negotiation; (b) “Securities Trading Policy” which regulates operations with transactions in the Company’s securities, ensuring transparency in transactions within the securities to avoid the use of privileged information for the benefit of Bound Persons (insider trading) or of third parties benefited by Bound Persons (tipping) in trading in the securities. This policy covers as “Bound Persons” the Company itself; direct and indirect controlling shareholders; officers and managers; members of the Board of Directors and Board of Auditors of the Company; members of Technical or Advisory Bodies of the Company; employees and executives of the Company who have access to any privileged information, among others; (c) “Related-Party Transactions Policy” that aims to establish the procedures to be followed in “related-party transactions” to ensure that they are carried out in the best interests of the Company and its affiliates. This policy covers the affiliates; managers and controlling shareholders, and as well their close family members; and any entities over which the managers or controlling shareholders of the Company exercise control, whether subsidiaries, associated companies or companies under shared control; (d) “Human Rights Diversity, Equity & Inclusion, and Social Responsibility Policy”: which establishes guidelines that foster respect for human rights in all business activities, and endorse and supports the principles established in the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization, and the United Nations Guiding Principles on Business and Human Rights Organization, and the United Nations Guiding Principles on Business and Human Rights. In addition, it aims to establish guidelines for actions based on respect, inclusion, equity, and appreciation of human diversity in the development of all business activities, as well as guidelines for social actions within communities; (e) “Anti-Corruption Policy”: which defines guidelines and obligations in order to combat corruption and ensure compliance with the law and with Gerdau’s Code of Ethics and Conduct, regulates the Company’s conduct before public agents and its relationship with suppliers, customers, employees, investors and the community, reinforces the importance of complying with all applicable laws where Gerdau operates with an emphasis on anti-corruption and anti-money laundering laws, and meets the best governance practices and the principles and objectives of the UN Global Compact to which Gerdau is a signatory: “work against corruption in any form, including bribery and extortion, towards Peace, Justice and Effective Institutions”; (f) “Environmental Policy”: which establishes guidelines for the sustainable conduction of Gerdau’s activities, considering the economic, social, environmental and governance elements, as well as an assessment of the associated risks and opportunities, and reinforces Gerdau’s commitment to creating value for the Company and for society; (g) “Compliance Policy”: which reinforce the commitment to conduct business ethically and with integrity, that is already established by Gerdau’s Code of Ethics and Conduct, policies, guidelines and state legislation and/or regulation, in accordance with Gerdau’s Do What Is Right principle compliance management being the individual obligation of each of Gerdau’s employees; (h) “Risk Management Policy”: which establishes corporate guidelines for risk management, its scope, definitions and organizational structure, and assigns responsibilities for identification and treatment mechanisms, in order to prevent or minimize their impact on risk factors; (i) “Tax Policy”: which lists and discloses the key commitments and guidelines applicable to actions related to the tax positioning of the business environments in places where Gerdau operates. This policy states and reiterates Gerdau’s commitment to complying with the laws and guiding principles on tax issues surrounding our business environments; (j) “Integrated Policy”: which reinforces Gerdau’s commitment with Health and Safety, Environment and Quality; (k) “Clawback Policy”: describes the circumstances under which the Company’s covered persons (executive officers) will be required to repay or return erroneously awarded compensation to the Company; (l) “Contracting of Independent Auditors Policy”: establishes guidelines and procedures to be observed when contracting Independent Auditors by the Company, to guarantee full compliance with the provisions contained in the rules and applicable legislation in force, the independence of the services provided and, consequently, preserve transparency before the Company’s management and other interested parties; (m) “Nomination Policy”: establishes guidelines for the nomination of management and members of committees, such as the Board of Directors, the Advisory Committees to the Board of Directors and the Statutory Executive Board, subject to the provisions of the Company’s Bylaws and the laws and standards in force and in line with corporate governance best practices; (n) “Income Allocation Policy”: establishes practices and procedures for allocating the income earned by the Company, in accordance with Brazilian Corporate Law, the regulations of the Brazilian Securities and Exchange Commission and B3, as well as the Bylaws of the Company; (o) “Code of Ethics and Conduct”: which is a fundamental and mandatory document for all Gerdau employees and Board of Directors, regardless of their area of activity, their position or their geographic location. It must be understood as a priority in all our activities, as it expresses the commitment and engagement in the adoption of conduct based on the highest ethical standards; (p) “Code of Ethics and Conducts for Third Parties”: which establishes guidelines for Gerdau’s relationship with third parties, defined in this code as its suppliers, service providers and customers; establishes Gerdau’s main commitments to issues related to ethics and compliance with laws; defines how third parties are accountable to ensure compliance with these commitments; and highlights unacceptable behaviors, which are subject to contractual review, including employment termination.

In addition, the Company's Board structure is composed of two levels and has maintained the existing governing bodies: the Board of Directors and the Board of Officers, as follows below.

Board of Directors: the Board of Directors is responsible for determining the board direction of Gerdau's business. The Board may have up to 11 members; currently there are 6 members and 2 of them are independent Directors. The Board has the following four Committees: Compensation and Succession, Corporate Governance, Finance, and Strategy and Sustainability.

According to the Ordinary General meeting, held on April 10, 2025, the members of the Board of Directors, whose terms of office expire on the date that the Ordinary General meeting is held to approve managements' accounts for the 2025 fiscal year, such meeting currently planned to be held on April 15, 2026, are:

Chairman

André Bier Gerdau Johannpeter (1), (2) and (4)

Vice-Chairmen

Claudio Johannpeter (2) and (4)

Guilherme Chagas Gerdau Johannpeter (1), (2), (3) and (4)

Members

Alberto Fernandes (2) and (3)

Claudia Sender Ramirez (1) and (2)

Gustavo Werneck da Cunha (1), (2), (3) and (4)

Other Committee members:

Flávia Bizinella Nardon (1)

Marcos Eduardo Faraco Wahrhaftig (3) and (4)

Rafael Dorneles Japur (3) and (4)

Raul Fernando Schneider (3)

(1) Member of the Compensation and Succession Committee

(2) Member of the Corporate Governance Committee

(3) Member of the Finance Committee

(4) Member of the Strategy and Sustainability Committee

The Committees created to support the Board of Directors are:

Compensation and Succession Committee: responsible for evaluating and endorsing the CEO's recommendation regarding CFO's compensation; evaluating CEO's compensation, its goals and strategy for professional development, proposing them to Board of Directors; evaluating the strategy, policy and budget regarding fixed compensation, short and long - term incentives, severances, retentions, commissions, benefits, retirement pension and other programs regarding the global compensation of the employees, proposing them to Board of Directors; opining about the organizational structures of the Company, proposing to the Board of Directors the significant measures; and approving position promotion of Statutory Officers.

Corporate Governance Committee: responsible for evaluating the trends and benchmarks of Corporate Governance; evaluating the recommendations of the agents of capital markets and financial and specialized agencies; reviewing and commenting on the information relating to Corporate Governance contained in the official documents of the Company for dissemination to the market and evaluating the performance of the Board as a whole.

Finance Committee: responsible for supporting the Board in financial matters, including follow-up of the financial results of the Company, debt and leverage levels and targets, liquidity position and cash flows, capital structure, capital allocation, stock price, financial market trends, capital market communication, insurance and guarantee, review of the financial and hedging policies of the Company.

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Strategy and Sustainability Committee: responsible for supporting the Board in the formulation of general policy guidelines of the Company; providing recommendations to the Board regarding policies and guidelines for business by product line and market recommendations; providing opinions on the investment program; opining on proposed mergers and acquisitions; evaluating trends in the steel industry and evaluating the development impacts of the Company's business, as well as the environmental, social and governance factors ("ESG"), including, but not limited to, climate change.

Board of Executive Officers: Statutory Board whose members are responsible for the representation of the Company and performance of the acts needed for the management of the Company. The members of the Board of Executive Officers, whose terms of office expire on the date that the Ordinary General meeting is held to approve management's accounts for the 2025 fiscal year, such meeting currently planned to be held on April 15, 2026, are:

Chief Executive Officer (CEO):
Gustavo Werneck da Cunha

Executive Vice-President, Chief Financial Officer (CFO) and Investor Relations Officer:
Rafael Dorneles Japur

Executive Vice-Presidents
Marcos Eduardo Faraco Wahrhaftig
Maurício Metz
Rafael Gamboa Lopes

Officers:
Carlos Eduardo Vieira da Silva
Cesar Obino da Rosa Peres
Flavia Dias da Silva de Souza
Wendel Gomes da Silva

Other Committees have been created to support the Board of Executive Officers, in order to assist and be responsible for advising on specific matters, such as the Risk Committee and the Disclosure Committee.

Corporate structure: Gerdau's corporate structure has evolved to help the business, adding value in governance and brand, image and values, and optimizing the efficiency of Gerdau's activities through economies of scale. The corporate areas are Finance, Investor Relations, Shared Services and Accounting; Communication and Brand, Legal and Institutional Relations, Compliance, Internal Audit, Industrial, Engineering, Health, Safety and Environment, Information Technology and Procurement.

All members of the Board of Directors and the Board of Executive Officers are elected for one-year terms, with re-election or re-appointment permitted. Members of the Board of Directors are appointed at the Ordinary General meeting while members of the Board of Officers are elected at meetings of the Board of Directors.

Board of Auditors

Under Brazilian Corporate Law, the Board of Auditors ("*Conselho Fiscal*") is a shareholder-nominated Audit Board and an independent corporate body from the Board of Directors, the Board of Executive Officers and the Company's external auditors. The Board of Auditors has not typically been equivalent to or comparable with a U.S. audit committee; its primary responsibility has been to monitor management's activities, review the financial statements, and report its findings to the shareholders.

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Pursuant to an exemption under Section 10A-3 of the SEC rules concerning the audit committees of listed companies, a foreign private issuer (such as the Company) does not need to have a separate audit committee composed of independent members if it has a Board of Auditors established and selected pursuant to its home country's legal or listing provisions expressly requiring or permitting such a Board and if such a Board meets certain requirements. The Board of Auditors can exercise the required duties and responsibilities of a U.S. audit committee to the extent permissible under Brazilian Corporate Law. To comply with the SEC rules, the Board of Auditors must meet the following standards: it must be separate from the full Board of Directors, its members must not be elected by management, no executive officer may be a member, and Brazilian law must set forth standards for the independence of the members. In order to qualify for exemption, the Board of Auditors must, to the extent permitted by Brazilian law:

- be responsible for the appointment, retention, compensation and oversight of the external auditors (including the resolution of disagreements between management and the external auditors regarding financial reporting);
- be responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- have the authority to engage independent counsel and other advisors as deemed necessary, to carry out its duties; and
- receive appropriate funding from the Company for payment of compensation to the external auditors, for any advisors and ordinary administrative expenses.

As a foreign private issuer, the Company decided to modify its Board of Auditors to comply with the exemption requirements. Accordingly, the Ordinary General meeting held on April 28, 2005 amended the Company's Bylaws to modify the duties of the Board of Auditors and the Board of Directors, and, on the same date, approved the delegation of certain additional responsibilities to the Board of Auditors. The Board of Auditors operates pursuant to a charter, called *Regimento Interno*, in Portuguese, that contemplates the activities described above to the extent permitted by Brazilian Law and is compliant with the requirements of the Sarbanes-Oxley Act, the pertinent regulations, and the requirements of the New York Stock Exchange.

Because Brazilian Corporate Law does not permit the Board of Directors to delegate responsibility for the appointment, retention and compensation of the external auditors and does not provide the Board of Directors or the Board of Auditors with the authority to resolve disagreements between management and the external auditors regarding financial reporting, the Board of Auditors cannot fulfill these functions. Therefore, in addition to its oversight responsibilities, the Board of Auditors may only make recommendations to the Board of Directors with respect to the appointment, retention and compensation of the external auditors. Likewise, the Board of Auditors may only make recommendations to management and the Board of Directors with regard to the resolution of disagreements between management and the external auditors. This limited scope of authority is a key difference between the Board of Auditors and the customary authority of an audit committee as a full committee of the Board of Directors.

Under the Brazilian Corporate Law, members of the Board of Auditors of a company are not allowed to be members of the Board of Directors, hold executive office, be employed in any other position within that of a company or its subsidiaries, and be spouse or relative of any member of a company's management. The Brazilian Corporate Law requires that members of the Board of Auditors receive a remuneration at least 10% of the average amount paid to each executive officer; and, also, that a Board of Auditors be composed of a minimum of three and a maximum of five members and their respective alternates.

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As part of the adaptation of its Board of Auditors to the regulations, the Company has installed a permanent (standing) Board of Auditors currently composed of three members and their corresponding alternates who are elected at the Ordinary General meeting with term of office to run until the next Ordinary General meeting following their election, reelection being permitted. Under Brazilian Corporate Law, holders of Preferred Shares have the right to elect through a separate vote, one member of the Board of Auditors to represent their interests. Likewise, minority groups of shareholders with voting shares also have the right to elect one member of the Board of Auditors through a separate vote. However, irrespective of circumstances, the common shareholders have the right to elect the majority of the members of the Board of Auditors. Set forth below are the names, ages and positions of the members of the Company's Board of Auditors and their respective alternates, elected at the Company's last Ordinary General Meeting of Shareholders:

Name	Birthday	Member Position	Year First Elected
Elvira Baracuhy Cavalcanti Presta	06/18/1968	Effective	2024
Gilberto Carlos Monticelli	05/22/1964	Effective	2025
Denisio Augusto Liberato Delfino	02/02/1979	Effective	2024
Herculano Anibal Alves	02/27/1953	Alternate	2020
Bolívar Charneski	08/22/1950	Alternate	2011
Mario Roberto Perrone Lopes	07/09/1981	Alternate	2025

The General Meeting, held on April 10, 2025, determined Elvira Baracuhy Cavalcanti Presta as an "audit committee financial expert" within the meaning of the rules adopted by the SEC concerning the disclosure of financial experts. Each member of the Board of Auditors has acquired significant financial experience and exposure to accounting and financial issues.

The following is a brief summary of the business experience of our Board of Auditors members:

ELVIRA BARACUHY CAVALCANTI PRESTA (born in 1968)

- Education: Bachelor and Master Degree in Business Administration. Advanced Boardroom Program for Women and Advanced Program for CEOs and Board members, at Saint Paul Escola de Negócios.
- Professional Experience: Worked at Eletrobras (currently Axia) as an Independent Board Member (2018), CFO and Investor Relations Officer (2019-2023), and Interim President (2021). She was the Chair of the Board of Directors of three subsidiaries: Chesf, CGT Eletrosul, and Santo Antônio Energia. She was also the Executive Director of Planning and Control at Neoenergia, Fiscal Council Member at Norte Energia (UHE Belo Monte), CFO at MRS Logística, Controller at Light, among other companies. Currently is (i) Independent Governance Board Member of Neoenergia, (ii) a Member of the Board of Directors of IBEF-SP, (iii) a Fiscal Council Member at Embraer, (iv) a Fiscal Council Member at Gerdau S.A., (v) Alternate Fiscal Counselor of Metalurgica Gerdau S.A., (vi) Member of the Audit Committee of Copa Energia, (vii) a Member of the Brazilian Institute of Corporate Governance (IBGC), (viii) a Member of the NYSE Board Advisory Network and (ix) a Member of Women Corporate Directors (WCD). She is currently the CFO at New Wave Brasil.

GILBERTO CARLOS MONTICELLI (born in 1964)

- Education: Degree in Accounting from the Faculdade Porto-Alegrense de Ciências Contábeis e Administrativas and postgraduate degree in Business Management from Fundação Getúlio Vargas.
- Professional Experience: He was Accounting Assistant at Mundial S.A. (1979-1991); Technical Advisor for Management of Accounting Information at Gerdau (1991-2006), Technical Advisor for Planning and Strategy Management at Gerdau (2007-2008), and teacher of the Accounting Sciences Course at Faculdade São Judas Tadeu in Porto Alegre (2008-2014); Technical Consultant for Investor Relations at Gerdau (2008-2018); Financial Consultant for ABRASCA – Brazilian Association of Listed Companies, in projects to reduce the cost of compliance for public companies (2018-2019), Financial Consultant, partner of Kienbaum Porto Alegre (2020-2021); Teacher of the Accounting Sciences and graduate courses at Faculdade Dom Bosco in Porto Alegre (2014-2023). He is currently (i) Supervisory Board member at Gerdau S.A., (ii) Alternate Fiscal Council member at Metalurgica Gerdau S.A., (iii) Supervisory Board substitute member at Randon S.A. Implementos e Participações, (iv) Supervisory Board member at Lojas Renner Institute, (v) Board Advisor at Casa de Saúde Menino Jesus de Praga-third sector, (vi) Supervisory Board substitute member at the ONG Parceiros Voluntários, (vii) Financial education program facilitator at Cambridge Family Enterprise Group, (viii) Founding partner of GMont – accounting and financial education for heirs and successors of business families, and (ix) Supervisory Board member at RegeneraRS.

DENISIO AUGUSTO LIBERATO DELFINO (born in 1979)

- Education: Degree in Economics from the Federal University of Viçosa, Master's and Ph.D. in Economics from the Getúlio Vargas Foundation (FGV).
- Professional Experience: He worked at Banco do Brasil between 2000 and 2025, where he held positions such as Economist and Strategist at the Private Bank (2008-2012), Executive Manager of the Corporate Governance Directorate (2015-2017), Executive Manager in the Capital Markets Directorate (2017-2020), Director of Stewardship at Previ (2020-2022), Chief Investments Officer (CIO) at Previ (2022-2023) and Chief Executive Officer (CEO) of BB Asset Management (2023-2025). He also worked at the Secretariat of Economic Policy of the Ministry of Finance (2015-2017), was a Member of the Board of Directors of GRU Airport (2023-2024), the Latin America Representative on the Principles for Responsible Investment Council (2023-2025) and Vice President of Anbima. Currently, he is (i) a Full Member of the Board of Directors and the Sustainability Committee of Neenergia S.A. (ii) a Full Member of the Board of Directors and the Control and Risks Committee of TIM, and (iii) Fiscal Council Member at Gerdau S.A.

HERCULANO ANÍBAL ALVES (born in 1953)

- Education: Degree in Economics by PUC/SP with a post-graduation in Financial Management and a Master degree in Finance and Investments at EAESP-FGV. Also holds a Governance, Risk and Compliance Certificate by Risk University – KPMG, participated in the Audit Committee course by IBGC, Portfolio Manager Certification by CVM and ANBIMA (CGA).
- Professional Experience: Worked in the financial market, as Investment Director, Equities Portfolio Manager, Investment Analyst and Credit Analyst at: BRAM – Bradesco Asset Management, ABN AMRO Bank, Unibanco and Banco Bozzano Simonsen, and in the administrative and financial area of the bus company Vila Carrão. He was Board Member of Value and Liquidity Fund of Bradesco Templeton (1998-2001), Board Member of GP's Private Equity Technology Fund (2001-2005), Member of the Fiscal Council of Gerdau S.A. (2017-2018), Member of the Fiscal Council Grupo Fleury and Ecorodovias (2018-2019), Alternate Fiscal Advisor to the Private Equity Fund of 2Bcapital (2013-2019), Partner at Araxá Investimentos (2015-2016), Partner at Barigui Gestão de Recursos (2015-2023) and Board Member of Tim Brasil (2015-2025). Currently is (i) Board Member of MBRF Brasil Foods, Chairman of the Financial Committee, Member of the Human Resources Committee (ii) Member of the Fiscal Council of Cielo, (iii) Member of the Fiscal Council of Grendene, (iv) Member of the Fiscal Council of Metalúrgica Gerdau and Alternate Fiscal Advisor to the Gerdau S.A and (v) Chairman of the Fiscal Council of Tivio Capital.

BOLÍVAR CHARNESKI (born in 1950)

- Education: Degree in Accounting in 1974 and participant in a professional exchange program in PricewaterhouseCoopers, in Atlanta, GA – USA.
- Professional Experience: Founder and partner of Charneski, Consultoria S/S LTDA (1988-2009, Charneski-Audidores & Consultores), a company settled in Porto Alegre (RS), where he was technically responsible for independent auditing and consulting services. Since 2009 dedicates to advising companies and organizations in the fields of Governance, Boards, Management, Accounting and Tax. Board member certified by Instituto IBGC – Instituto Brasileiro de Governança Corporativa (Brazilian Corporate Governance Institute), where he acted as a member of the Coordination Committee of the South Chapter. He was acting Partner (1st elected in Brazil) of Price Waterhouse (1971-1988), where he was also one of the founders of the Accounting and Audit Commission. Former director in various management terms of the IBRACON – Instituto dos Auditores Independentes do Brasil (Brazilian Institute of Independent Auditors), having presided over the 6th Regional Section and serving twice as Director of IBRACON in the national level. Board of Auditors member of Grendene SA (2011-2013), of Forjas Taurus SA (1998-2007), of Metalúrgica Gerdau (2017-2020), Board of Auditors member (assigned as Financial Expert for SOX) at Gerdau S.A. (2011-2025). He is currently a Fiscal Counselor of Metalúrgica Gerdau and an Alternate Fiscal Counselor of Gerdau S.A.

MÁRIO ROBERTO PERRONE LOPES (born in 1981)

● Education: Graduated in Accounting from the Pontificia Universidade Católica de São Paulo (PUC-SP); MBA in Banking from the Instituto Brasileiro de Engenharia de Custos SP (IPEC-SP); MBA in Communication Strategy (Dialogues) and Executive MBA in Private Banking from the Fundação Getúlio Vargas (FGV-SP).

● Professional Experience: He served as Superintendent of Private Banking, Executive Manager of Global Markets (Distribution) at DIMEF, Executive Manager of Investment Strategy, and Executive Manager of Clients, Communication, and Marketing at UPB. He was also General Manager of the Private Office SP, Solutions Manager at UPB, Super Private Bank Market Manager, and Business Manager of the Private Network. An employee of Banco do Brasil since 2000. He is currently the (i) Executive Director of the Commercial and Product Division at BB Asset and (ii) Alternate member of the Fiscal Council of Gerdau S.A.

D. EMPLOYEES

Work Force	Brazil	Other Countries	Total
2025	17,021	8,796	25,817
2024	16,750	8,807	25,557
2023	17,389	9,982	27,371

Extended Work Force*	Brazil	Other Countries	Total
2025	5,366	1,052	6,418
2024	5,116	950	6,066
2023	5,290	1,262	6,552

* Outsourced corresponds to employees of third-party service providers of Gerdau which provide, as employees of those providers, services directly to Gerdau in areas that are not the core business of Gerdau.

As of December 31, 2025, the Company employed 25,817 at its industrial units, excluding joint ventures entities, 66% of this total is based in Brazil and the remainder in South America and North America, which have 2,182 and 6,614 employees, respectively.

As labor unions in Brazil and other Countries in Latin America are organized on a regional basis, the Company has no nationwide agreements with its employees. 31% of Gerdau North America employees are unionized.

Gerdau maintains good working conditions at its mills and consequently has what it believes to be a comparatively low employee turnover rate.

Gerdau maintains good relations with employees. To maintain such good working environment, the Company provides development and training opportunities, team-building programs and transparent management system. Compensation programs are designed to meet employee's financial interests with those of Gerdau shareholders.

E. STOCK OWNERSHIP

The following table shows the individual holdings of shares in preferred and common stock in Gerdau for each director and executive officer as of December 31, 2025.

Shareholder	Common Shares (with voting rights)	Preferred Shares (with restricted Voting rights)
André Bier Gerdau Johannpeter	—	354,273
Claudio Johannpeter	—	—
Guilherme Chagas Gerdau Johannpeter	—	—
Gustavo Werneck da Cunha	—	51
Claudia Sender Ramirez	—	15,874
Alberto Fernandes	—	—
Rafael Dorneles Japur	—	31,199
Marcos Eduardo Faraco Wahrhaftig	—	—
Mauricio Metz	—	25,566
Carlos Eduardo Vieira da Silva	—	93,236
Cesar Obino da Rosa Peres	—	5,057
Flavia Dias da Silva de Souza	—	27,493
Wendel Gomes da Silva	—	119,361
TOTAL		672,110

The Company has different employee stock option plans for each of its subsidiaries. See Note 26 - Long - Term Incentive Plans in its Consolidated Financial Statements included herein for further details.

The following table shows the 2013 to 2025 awards (all Gerdau Preferred Shares) to each Board member and executive officer, with a current mandate, up to December 31, 2025. Since 2013, the Company has not been granting Stock Options and all remaining Stock Options were either vested or cancelled.

Names	Restricted Share Units					Performance Share Units				
	Grant	Bonus	Exercise	Cancelled	Balance	Grant with performance adjustment	Bonus	Exercised	Cancelled	Balance
Alberto Fernandes	23,429	3,001	—	—	26,430	—	—	—	—	—
Andre Bier Gerdau Johannpeter	2,228,296	90,133	(1,874,319)	(18,080)	426,030	1,799,759	—	(1,752,621)	(47,138)	—
Carlos Eduardo Vieira da Silva	10,554	735	—	—	11,289	15,830	1,103	—	—	16,933
Cesar Obino da Rosa Peres	90,156	2,861	(76,458)	—	16,559	101,851	4,964	(81,653)	(324)	24,838
Claudia Sender Ramirez	41,789	4,771	(19,146)	(984)	26,430	—	—	—	—	—
Claudio Johannpeter	2,065,251	88,199	(1,709,340)	(18,080)	426,030	1,483,284	—	(1,447,138)	(36,146)	—
Flávia Dias da Silva de Souza	9,781	821	—	—	10,602	14,670	1,231	—	—	15,901
Guilherme Chagas Gerdau Johannpeter	1,352,828	83,862	(992,580)	(18,080)	426,030	490,522	—	(479,022)	(11,500)	—
Gustavo Werneck da Cunha	1,024,795	108,987	(580,219)	—	553,563	1,803,892	179,370	(1,152,618)	(299)	830,345
Marcos Eduardo Faraco Wahrhaftig	425,632	90,098	(74,395)	—	441,335	644,138	136,133	(116,743)	(1,526)	662,002
Mauricio Metz	40,301	6,313	—	—	46,614	20,101	1,400	—	—	21,501
Rafael Dorneles Japur	127,402	24,563	(18,872)	—	133,093	127,929	26,129	(24,370)	—	129,687
Wendel Gomes da Silva	64,588	7,286	(38,629)	—	33,245	88,494	7,407	(76,497)	—	19,405
Total	7,504,802	511,630	(5,383,958)	(55,224)	2,577,250	6,590,470	357,737	(5,130,662)	(96,933)	1,720,612

Information concerning exercise price, grant date, vesting date and expiration date are available in the stock option table in Item 6.B — Compensation.

F. DISCLOSURE OF A REGISTRANT'S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED-PARTY TRANSACTIONS**A. MAJOR SHAREHOLDERS**

As of December 31, 2025, Gerdau had 717,363,819 common shares and 1,257,780,072 non - voting Preferred Shares outstanding (excluding treasury stock). Of the two classes of traded stocks in the market, only the common stock carries voting rights. Under the terms of the Company's Bylaws, however, specific rights are assured to the non - voting preferred stock. See the Bylaws of Gerdau attached to this Annual Report.

The table below presents certain information as of December 31, 2025, regarding (i) any person known to the Company as the owner of more than 5% of Gerdau's outstanding common stock, (ii) any person known to the Company as the owner of more than 5% of Gerdau's outstanding preferred stock, and (iii) the total amount of the common and preferred stock owned by the members of the board of directors and executive officers of Gerdau as a group.

Shareholder	Common Shares	%	Preferred Shares	%
Metalúrgica Gerdau S.A	702,952,615	97.9	—	—
JP Morgan Chase Bank	—	—	434,146,847	33.8
Members of the board of directors and executive officers as a group (13 members)	—	—	672,110	0.0

Metalúrgica Gerdau S.A. is a holding company that directly and indirectly controls all Gerdau companies in Brazil and abroad. Metalúrgica Gerdau hold 97.9% of the voting capital stock of Gerdau and thus has the ability to control the Company's Board of Directors as well as its management and operations.

On December 31, 2025 there were 434,146,847 ADSs outstanding, representing 33.8% of Gerdau Preferred Shares and the number of United States record holders was 54 (based solely on their addresses).

B. RELATED-PARTY TRANSACTIONS

The Company's transactions with related parties consist of (i) loans, (ii) commercial operations, (iii) marketable securities in investment funds managed by a bank, and (iv) sale and rental of property. See Note 20 to the Consolidated Financial Statements (Related Party Transactions) for further information.

(i) Gerdau maintains loans with some of its subsidiaries and other affiliates through loan contracts, which are repaid under conditions similar to those prevailing in the open market. Loan agreements between Brazilian companies are adjusted by the monthly variation in the CDI (interbank deposit rate). The agreements with foreign companies are adjusted by contracted charges plus foreign exchange variation, when applicable.

(ii) Commercial operations between Gerdau and its subsidiaries or related parties basically consist of transactions involving the purchase and sale of inputs and products. These transactions are carried out under the terms and conditions established in the contract between the parties and under prevailing market conditions.

(iii) The Company holds marketable securities in investment funds managed by a bank. These marketable securities comprise time deposits and debentures issued by major Brazilian banks and treasury bills issued by the Brazilian government.

(iv) The Company and its subsidiaries carried out transactions with controlling shareholders referring to the sale of property. Additionally, the Company recorded income derived from rental agreements.

See Consolidated Financial Statements — Note 20 — Related-Party Transactions for a complete summary of the transactions with related parties.

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

The Company's financial statements are included in Item 18.

Legal Proceedings

General

In common with other Brazilian companies, Gerdau and its subsidiaries are parties to judicial and administrative proceedings involving labor, civil and tax matters. Management believes that the provisions recorded for these judicial and administrative proceedings are sufficient to cover probable and reasonably estimable losses from unfavorable court decisions and that the final decisions will not have significant effects on the financial position of the Company and its subsidiaries on December 31, 2025.

The following table summarizes the contingencies and related judicial deposits: as of December 31, 2025, 2024, and 2023 (in thousands of *Reais*):

Subjects

	Contingencies			Deposits		
	2025	2024	2023	2025	2024	2023
Tax provisions	1,928,918	1,925,237	1,737,984	89,046	272,783	1,828,611
Labor provisions	326,315	369,041	413,179	36,149	45,040	56,640
Civil provisions	37,179	34,571	34,662	25,698	14,737	178,819

The material administrative and judicial claims and the related provisions are described more fully in Note 19 to the Financial Statements.

Tax Provisions

Tax provisions are related to:

- R\$ 168,702 related to ICMS (state VAT), mostly regarding the right of offsetting credits.
- R\$ 39,444 related to Social Security Contributions on the payroll.
- R\$ 1,350 related to "Recomposição Tarifária Extraordinária" - RTE, which represent tariffs charged for supplying energy to the Company's industrial units. Management believes that these tariffs represent taxes and are thus incompatible with the National Tax System. The claims are currently under review in Regional and Superior Federal Courts. The Company has made escrow deposits equivalent to the total amount of these claims.
- R\$ 899,510 related to disallowance of PIS and Cofins credits and claims related to their impact on other revenues.
- R\$ 752,224 related to tax uncertainties related to Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL.
- R\$ 7,056 related to other taxes, which were classified as probable loss.
- R\$ 60,631 related to IPI, which were classified as probable loss.

The Company and its subsidiaries are parties to other tax claims. For these claims, no accounting provision was made, since these are considered as possible losses, based on the opinion of its legal counsel and management's assessment. See Note 18 to the Financial Statements included herein.

Labor Provisions

The Company is also a party to labor lawsuits, for which there is a provision of R\$ 326,315 as of December 31, 2025. None of these lawsuits involve significant amounts individually and the lawsuits involve various labor amounts and the provision arises from unfavorable decisions and/ or probability of probable loss in the normal course of claims with the expectation of outflow of financial resources by the Company. The balance of judicial deposits related to labor contingencies, on December 31, 2025, represented R\$ 36,149.

The Company and its subsidiaries are parties to other labor claims that together have an amount of R\$ 1,443,044. For these claims, no accounting provision was made, since these were considered as possible losses, based on the opinion of management with input from legal counsel.

Other Provisions

The Company is also involved in lawsuits arising from the ordinary course of its operations and has reserved R\$ 37,179 for these actions. Deposits in guaranteed accounts related to these contingencies on December 31, 2025, amounted to R\$ 25,698.

Other contingent liabilities with remote probabilities of losses, involving uncertainties regarding their occurrence, and, therefore, not recorded as provisions, are presented below:

Antitrust Proceedings

The current number of ongoing proceedings (six) is low, which demonstrates a controlled environment aligned with competitive compliance practices. It is important to note that, in judicial or administrative proceedings, the continuation, closure or dismissal of a case does not necessarily depend on the Company's internal performance, but also on external factors, such as the processing time within the courts and administrative bodies, due to the high volume of cases handled by these institutions. Therefore, although no proceedings were formally closed this year, two of them had extrajudicial settlements reached without any admission of misconduct or irregularity by Gerdau, and their final closure is pending only procedural formalities. The Company maintains a diligent and strategic approach, ensuring continuous monitoring and consistent management of all proceedings. Gerdau states that it has not engaged in any misconduct in any of the ongoing proceedings.

A lawsuit was filed based on a request by two civil construction unions in the state of São Paulo alleging that Gerdau and other long steel producers in Brazil share customers, thus violating the antitrust legislation. After investigations carried out by the Competition Defense System (SDE — Secretaria de Direito Econômico), the final opinion was that a cartel existed. The lawsuit was therefore forwarded to the Administrative Council for Economic Defense (CADE) for judgment, which resulted in a fine to the Company and other long steel producers, on September 23, 2005, in an amount equivalent to 7% of gross revenues in the year before the Administrative Proceeding was commenced, excluding taxes (fine of R\$ 245,070, updated by the judicial accountant on August 1, 2013 to R\$ 417,820).

Two lawsuits challenge the investigation conducted by the Competition Defense System based on procedural irregularities, especially the production of evidence, based on an economic study, to prove that a cartel did not exist. The Court, upon offer of bank guarantee letter, granted the suspension of the effects of CADE's decision. Both actions were dismissed, and their respective appeals were also rejected by the Federal Regional Court of the 1st Region.

Against both decisions, appeals were lodged with the Superior Court of Justice and the Supreme Federal Court. The appeal to the Supreme Federal Court was dismissed. Upon unanimous decision, the Superior Court of Justice (STJ) dismissed the fine, acknowledging that there was no due process of law, considering that CADE conducted the case without the proper market analysis and related facts (see STJ, REsp 1.979.138 - DF (2021/0405949-3)).

The decision of the STJ was appealed by CADE and the Attorney-General of The Republic (PGR – Procurador-Geral da República) to the Supreme Federal Court (STF).

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On December 30, 2024, the Company and its subsidiary Gerdau Aços Longos S.A entered into an Agreement with the Administrative Council for Economic Defense (CADE), subject to judicial approval, related to the Administrative Process. The Agreement did not delve into the merits of the alleged conduct under investigation in the mentioned administrative process and it should not be interpreted as an admission by Gerdau of any irregularity or illegality. As a result of this Agreement, the parties settled to terminate the lawsuits aforementioned and their related appeals. Gerdau committed to paying the amount of R\$ 256.099 to the Fundo de Defesa de Direitos Difusos, under the terms of Law N° 14.973, of October 17, 2004. The payment was made in cash using available resources. The Company filled the request to withdraw the two ongoing lawsuits, whose petition was received, processed and granted with the approval occurring on January 7, 2025.

Other Civil Litigation

The Company and its subsidiaries are parties to other civil claims that together have an amount of R\$ 1,006,450. For these claims, no accounting provision was made, since these were considered as possible losses, based on the opinion of its legal counsel and management's assessment.

No Material Effect

The Company is involved in several tax, environmental, civil and labor disputes involving significant monetary claims. Unfavorable results in judicial, administrative and regulatory litigation could negatively affect our operating results, cash flows and financial condition. For more information on our several tax, environmental, civil and labor disputes, see Item 3.D – “Risk Factors – Financial Risks – We are involved in several tax, environmental, civil and labor disputes involving significant monetary claims. Unfavorable outcomes in judicial, administrative and regulatory litigation may negatively affect our results of operations, cash flows and financial condition.”

Dividend Distribution

Brazilian Corporate Law requires the Bylaws of each Brazilian corporation to specify a minimum percentage of the profits for each fiscal year that must be distributed to shareholders as dividends. On this note, it is common for corporations to provide for a minimum payout of 25% of adjusted net income. According to the Company's Bylaws, this percentage has been fixed at no less than 30% of the adjusted net income for distribution each fiscal year.

Dividends for a given fiscal year are payable from (i) retained earnings from prior periods and (ii) after-tax income for the same period, after the allocation of income to the legal reserve and to other reserves. To convert the dividends paid by the Company from *reais* into U.S. dollars, the financial institution providing the Company with custodial services uses the significant commercial market exchange rate on the date that these dividends are made available to shareholders in Brazil. Under Brazilian Corporate Law, a Brazilian company is required to maintain a legal reserve, to which it must allocate 5% of net income determined in accordance with the law for each fiscal year until such reserve reaches an amount equal to 20% of the Company's paid-in capital. On December 31, 2025, Gerdau's legal reserve amounted to R\$ 2,826.3 million or 11.6% of total paid-in capital of R\$ 24,273.2 million. According to Brazilian Corporate Law, holders of Preferred Shares in a Brazilian corporation are entitled to dividends at least 10% greater than the dividends paid on ordinary shares. Gerdau's Executive Directors presented a proposal at the 2002 general meeting to grant to both ordinary and Preferred Shares 100% tag-along rights. Shareholders approved this measure and the right was extended to all shareholders, even though the new Brazilian Corporate Law only requires that such rights be granted to the common minority shareholders (and only for 80% of the consideration paid to the controlling shareholders).

Under the amendments to the Brazilian Corporate Law, by extending the tag along rights to minority shareholders, the Company no longer needs to comply with the requirement to pay an additional 10% premium on dividends paid to preferred shareholders. Following the approval and implementation of the amendments to the Company's Bylaws to provide for the tag-along rights as described above, the Company now pays the stated minimum dividend of 30% of adjusted net profit (section 19 of the Company's Bylaws) to all shareholders, from January 1, 2002 dividends paid to preferred shareholders no longer being subject to a minimum 10% premium over those paid to holders of ordinary shares.

As a general requirement, shareholders who are non-residents of Brazil must have their Brazilian company investments registered with the Central Bank in order to be eligible for conversion into foreign currency of dividends, sales proceeds or other amounts related to their shares for remittance outside Brazil. Preferred shares underlying the ADSs will be held in Brazil by the custodian as agent for the Depository Bank (the “Depository”). The holder of Preferred Shares will be the registered holder recorded in the Preferred Shares register.

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Payments of cash dividends and distributions, if any, are made in Brazilian currency to the custodian, on behalf of the Depository, which will then convert such proceeds into U.S. dollars and deliver the same U.S. dollars to the Depository for distribution to holders of ADSs. If the custodian is unable to convert the Brazilian currency received as dividends into U.S. dollars immediately, the amount of U.S. dollars payable to holders of ADSs may be adversely affected by any devaluation or depreciation of the Brazilian currency relative to the U.S. dollar that may occur before such dividends are converted and remitted. Dividends in lieu of the Preferred Shares paid to holders who are not resident in Brazil, including holders of ADSs, are not subject to Brazilian withholding tax.

Since 1999, dividends have been paid to holders of the Company's ordinary and Preferred Shares in *reais* and in U.S. dollars converted from *reais* at the commercial exchange rate on the date of payment. Significant amounts are described in Item 3 - Key Information - Selected Financial Data.

Interest on Capital Stock

Law nº 9,249 of December 1995 provides that a company may, at its sole discretion, pay interest on capital stock in addition to, or instead of, dividends. A Brazilian corporation is entitled to pay its shareholders interest on capital stock up to the limit of an amount computed based on TJLP (Long - Term Interest Rate) on capital stock. Such interest, which may not exceed the higher of 50% of the annual profits or 50% of the accumulated earnings and profits, is deductible for both IRPJ and CSLL purposes and is subject to 15% WHT, in general, at the source. See Item 10. Additional Information - Taxation.

B. SIGNIFICANT CHANGES

Not applicable.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Not required.

B. DISTRIBUTION PLAN

Not required.

C. MARKETS

São Paulo Stock Exchange - Brazil

Trading on the B3

The São Paulo Stock Exchange (called "B3 S.A. - Brasil, Bolsa, Balcão" or just "B3") trading is conducted between 10:00 a.m. and 5:00 p.m. (or 6:00pm depending on the season) on the B3 automated system. There is also trading on the so-called After-Market, a system that allows for evening trading through an electronic trading system. Trades are made by entering orders in the Mega Bolsa electronic trading system, created and operated by B3. The price variations are limited to 2% (above or below) the closing quote of the day.

In order to better control volatility, the B3 adopts a "circuit breaker" system pursuant to which trading sessions may be suspended for a period of 30 minutes or one hour whenever the index of the B3 falls below the limits of 10% or 15%, respectively, in relation to the index registered in the previous trading session. If any circuit breaker takes place during the day, trading sessions thereafter may be suspended by a period of time to be determined as per B3's own discretion whenever the index of the B3 falls below the limit of 20% in relation to the index registered in the trading session of the day before.

Since March 17, 2003, market making activities have been allowed on the B3. The CVM and the B3 have discretionary authority to suspend trading in shares of a particular issuer under certain circumstances. Trading of securities listed on the B3 may be affected off the stock exchange market under certain circumstances, although such trading is very limited.

Settlement of transactions is effected three business days after the trade date without adjustment of the purchase price for inflation. The seller is ordinarily required to deliver the shares to the exchange on the second business day following the trade date.

Trading on the B3 by non-residents of Brazil is subject to certain limitations under Brazilian foreign investment legislation. See specific regulation for foreign investments in Brazil.

Corporate Governance Practices in Brazil

In 2000, the B3 introduced three special listing segments, known as Level 1 and 2 of Differentiated Corporate Governance Practices and in 2004 the *Novo Mercado*, aimed at encouraging Brazilian companies to follow good corporate governance practices and higher levels of transparency, as required by Brazilian Corporate Law. The listing segments were designed for the trading of shares issued by companies voluntarily undertaking to abide by corporate governance practices and disclosure requirements in addition to those already imposed by Brazilian law. These rules generally increase shareholders' rights and enhance the quality of information provided to shareholders.

The Company is listed on the Level 1 segment of the B3. To become a Level 1 company, in addition to the obligations imposed by current Brazilian law, an issuer must agree to (i) ensure that shares of the issuer representing at least 20% of its total capital are effectively available for trading; (ii) adopt offering procedures that favor widespread ownership of shares whenever making a public offering; (iii) comply with minimum quarterly disclosure standards, including cash flow statements; (iv) follow stricter disclosure policies with respect to transactions made by controlling shareholders, directors and officers; (v) disclose the terms of the transactions with related parties; (vi) make a schedule of corporate events available to shareholders; (vii) at least once a year, hold public meetings with analysts and investors; (viii) include in the Company's Bylaws the mandatory minimum clauses set out by B3; (ix) prepare and publish its Trading Securities Policy and Code of Conduct; and (x) not accumulate the position of Chairman of the Board of Directors and Chief Executive Officer or lead executive by the same person.

Regulation of the Brazilian Securities Market

The Brazilian securities markets are regulated by the CVM, which has authority over stock exchanges and the securities markets generally, and by the Brazilian Central Bank, which has, among other powers, licensing authority over brokerage firms and regulates foreign investment and foreign exchange transactions. The Brazilian securities market is governed by the Brazilian Securities Law (as mentioned in Introduction, Law N° 6,385 of December 7, 1976, as amended) and the Brazilian Corporate Law (as mentioned in Introduction, Law N° 6,404 of December 15, 1976, as amended).

In addition, Law N° 11,638, of December 28, 2007 and Law N° 11,941, of May 27, 2009, is also applicable, which amended a number of provisions of Brazilian Securities Law and Brazilian Corporate Law, related to accounting rules and financial statements of Brazilian corporations. The changes aim to bring Brazilian accounting rules/financial statements closer to international standards.

Under the Brazilian Corporate Law, a company is either publicly held, such as Gerdau or closely held. All publicly held companies must apply for registration with the CVM and are subject to ongoing reporting requirements. A publicly held company may have its securities traded either on the B3 or on the Brazilian over-the-counter markets (Brazilian OTC). The shares of a publicly held company, including Gerdau, may also be traded privately subject to certain limitations established in CVM regulations.

CVM has issued Resolution N° 80, dated March 29, 2022, as amended, that provides for the requirements for the registration of publicly held companies and companies that intend to trade securities in regulated securities markets. CVM Resolution N° 80 significantly modified the reporting requirements applicable to publicly held companies and reiterating and strengthening the obligation to such companies to file annually with CVM a Reference Form ("*Formulário de Referência*") containing all of the Company's significant information and to update the information contained therein as soon as any significant changes occur.

In addition to such reporting requirements, the occurrence of certain events also requires disclosure of information to the CVM, the B3, or even the public. These include, as determined in CVM Resolution N° 44, dated August 23, 2021, (i) the direct or indirect acquisition by an investor of at least 5% (five percent) of any class or type of shares representing the share capital of a publicly held company, (ii) the sale of shares representing the transfer of control of a publicly held company and (iii) the occurrence of a material event to the corporation. Also, on October 29, 2024, the CVM issued Resolution N° 215, as amended, which reiterated the obligation to conduct tender offers if one of the following events occurs: (i) delisting of companies; (ii) an increase in the equity interest of the controlling shareholder; or (iii) the transfer of control of a public held company.

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The Brazilian OTC market consists of direct trades between individuals in which a financial institution registered with the CVM serves as intermediary. No special application, other than registration with the CVM, is necessary for securities of a publicly held company to be traded on the Brazilian OTC. The CVM must be notified of all trades carried out on the Brazilian OTC by a company's respective intermediaries. The trading of a company's securities on the B3 may be suspended in anticipation of a material announcement. Trading may also be suspended at the initiative of the B3 or the CVM based on a belief that a company has provided inadequate information regarding a material event, has not provided an adequate response to the inquiries by the CVM or the stock exchange, or for other reasons.

The laws and regulations regarding the Brazilian Securities Market provide for disclosure requirements, restrictions on insider trading and price manipulation, and protection of minority shareholders. Although many changes and improvements have been introduced, the Brazilian securities markets are not as highly regulated and supervised as the U.S. securities markets or those in certain other jurisdictions.

Regulation of Foreign Investment in Brazil

Foreign investors may either register their investments in the Company's shares as a foreign direct investment under Law N° 4,131/62, as amended, and BCB (Central Bank of Brazil) Resolution N° 278/22, which regulates Law No. 14,286, of December 29, 2021, or as a portfolio investment under BCB Resolution N° 13/24 and CVM Resolution N° 13/20, both as amended. Foreign investors, regardless of whether their investments are made as foreign direct investments or portfolio investments, must be enrolled with the RFB (Receita Federal do Brasil, the Brazilian internal revenue service) pursuant to its Regulatory Instruction N° 2,119, as of December 8, 2022. This registration process is undertaken by the investor's legal representative in Brazil.

The laws and Resolutions above provide that, after a foreign direct investment is made, an application for its registration with the Central Bank of Brazil must be submitted by the investee and the non - resident investor, through its independent representatives in Brazil, within 30 days. The registration of the foreign direct investment with the Central Bank of Brazil allows the foreign investor to remit abroad resources classifiable as capital return, resulting either from: (i) the transfer of corporate interests to Brazilian residents, (ii) capital reduction, or (iii) the liquidation of a company, as well as funds classified as dividends, profits or interest on shareholders' equity. Foreign investors with foreign direct investments may also divest those investments through private transactions or transactions conducted through the stock exchange or the over - the - counter market. See "*Taxation - Brazilian Tax Considerations*" for information regarding the taxation of such transactions.

There are no restrictions on ownership of the Company's shares by individuals or legal entities domiciled outside Brazil. With certain limited exceptions, under BCB Resolution N° 13/24 investors are permitted to carry out any type of transaction in the Brazilian financial and capital markets involving a security traded on a stock, futures or organized over - the counter markets. Investments and remittances outside of Brazil of gains, dividends, profits or other payments for ordinary and Preferred Shares are made through the exchange market. See "*Exchange Controls*" for further information regarding non - Brazilian holders who qualify under BCB Resolution N° 13/24.

Securities and other financial assets held by non - Brazilian investors pursuant to BCB Resolution N° 13/24 must be registered or maintained in deposit accounts or under the custody of an entity duly licensed by the Central Bank of Brazil or the CVM. In addition, securities trading is restricted to transactions carried out in the stock exchanges or through organized over - the - counter markets licensed by the CVM, except for transfers resulting from a corporate reorganization, or occurring upon the death of an investor by operation of law or will.

Trading on Exchanges outside Brazil

In addition to the B3, Gerdau shares are currently traded on the New York Stock Exchange:

New York Stock Exchange

On March 10, 1999, Gerdau obtained registration for the issuance of Level II ADSs, which began trading on the New York Stock Exchange the same day. Under the GGB symbol, these Level II ADSs have been traded in virtually every session since the first trading day. In 2025, 3.3 billion ADSs were traded, a figure 50% higher than in 2024, representing a trading volume of US\$ 12.1 billion, equivalent to a daily average of US\$ 48.3 million. In 2024, 2.2 billion ADSs were traded, a figure 3% higher than in 2023, representing a trading volume of US\$ 6.3 billion, equivalent to a daily average of US\$ 29.8 million. In 2023, 2.1 billion ADSs were traded, a figure 52% lower than in 2022, representing a trading volume of US\$ 8.54 billion, equivalent to a daily average of US\$ 36.6 million.

Latibex — Madrid Stock Exchange

From December 2, 2002 to January 15, 2024, Gerdau's Preferred Shares were traded on the Latibex, the Madrid Stock Exchange devoted to Latin American companies traded in Euros. The shares were traded in Spain under the symbol XGGB in the form of Depositary Receipts ("DRs"), each corresponding to one preferred share.

On December 27, 2023, a formal request was submitted to the Latibex to initiate the necessary procedures for the delisting of XGGB shares. In the end of 2023, a total of 300 thousand Gerdau Preferred Shares were traded on the Latibex, representing a trading volume of €1.6 million, equivalent to a daily average of €6.1 thousand.

On February 16, 2024, the request to delist the Company's shares traded on Latibex was granted, and the Company is no longer listed on it. The Company's shares continue to be traded on the B3 and in the form of ADRs on the NYSE.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Gerdau's Bylaws have been registered with the Public Registry of the State of São Paulo (Junta Comercial de São Paulo) under company number (NIRE) 35.3.0052069-6 and its last amendment was made on April 16, 2024.

The consolidated Bylaws set forth herein as Exhibit 1.1.

Objects and purposes

According to the Article 2 of the Company's Bylaws, Gerdau has the following purposes:

- holding interests in the capital of companies engaged in the industry and trade of steel and/or metallurgical products, with plants integrated or not integrated to ports, as well as other companies and industrial consortia, including activities of research, mining, ore industrialization and trading, elaboration, execution and management of forestation and reforestation, as well as the trade, export and import of goods, conversion of forests into charcoal, transport of goods of its own manufacture and port operator activities in accordance with the applicable law;
- industry and trade exploitation in steel products in general, laminates, drawn and iron and steel products, smelting of iron, steel and other metals, including through representation, import and exporting of goods related to its industrial and commercial activities, technical assistance and service provision; and
- commercialization and import of natural gas and other related activities.

Summary of Special Conditions Relating to Directors and Officers

Although the Bylaws do not specifically address this matter, the Company, its directors and officers are obliged to adhere to the provisions of Brazilian Corporate Law, which regulates corporations in Brazil, and also observe the rules of the Brazilian Securities Commission (CVM) and the São Paulo Brazilian Stock Exchange (B3).

In general terms, Article 153 of the Brazilian Corporate Law establishes that in exercising his/her duties, a company director or officer shall employ the care and diligence which a person normally employs in the administration of his/her own affairs.

In addition, Article 154, paragraph 2 of the Brazilian Corporate Law, states that directors and officers shall not: a) perform an act of liberality at the expense of the company; b) borrow money or property from the company or use company's property, services or credits for his/her own advantage or for the advantage of any entity in which he/she/any third party has an interest, without the prior approval of a general meeting or the Board of directors; c) by virtue of his/her position, receive any type of direct or indirect personal benefit unless according to the Company's Bylaws or a general meeting.

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Article 156 of the Brazilian Corporate Law states that an administrator (members of the Board of directors and executive officers) shall not take part in any corporate transaction in which he/she has an interest which conflicts with an interest of the corporation, nor in the decisions made by the other officers on the matter.

Regarding the decision on Director's compensation, the Bylaws of the Company state that the shareholders are in charge of defining the global remuneration of the administrators (members of the Board of Directors and Executive Officers) and the Board of Directors is in charge of fixing the individual remuneration of its Directors and Officers (Article 6, paragraph 5, letters "m" and "n" of the Company's Bylaws).

Finally, the Board of Directors and the Board of Officers may decide to create specific committees linked to themselves, which shall include one or more of its members, Company employees or contracted third-parties with the aim of coordinating or orienting certain corporate processes or operations (see Article 6, paragraph 7, and Article 9, paragraph 3, respectively, of the Company's Bylaws).

Rights, preferences and restrictions attaching to each class of the shares

Gerdau's capital stock is divided into common and Preferred Shares.

Rights to dividends

All common and Preferred Shares enjoy the same rights to dividends, which are established by the Company's Bylaws as a minimum mandatory percentage of 30% of net income, with the following adjustments:

(a) the addition to the following amounts:

- amounts arising during the fiscal year from the reversal of previous contingency reserves;
- amounts resulting from the realization, during the fiscal year, of profits that have previously been transferred to the unrealized profit reserve line;
- amounts arising from the realization during the fiscal year of increases in the value of assets, as a result of new valuations, recorded as revaluation reserve.

(b) the subtraction of amounts assigned during the fiscal year for the constitution of legal reserves, the reserve for contingencies, the unrealized profit reserve and the tax incentive reserve.

Voting rights

According to Gerdau's Bylaws, the common shares have voting rights and the Preferred Shares have no voting rights although the holders of Preferred Shares are entitled to attend general meetings and to participate in the discussions.

Note, however, that the Company's Bylaws state, in Article 19, paragraph 11, that the Preferred Shares shall acquire the right to vote if the Company, for three consecutive fiscal years, fails to pay the minimum dividends to which they are entitled, a right that the shares will hold until the first subsequent payment of dividends that the Company makes.

In accordance with the Brazilian Corporate Law, shareholders representing the majority of a) holders of Preferred Shares without voting rights (or with restricted voting rights) representing 10% of the total capital stock; and b) holders of at least 15% of the voting capital stock, shall have the right to elect and remove a member and his substitute from the Board of directors, in a separate election at the general meeting, the majority shareholder being excluded from such election.

If neither the holders of shares with voting rights nor the holders of Preferred Shares without voting rights or with restricted voting rights are sufficient to achieve the quorum above, they shall be allowed to aggregate their shares in order to jointly elect a member and his substitute for the Board of Directors, in this case considering the quorum of 10% of the capital stock.

Also, shareholders representing at least 5% of the voting capital may also request that the election of directors be subject to cumulative voting, said request to be submitted to the Company no later than 48 hours prior to the general meeting.

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Notwithstanding the provisions aforementioned, the controlling shareholders shall always have the right to elect the majority of the members of the Board of Directors of a Brazilian company.

Based upon Article 161, paragraph 4 of the Brazilian Corporate Law, the holders of Preferred Shares without voting rights or with restricted voting rights shall be entitled to elect one member of the Board of Auditors and his alternate in a separate election. The minority shareholders shall have the same right, provided that they jointly represent 10% or more of the voting shares.

Rights to the reimbursement of capital

The Preferred Shares enjoy preference in the reimbursement of capital, up to the value of their respective interest in the capital stock, in the event of the Company's dissolution, after which the common shares are reimbursed up to the value of their respective fractional participation in the capital stock, with the remaining balance distributed on equal conditions among the holders of the common and Preferred Shares.

Liability to further capital calls and Shareholders owning a substantial number of shares

There are no specific provisions in the Company's Bylaws of liability to further capital calls by the Company or provisions discriminating against any existing or prospective holder of such securities as a result of such shareholder owning a substantial number of shares.

Changes to the rights

The Brazilian Corporate Law states, in its Article 109, that neither the Bylaws nor a general meeting may deprive a shareholder of the right:

- a) to participate in the corporate profits;
- b) to participate in the assets of the corporation in the case of liquidation;
- c) to supervise the management of the corporate business as provided for in the Brazilian Corporate Law;
- d) of first refusal in the subscription of shares, founders' shares convertible into shares, debentures convertible into shares and subscription bonuses, and
- e) to withdraw from the corporation in the cases provided for in the Brazilian Corporate Law.

Furthermore, Article 16, sole paragraph of the Brazilian Corporate Law sets forth that, unless expressly provided for, an amendment to that section of the Bylaws which regulates the different classes of shares shall require the approval of the shareholders of all shares thereby affected. On the same hand, Article 136, paragraph 1 of the Brazilian Corporate Law states that any changes in the preferences or rights of the Preferred Shares, or the creation of a class of shares having priority in relation to the existing Preferred Shares, unless the change is authorized by the Bylaws, would require the approval of the preferred shareholders in a special general meeting, in addition to approval by the majority of the holders of the outstanding voting shares.

Annual general meetings and extraordinary general meetings of shareholders

The call for a shareholder meeting, which could be annual Ordinary General meeting and Extraordinary General meetings of Gerdau shall be made by a notice published on at least three occasions in the Valor Econômico, São Paulo edition. The notice shall contain, in addition to the place, date and time of the general meeting, the agenda and, in the case of an amendment to the Bylaws, an indication of the subject-matter.

In accordance with the Brazilian Corporate Law, the first call of the general meeting shall occur twenty-one (21) days in advance, and the second call eight (8) days in advance.

Apart from the exceptions provided by law, the opening of a general meeting shall occur on first call with the presence of shareholders representing at least one-quarter of the voting capital; and on the second call, with any number.

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In order to attend a shareholders' meeting, a shareholder may participate by itself or may be represented at a general meeting by a proxy, appointed less than one year before, who shall be a shareholder, a corporation officer, a lawyer or a financial institution. Also, shareholders that are legal entities may be represented at shareholders' meetings by their legal representatives or by a duly appointed attorney-in-fact, pursuant to the bylaws and related corporate instruments of the legal entities and pursuant to the Brazilian Civil Code. Investment funds must be represented by their administrator or a proxy.

A request for the appointment of a proxy shall satisfy the following requirements:

- a) contain all information necessary to exercise the requested vote;
- b) entitle the shareholder to vote against a resolution by appointing another proxy to exercise the said vote; and
- c) be addressed to all shareholders whose addresses are kept by the corporation.

Alternatively, the shareholders might participate in a shareholders' meetings through a remote voting mechanism, which is regulated by CVM Resolution No. 80, as amended, and aims to facilitate the participation of shareholders in general meetings.

Subject to the requirements aforementioned, any shareholder whose shares with or without voting rights represent one-half percent or more of the capital shall be entitled to request a list of the addresses of the shareholders.

The legal representative of a shareholder shall receive an authorization to attend general meetings.

Limitations on the rights of non-residents and foreign shareholders to own securities

There are no limitations on the rights to own securities by non-residents or foreign shareholder set forth in the Bylaws of Gerdau. The Brazilian Corporate Law also does not establish any limitation. Note that some procedures shall be observed by the foreign companies for the remittance of funds (see Item 10.D, below).

According to Article 119 of Brazilian Corporate Law, a shareholder resident or domiciled abroad must maintain a representative in Brazil empowered to accept service of process in proceedings brought against him under the Brazilian Corporate Law.

Change in control of the Company

Brazilian Corporate Law states that the direct or indirect transfer of control of a publicly held corporation can only be effective under the condition that the purchaser agrees to conduct a public offer to acquire the voting shares owned by the remaining shareholders, guaranteeing a price at least equal to 80% of the amount paid for each voting share that is part of the controlling block.

Gerdau's Bylaws attribute to all shares the right to be included in any public offering involving the transfer of control, guaranteeing the same price paid per share with voting rights that are part of the controlling block.

Disclosure of shareholders ownership

With regard to the disclosure of ownership, shareholders shall observe the CVM Resolution N° 44, of August 23, 2021, which sets forth that:

“Article 12. The direct or indirect controlling shareholders and the shareholders that elected members of the Board of Directors and the Board of Auditors, as well as any person or company or group of people acting together or representing the same interest, who carry out relevant negotiations, shall send to the company the following information:

I - their name and qualification, indicating their Brazilian Tax Payer Number;

II - objective of the participation and quantity envisaged, if it is the case, including a declaration of the buyer that purchases will not alter the composition of the control or administrative structures of the company;

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III - number of shares and other securities, and derivative financial instruments referenced in such shares, whether for physical or financial settlement, explaining the quantity, class and type of shares referenced;

IV - indication of any agreement or contract regulating the right to vote or purchase and sale securities issued by the company; and

V — if the shareholder has its residence or domicile abroad, the name or social denomination and the Brazilian Tax Payer Number of its attorney or legal representative in the country, in compliance with section 119 of Law 6,404 of 1976.

Paragraph 1. It is considered relevant negotiations the business or the set of business through which direct or indirect people referred to in the caput exceeds, upwards or downwards, the levels of 5% (five percent), 10% (ten percent), 15% (fifteen percent), and so on, of the type or class of shares representing the share capital of a publicly-held company.

Paragraph 2. Except as provided in Paragraph 3, the obligations set forth in the main clause and in Paragraph 1 also extend to:

I – the acquisition of any rights over the shares and other securities mentioned therein;

II – the execution of any derivative financial instruments referenced in shares mentioned in the main clause, even if there is no provision for physical settlement.

Paragraph 3. In the cases provided for in Paragraph 2, the following rules must be observed:

I – the shares directly held and those referenced by derivative financial instruments of physical settlement must be considered together for the purposes of verifying the percentages referred to in Paragraph 1 of this article;

II – the shares referenced by derivative financial instruments with exclusively financial settlement forecast must be computed independently of the shares referred to in section I for the purpose of verifying the percentages referred to in Paragraph 1 of this article;

III – the number of shares referenced in derivative instruments that provide economic exposure to the shares cannot be offset by the number of shares referenced in derivative instruments that produce inverse economic effects; and

IV – the obligations set out in the caput of this article do not extend to structured operations certificates, securities index funds and other derivative financial instruments in which shares issued by the company have a weight of less than 20% (twenty percent).

Paragraph 4. The communication referred to in the caput shall be performed immediately after the mentioned participation referred in Paragraph 1 is accomplished.

Paragraph 5. In cases when the acquisition results or has been carried out with the objective of changing the control's composition or the governance structure of the company, as in case when the acquisition generates the obligation of making a public offer, according to the applicable regulation, the acquirer must promote the disclosure, at least, in the same communication channels regularly adopted by the company, in compliance with section 3, paragraph 4, of a notice with the information predicted in line I to V of this article caput.

Paragraph 6. The Investor Relations Officer is responsible for transmitting the information, as soon as they are received by the company, to CVM and, if applicable, to the stock exchange or organized over-the-counter market entities in which the company trades its shares.”

Conditions more stringent governing changes in the capital than is required by law

There are no conditions imposed by the Bylaws more stringent than is required by law governing changes in the capital.

C. MATERIAL CONTRACTS

For information concerning material contracts regarding the acquisition of assets, see Item 4 — Company Information, Item 5 — Operating and Financial Review and Prospects and Item 8 — Financial Information. Gerdau has entered into financial agreements in order to finance its expansion projects and improve its debt profile. Although some of these contracts entail significant amounts, none exceed 10% of the Company's consolidated total assets. The most significant financial agreements are described below, with the Company agreeing to provide a copy of the debt instruments described herein to the Securities and Exchange Commission upon request.

Bonds — The Company, through its subsidiaries, Gerdau Trade Inc. and GUSAP III LP, has issued bonds due in 2027, 2035 and 2044. The following companies guaranteed these transactions: Gerdau S.A., Gerdau Açominas S.A. and Gerdau Aços Longos S.A. In December 2025, the Company, through its subsidiary GUSAP III, paid an early redemption of the totality of its 2030 Bonds, with principal amount of US\$ 500 million. On December 31, 2025, the outstanding balance of these bonds was US\$ 1,311 million (equivalent to R\$ 7,212 million).

Debentures — The Company concluded in 2025 the issuance of debentures with maturity of 7 years. In June, 2025, the Company paid the debentures issued in 2019 at maturity, with total amount of R\$ 800 million. On December 31, 2025, the outstanding balance of these debentures was R\$ 4,375 million.

GGWCF — In September 2022, the Company concluded the structuring of its senior unsecured working capital revolving facility with a total committed amount of US\$ 875 million (equivalent to R\$ 4,815 million) and maturity in September 2027. On December 31, 2025, there were no outstanding loans under this facility.

D. EXCHANGE CONTROLS

There are no restrictions on ownership or voting of the Company's paid-in capital by individuals or legal entities domiciled outside Brazil. The right to convert dividend payments and proceeds from the sale of the Company's paid-in capital into foreign currency and to remit such amounts outside Brazil is subject to restrictions under foreign investment legislation which generally required, among other things, the prior registration of the significant investment with the Central Bank of Brazil.

In Brazil, a mechanism is available for foreign investors interested in trading directly on the B3 which is regulated by Central Bank of Brazil and CVM through Joint Resolution N° 13 of December 3, 2024 (which repealed CMN Resolution N° 4,373/14) and CVM Resolution N° 13/20. Those regulations established rules for foreign investments in Brazilian equities and allow foreign investors to invest in almost all types of financial assets and to engage in almost all transactions available in the Brazilian financial and capital markets, including through Depositary Receipts, provided that certain requirements are fulfilled. The offshore transfer or assignment of title to the securities is not allowed.

Pursuant to BACEN/CVM Joint Resolution N° 13, foreign investors must: (i) appoint at least one representative in Brazil with powers to perform actions relating to the foreign investment; and (ii) obtain registration as a foreign investor with the CVM. The securities and other financial assets held by the foreign investor must be registered or maintained in deposit accounts or under the custody of an entity duly licensed by the Central Bank or by the CVM or be registered in registration, clearing and custody systems authorized by the Central Bank or by the CVM. In addition, securities trading is restricted to transactions carried out on exchanges or organized over-the-counter markets licensed by the CVM. The Resolution provides for the issuance of depositary receipts in foreign markets in respect of shares of Brazilian issuers. Since ADSs have been approved under the applicable law by the Central Bank and the CVM, the proceeds from the sale of the ADSs by ADS holders outside Brazil are free of Brazilian foreign investment controls and holders of the ADSs will be subject to a specific tax treatment. Furthermore, ADRs are subject to concurrent exchange operations or international transfers in Brazilian Reais, without effective delivery of resources and without prior authorization of the Central Bank of Brazil, and the investment of a non-resident investor through the mechanism of Depositary Receipts may be transferred to other foreign investment mechanisms, with due regard to the conditions set forth by the Central Bank and by the CVM.

CVM Resolution 13/20 (modified by CVM Resolution 64/21) exempted the individual foreign investor from obtaining registration with CVM, requires that his representative send, prior to the start of operations, the information requested in an electronic system made available by CVM or by the organized market administrator that has formalized a partnership or similar instrument with CVM for this purpose. The representative of the foreign investor may be an intermediary institution through which the investor operates in the Brazilian exchange market.

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Since July 1, 2013, JPMorgan Chase Bank is the Depository for the ADSs (“Depository”); and, since June 2, 2025, BTG Pactual Serviços Financeiros S/A DTVM is the custodian on behalf of the Depository. Pursuant to the registration, the custodian and the Depository are able to convert dividends and other distributions with respect to the Preferred Shares represented by ADSs into foreign currency and remit the proceeds abroad.

To transfer securities or other financial assets, the non-resident investor must observe the regulations of the Central Bank of Brazil and CVM. If the investor changes their status from resident or non-resident, investments in the financial and securities markets can continue under the originally agreed conditions.

Exchange Rates

Before March 2005, there were two legal foreign exchange markets in Brazil, the Commercial Market and the Floating Market. The difference between these two markets was the type of transaction that could be performed through each market.

On March 4, 2005, through CMN Resolution N° 3,265 (revoked and replaced sequentially by CMN Resolution N° 3,568, of May 29, 2008 and BCB Resolution N° 277, of December 31, 2022), CMN introduced a single foreign exchange market and abolished the legal differences between the referred Commercial and Floating Markets. Among the modifications to foreign exchange market rules is a greater freedom to remit funds abroad through the foreign exchange market. On the other hand, the so-called “CC5-Accounts”, which are bank accounts in *reais* held in Brazil by foreign entities, may no longer be used to transfer funds on behalf of third parties.

On March 24, 2010, the CMN approved Resolution N° 3,844 (revoked and replaced by BACEN Resolution N° 278, of December 31, 2022), adopting a series of measures to consolidate and simplify the Brazilian foreign exchange regulations, being expected to reduce the effective cost of foreign exchange transactions and the related administrative expenses for both the public and private sectors as well as to provide more legal certainty to the parties to such transaction.

On December 29, 2021, Law N° 14.286 was sanctioned, creating transactions where payments with international currency will be allowed in Brazil, and allowing banks and financial institutions to invest, allocate or lend resources in Brazil or abroad while facilitating the use of Brazilian currency in international transactions. The law provides the creating of further specific regulation and entered into force on December 30, 2022, following alterations regulated by Law N° 14,596 and N° 14,651 of 2023.

In the past, the Central Bank has intervened occasionally to control unstable movements in foreign exchange rates. We cannot predict whether the Central Bank or the Brazilian government will continue to let the *real* float freely or will intervene in the exchange rate market through the return of a currency band system or otherwise. The *real* may depreciate or appreciate against the U.S. dollar.

E. TAXATION

The following summary contains a description of the main Brazilian and U.S. federal income tax consequences of the purchase, ownership and disposition of common shares, Preferred Shares and ADSs, as applicable. It does not purport to be a comprehensive description of all tax considerations that may be significant to a decision to purchase these securities. In particular, this summary only addresses holders of common shares, Preferred Shares or ADSs as capital assets (generally, property held for investment) and does not address the tax treatment of a holder that may be subject to special tax rules, such as tax-exempt entities, banks or other financial institutions, insurance companies, broker-dealers, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, regulated investment companies, real estate investment trusts, U.S. expatriates, investors liable for the alternative minimum tax, partnerships and other pass-through entities, investors that own or are treated as owning 10% or more of the total combined voting power of the Company’s voting stock or 10% or more of the total value of the Company’s stock, and investors that hold the common shares, Preferred Shares or ADSs as part of a straddle, hedge, conversion or constructive sale transaction or other integrated transaction. Prospective purchasers of common shares, Preferred Shares or ADSs should consult their own tax advisors as to the personal tax consequences of their investment, which may vary for investors in different tax situations. The summary is based upon tax laws of Brazil and the United States and applicable regulations, judicial decisions and administrative pronouncements as in effect on the date hereof. Such authorities are subject to change or new interpretations, possibly with retroactive effect. Although there is no income tax treaty between Brazil and the United States at this time, the tax authorities of the two countries continue to have discussions that may culminate in a treaty. No assurance can be given, however, as to whether or when a treaty will enter into force or how it will affect the U.S. holders of Preferred Shares or ADSs. This summary is also based on the representations of the Depository (as defined below) and under the assumption that each obligation in the Deposit Agreement relating to the ADSs and any related documents will be performed in accordance with its specific terms.

Brazilian Tax Considerations

The following information summarizes the main Brazilian tax consequences related to the acquisition, ownership and disposition of common shares, Preferred Shares or ADSs by a holder that is not resident or domiciled in Brazil for tax purposes (“Non-Resident Holder”).

The following is a general discussion only and does not specifically address all of the Brazilian tax considerations applicable to any particular Non-Resident Holder. The effects of any tax treaties or reciprocity of tax treatment entered into by Brazil and other countries are not addressed herein, nor are any tax consequences applicable under the laws of Brazilian States and Municipalities.

Income tax

Dividends

Until 2025, dividends derived from profits generated on or after January 1, 1996, paid by a Brazilian corporation such as our Company, including stock dividends and other dividends paid to a Non-Resident Holder of common shares, Preferred Shares or ADSs, were exempt from income tax in Brazil, as provided by article 10 of Federal Law no. 9,249, of December 26, 1995.

Law No. 15,270, enacted on November 26, 2025, introduced a number of changes to the Brazilian income tax rules, including the levy of income tax on dividend payments made by Brazilian companies to non-resident shareholders, as well as on payments made to individual shareholders resident in Brazil in excess of the monthly amount of BRL 50,000.00 (fifty thousand reais). Such tax shall be withheld at source by the company distributing the dividends at a rate of 10%, with respect to profits generated as from the year 2026. Profit distributions relating to results accrued up to December 31, 2025, and duly approved by that date, shall remain exempt from income tax, provided that the corresponding dividends are paid by 2028 (we are aware of judicial precedents, such as Direct Actions of Unconstitutionality n°s. 7.912 and 7.914, filed before the Federal Supreme Court, and bills of Law currently under discussion in the National Congress, such as n. 5,473/2025, that aim to further extend such exemption to distributions approved throughout the year 2026, in respect of profits accrued prior to 2026).

Notwithstanding such withholding tax levy, and considering that such levy was introduced in the context of the establishment of a minimum income taxation in Brazil, Law No. 15,270/25 also provided that taxpayers may, within a period of up to 360 days, claim a tax credit corresponding to a portion or the entirety of the tax withheld, to be refunded in accordance with regulations yet to be issued by the Executive Branch. Such credit, however, may only be claimed under the specific circumstances set forth in the legislation, which are essentially conditioned to the demonstration that the profits distributed as dividends have already been subject, at the level of the distributing company, to Brazilian corporate income tax (IRPJ) and the social contribution on net profits (CSLL) at effective rates equal or close to the reference rates applicable to such taxes, disregarding any tax benefits or deductions utilized by the company.

The new taxation rules described above shall be observed by the company in future dividend payments to Non-Resident Holders of common shares, preferred shares, or ADRs.

Interest Attributable to Shareholders' Equity

As from the enactment of Federal Law no. 9,249/95, a Brazilian corporation, such as our Company, is allowed to make distributions to shareholders of interest on shareholders' equity and to treat such payments as a deductible expense for purposes of calculating Brazilian corporate income tax and social contribution on net profits, as far as the limits described below are observed.

For tax purposes, this interest is calculated over the net equity accounts of the corporation and is limited to the daily *pro rata* variation of the Brazilian long-term interest rate (*Taxa de Juros de Longo Prazo* – “TJLP”), as determined by the Brazilian Central Bank from time to time, and the amount of the deduction cannot exceed the greater of:

- 50% of net income (after the deduction of social contribution on net profits and before taking into account the provision for corporate income tax and the amounts attributable to interest on shareholders' equity) for the period in respect of which the payment is made; and
- 50% of the sum of retained profits and profit reserves as of the date of the beginning of the period in respect of which the payment is made.

Until 2025, such payments of interest on shareholders' equity made to a Non-Resident Holder were generally subject to withholding income tax at the rate of 15%, such rate being increased to 25% if the Non-Resident Holder is resident or domiciled in a Tax Favorable Jurisdiction (please refer to "Tax Favorable Jurisdictions" for a definition of this concept). However, with the enactment of Complementary Law No. 224, dated December 26, 2025, interest on net equity payments have, as from January 1st, 2026, become subject to withholding income tax at a rate of 17.5%, with the 25% rate remaining in effect if the holder is resident or domiciled in Tax Favorable Jurisdictions.

Payments of interest on shareholders' equity may be included, at their net value, as part of any mandatory dividend. To the extent a payment of interest on shareholders' equity is so included, the corporation is required to distribute to shareholders an additional amount to ensure that the net amount received by such shareholders, after payment of the applicable withholding income tax, plus the amount of declared dividends, is at least equal to the mandatory dividend ("gross-up method").

Although the Brazilian legislation currently in force allows payments of interest on shareholders' equity, for a number of years the Brazilian Congress has been discussing measures to restrain and even repeal the deductibility of payments of interest on shareholders' equity.

On December 29, 2023, by means of Federal Law N° 14,789/23, rules on the limitation of the amount payable and deductible as interest on shareholders' equity were passed. The Federal Law determined that, when applying the TJLP over the net equity accounts, the following accounts should be disregarded: (i) the paid-in share capital; (ii) the positive variation of accounts that do not represent effective inflow of funds to the company, with an definite increase in net equity; and (iii) reserves formed out of net profits derived from government gifts or grants.

New restrictions on these payments may still be discussed and approved by the National Congress in the coming years.

Capital Gains

According to Federal Law N° 10,833, of December 29, 2003, gains deriving from the transfer of assets located in Brazil by a Non-Resident Holder, whether to another non-Brazilian resident or to a Brazilian resident, may be subject to withholding income tax in Brazil.

With respect to a disposition of common or Preferred Shares, as these are assets considered to be located in Brazil, the Non-Resident Holder will be subject to withholding income tax on the realized gains, according to the rules described below.

As far as ADSs are concerned, arguably the gains realized by a Non-Resident Holder on the disposition of ADSs are not taxed in Brazil, based on the argument that ADSs are not "assets located in Brazil" for purposes of Article 26 of Federal Law N° 10,833/03. Although we cannot rule out the risk of Brazilian tax authorities taking the view that ADSs would be "assets located in Brazil", we are not aware of any tax ruling in this regard. In any case, in the event that ADSs are deemed to be "assets located in Brazil" for purposes of Article 26 of Federal Law N° 10,833/03, gains realized on a disposition of ADSs by a Non-Resident Holder would be subject to withholding income tax in Brazil, according to the rules described below.

In general, gains realized on the disposition of common or Preferred Shares (or ADSs, in case they are deemed to be "assets located in Brazil") correspond to the positive difference between the amount ascertained on the disposition, and the acquisition cost of the shares disposed of, assessed in Brazilian *reais* (without any correction for inflation), in line with the views expressed by the Brazilian tax authorities on the matter (*see, e.g.*, Normative Ruling N° 1,455, issued on March 6, 2014). There are grounds, however, for maintaining that the gains realized should be calculated taking into consideration the cost of the significant investments in foreign currency, as so registered before the Brazilian Central Bank. Notwithstanding, no assurance can be provided as to whether such arguments will prevail in the Brazilian administrative and/or judicial courts.

The rules related to whether or not withholding income tax must be levied on such gains will vary depending on the domicile of the Non-Resident Holder, the type of the investment that must be made by the Non-Resident Holder, and how the disposition is carried out.

Gains realized on a disposition of common or Preferred Shares carried out on the Brazilian stock exchange are:

- exempt from income tax when assessed by a Non-Resident Holder that (1) has invested in Brazil under the rules set forth by the Brazilian Central Bank – “Qualified Portfolio Investor” (in particular the Brazilian Central Bank and CVM Joint Resolution N° 13, of December 3rd, 2024, which recently lightened the rules previously set forth by the National Monetary Council Resolution N° 4,373, of September 29, 2014) and (2) is not domiciled or resident in a Tax Favorable Jurisdiction. Please refer to “—Tax Favorable Jurisdictions” for a definition of this concept; or
- subject to income tax at a rate of 15% in any other case, including a case of gains assessed by a Non-Resident Holder that is not a Qualified Portfolio Investor, and of a Non-Resident Holder that is domiciled or resident in a Tax Favorable Jurisdiction. In these cases, a withholding income tax of 0.005% on the sale value will be applicable and can be later offset against income tax due on any capital gain realized on the transaction.

Gains realized by a Non-Resident Holder on a disposition of common shares or Preferred Shares (or ADSs, in case they are deemed “assets located in Brazil”) that is not carried out on a Brazilian stock exchange are subject to income tax at the same rate applicable to resident individuals. As from January 1, 2017, in accordance with Article 21 of Federal Law N° 8,981, of January 20, 1995, as amended by Federal Law N° 13,259, of March 16, 2016, capital gains realized by resident individuals are taxable at progressive rates in brackets that vary from 15% to 22.5%, depending upon the amount of gain realized on the transaction, being: (i) 15% on gains realized up to R\$ 5 million; (ii) 17.5% on gains exceeding R\$ 5 million but not R\$ 10 million; (iii) 20% on gains exceeding R\$ 10 million but not R\$ 30 million; and (iv) 22.5% on gains exceeding R\$ 30 million. With specific regard to the Qualified Portfolio Investor, it could also be argued that the tax would be limited to the maximum rate of 15%, based on some tax rulings issued by the Brazilian tax authorities (i.e., Rulings – “*Soluções de Consulta Cosit*” n° 202 and n° 228, of 2024). In case, however, the Non-Resident Holder is resident or domiciled in a Tax Favorable Jurisdiction, the gains he/she realizes upon disposition of said assets will be taxable at the fixed rate of 25% (please see “—Tax Favorable Jurisdictions” below for a definition of this concept).

Gains related to transactions carried out outside the Brazilian stock exchanges, but on a Brazilian over-the-counter market with intermediation, are also subject to the withholding income tax of 0.005%, which can be offset against income tax due on any capital gain realized on the transaction.

In the event of a redemption of common shares or Preferred Shares (or ADSs, in case they are deemed to be “assets located in Brazil”) or of a capital reduction by a Brazilian corporation, such as our Company, the positive difference between the amount received by the Non-Resident Holder and the acquisition cost of the respective common shares or Preferred Shares (or ADSs, in case they are deemed to be “assets located in Brazil”) will be treated as a capital gain derived from a disposition that is not carried out on a Brazilian stock exchange market, and therefore may be subject to income tax at a rates described in the previous paragraphs.

Any exercise of preemptive rights relating to the common shares, Preferred Shares or ADSs will not be subject to Brazilian income tax. Gains realized by a Non-Resident Holder on the disposition of preemptive rights relating to Preferred Shares or ADSs will be subject to Brazilian income tax according to the same rules described above.

A Non-Resident Holder of ADSs may cancel such ADSs and exchange them for common or Preferred Shares. Income tax may not be levied on such exchange, as long as the appropriate rules are complied with in connection with the registration of the investment before the Brazilian Central Bank, and as long as ADSs are not deemed “assets located in Brazil.”

The deposit of common or Preferred Shares by a Non-Resident Holder in exchange for ADSs, according to a recent understanding expressed by the Brazilian tax authorities (i.e., Ruling – “*Solução de Consulta Cosit*” N° 292, of 2024), will be subject to income tax on the gain presumed to have been realized, therefrom, at a rate of 15%. There are grounds to maintain, however, that such transaction should not trigger Brazilian income tax.

There can be no assurance that the current favorable tax treatment granted to Qualified Portfolio Investors will continue in the future.

Tax Favorable Jurisdictions

The concept of “Tax Favorable Jurisdiction” is defined by Federal Law 9,430, of December 27, 1996, with the wording recently amended by Federal Law N° 14,596, of June 14, 2023, and N° 15,079, of December 27, 2024 (as further regulated by Decree N° 12,226, of October 18, 2024, and Ministry of Finance’s Ordinance N° 2,029, of December 20, 2024) and included the countries or locations (1) that do not impose income tax, (2) where the maximum income tax rate is lower than 17% (with the possibility of excluding from such characterization the countries that significantly promote Brazilian development through substantial investments in Brazil) or (3) whose laws do not allow access to information regarding the shareholding composition of legal entities, their ownership, or the identity of the beneficial owners of earnings attributable to non-residents. Normative Ruling N° 1,037, of June 4, 2010, expressly lists the countries or locations that fit into such definition.

The same Federal Law N° 9,430/96 (as amended by Federal Laws N° 14,596/23 and N° 15,079/24) also sets forth the concept of “Privileged Tax Regimes”; said regimes are also expressly listed by Normative Ruling N° 1,037/10. Notwithstanding, the mentioned concept does not seem significant for purposes of determining the tax treatment applicable to investments made by Non-Resident Holders of common shares, Preferred Shares and ADSs, although one cannot completely disregard the risk that tax authorities argue otherwise.

Tax on Foreign Exchange Transactions

Brazilian law imposes a Tax on Foreign Exchange Transactions (“IOF/FX”) due on the liquidation of foreign exchange agreements related to the conversion of Brazilian *reais* into foreign currency and on the conversion of foreign currency into Brazilian *reais*.

Currently, as a general rule, IOF/FX is levied at the rate of 0.38% in foreign exchange transactions relating to the inflow of fund into Brazil from abroad, and at a rate of 3.5% in transactions involving the transfer of funds from Brazil to abroad. There are, however, a number of exceptions to such general rule (as provided by Articles 15-B and 15-C of Decree N° 6,306, of December 14, 2007, as amended).

Among the exceptions, there is a provision determining that foreign exchange transactions for the inflow of funds into Brazil in connection with investments made by foreign investors in the Brazilian financial and capital markets are subject to IOF/FX at a zero percent rate.

Similarly, foreign exchange transactions for the outflow of funds in connection with the return of investments made in the Brazilian financial and capital markets are also subject to IOF/FX at a zero percent rate. The same rate applies on the outflow of funds in connection with payments of dividends and interest on shareholders’ equity made by Brazilian companies.

The Brazilian government is permitted to increase the rate of the IOF/FX at any time up to 25%. However, any increase in rates will only apply to transactions carried out after this increase in rates enters into force.

Tax on Transactions Related to Bonds and Securities

Brazilian law imposes a Tax on Transactions Related to Bonds and Securities (“IOF/Bonds”) due on transactions involving bonds and securities, including those carried out on a Brazilian stock exchange. Currently, IOF/Bonds is levied at the rate of 0% in most transactions involving common or Preferred Shares, including the transfer of shares traded in Brazilian stock exchanges with the specific purpose of enabling the issuance of depositary receipts to be traded outside Brazil.

The Brazilian government is allowed to increase the rate of the IOF/Bonds at any time up to 1.5% per day of the transaction amount. However, any increase in rates may only apply to transactions carried out after this increase in rates enters into force.

Other Brazilian Taxes

There are no specific Federal Brazilian inheritance, gift or succession taxes applicable to the ownership, transfer or disposition of common shares, Preferred Shares or ADSs, except for gift and inheritance taxes that may be imposed by Brazilian states. There are no Brazilian stamp, issue, registration, or similar taxes or duties payable by holders of common shares, Preferred Shares or ADSs.

United States Tax Considerations

Material U.S. Federal Income Tax Considerations

The following discussion summarizes the principal U.S. federal income tax considerations relating to the purchase, ownership and disposition of Preferred Shares or ADSs by a U.S. holder (as defined below) holding such shares or ADSs as capital assets (generally, property held for investment). This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations, administrative pronouncements of the U.S. Internal Revenue Service (the "IRS") and judicial decisions, all as in effect on the date hereof, and all of which are subject to change (possibly with retroactive effect) and to differing interpretations. This summary does not address federal tax laws other than those pertaining to U.S. federal income taxation (such as estate or gift tax laws), nor does it address any aspects of U.S. state or local or non-U.S. taxation. U.S. holders are urged to consult their own tax advisers regarding such matters.

This summary does not purport to address all material U.S. federal income tax consequences that may be significant to a U.S. holder of a Preferred Share or ADS, and does not take into account the specific circumstances of any particular investors, some of which (such as tax-exempt entities, banks or other financial institutions, insurance companies, broker-dealers, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, regulated investment companies, real estate investment trusts, U.S. expatriates, investors liable for the alternative minimum tax, partnerships and other pass-through entities, investors that own or are treated as owning 10% or more of the total combined voting power of the Company's voting stock or 10% or more of the total value of the Company's stock, investors that hold the Preferred Shares or ADSs as part of a straddle, hedge, conversion or constructive sale transaction or other integrated transaction, and U.S. holders whose functional currency is not the U.S. dollar) may be subject to special tax rules.

As used herein, a "U.S. holder" is a beneficial owner of a Preferred Share or ADS that is, for U.S. federal income tax purposes, (i) a citizen or resident alien individual of the United States, (ii) a corporation (or an entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any State thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. For purposes of this discussion, a "non-U.S. holder" is a beneficial owner of a Preferred Share or ADS that is not a U.S. holder or a partnership.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of a Preferred Share or ADS, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of a Preferred Share or ADS that is a partnership and partners in that partnership are urged to consult their own tax advisers regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of Preferred Shares or ADSs.

Nature of ADSs for U.S. Federal Income Tax Purposes

The following summary assumes that the representations contained in the deposit agreement among us, JP Morgan Chase Bank, as depositary, and the holders and beneficial owners from time to time of ADSs issued thereunder are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. In general, for U.S. federal income tax purposes, a holder of an ADS will be treated as the owner of the underlying Preferred Shares. Accordingly, except as specifically noted below, the tax consequences discussed below with respect to ADSs will be the same for Preferred Shares in the Company, and exchanges of Preferred Shares for ADSs, and ADSs for Preferred Shares, generally will not be subject to U.S. federal income tax.

For purposes of the following summary, any reference to Preferred Shares shall be understood to also include reference to the ADSs, unless otherwise noted.

Taxation of Distributions

U.S. holders

In general, subject to the passive foreign investment company (“PFIC”) rules discussed below, a distribution on a Preferred Share will constitute a dividend for U.S. federal income tax purposes to the extent it is made from the Company’s current or accumulated “earnings and profits” as determined under U.S. federal income tax principles (regardless of whether it is considered a dividend under Brazilian law or for Brazilian income tax purposes). If a distribution exceeds the amount of the Company’s current and accumulated earnings and profits, it will be treated as a non-taxable return of capital (and reduction in tax basis) to the extent of the U.S. holder’s tax basis in the Preferred Share on which it is paid, and to the extent it exceeds that basis it will be treated as capital gain from the sale or exchange of the Preferred Shares. The Company does not intend to calculate its earnings and profits under U.S. federal income tax principles. Therefore, a U.S. holder should expect that any distribution on a Preferred Share generally will be treated as a dividend for U.S. federal income tax purposes even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. The gross amount of any dividend on a Preferred Share (which will include the amount of any Brazilian taxes withheld, if any) generally will be subject to U.S. federal income tax as foreign source dividend income and will not be eligible for the corporate dividends received deduction. In the case of a Preferred Share, but not an ADS, the amount of a dividend paid in Brazilian currency will be its value in U.S. dollars based on the prevailing spot market exchange rate in effect on the day that the U.S. holder receives the dividend. In the case of a dividend received in respect of an ADS, the amount of a dividend paid in Brazilian currency will be its value in U.S. dollars based on the prevailing spot market exchange rate in effect on the date the Depository receives it, whether or not the dividend is converted into U.S. dollars. A U.S. holder will have a tax basis in any distributed Brazilian currency equal to its U.S. dollar amount on the date of receipt, and any gain or loss realized on a subsequent conversion or other disposition of the Brazilian currency generally will be treated as U.S. source ordinary income or loss. If dividends paid in Brazilian currency are converted into U.S. dollars on the date they are received by a U.S. holder or the Depository or its agent, as the case may be, the U.S. holder generally should not be required to recognize foreign currency gain or loss in respect of the Brazilian currency. U.S. holders are urged to consult their own tax advisers regarding the treatment of any foreign currency gain or loss if any Brazilian currency received by the U.S. holder or the Depository or its agent is not converted into U.S. dollars on the date of receipt.

Subject to certain exceptions for hedged positions, any dividend that a non-corporate U.S. holder receives on a Preferred Share generally will be subject to a maximum Federal income tax rate of 20% (plus an additional 3.8% Net Investment Income tax — see “*Net Investment Income Tax*”) if the dividend is a “qualified dividend.” A dividend on a Preferred Share will be a qualified dividend if (i) the Preferred Shares are readily tradable on an established securities market in the United States, (ii) the U.S. holder meets the holding period requirement for the Preferred Share (generally more than 60 days during the 121-day period that begins 60 days before the ex-dividend date), and (iii) the Company was not, in the year prior to the year the dividend was paid, and is not, in the year the dividend is paid, a passive foreign investment company (“PFIC”).

The ADSs are listed on the New York Stock Exchange and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. Based on existing guidance, it is not entirely clear whether a dividend on a preferred share will be treated as a qualified dividend, because the Preferred Shares themselves are not listed on a U.S. exchange. As discussed below under “PFIC Rules,” the Company does not believe that it was a PFIC for U.S. federal income tax purposes for its taxable year, nor does it anticipate being classified as a PFIC in its current taxable year or future taxable years. Given that the determination of PFIC status involves the application of complex tax rules, and that it is based on the nature of the Company’s income and assets from time to time, no assurances can be provided that the Company will not be considered a PFIC for the current (or any past or future) taxable year.

Special limitations on foreign tax credits apply to dividends subject to the reduced rate of tax for qualified dividends. U.S. holders of Preferred Shares are urged to consult their own tax advisers regarding the availability of the reduced qualified dividend tax rate in the light of their own particular circumstances.

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Any Brazilian withholding tax will be treated as a foreign income tax eligible for credit against a U.S. holder's U.S. federal income tax liability, subject to generally applicable limitations under U.S. federal income tax law. For purposes of computing those limitations separately for specific categories of income, a dividend generally will constitute foreign source "passive category income" or, in the case of certain holders, "general category income." A U.S. holder will be denied a foreign tax credit with respect to Brazilian income tax withheld from dividends received with respect to the underlying Preferred Shares to the extent the U.S. holder has not held the Preferred Shares for at least 16 days of the 31-day period beginning on the date which is 15 days before the ex-dividend date or to the extent the U.S. holder is under an obligation to make related payments with respect to substantially similar or related property. Any days during which a U.S. holder has substantially diminished its risk of loss on the Preferred Shares are not counted toward meeting the 16-day holding period required by the statute. Alternatively, any Brazilian withholding tax may be taken as a deduction against taxable income, provided the U.S. holder takes a deduction and not a credit for all foreign income taxes paid or accrued in the same taxable year. The rules relating to the determination of the foreign tax credit are complex, and U.S. holders are urged to consult with their own tax advisers to determine whether and to what extent they will be entitled to foreign tax credits as well as with respect to the determination of the foreign tax credit limitation.

U.S. holders should be aware that the IRS has expressed concern that parties by whom ADSs are held or to whom they are transferred may be taking actions that are inconsistent with the claiming of foreign tax credits by U.S. holders of ADSs. Accordingly, the discussion above regarding the credibility of Brazilian withholding taxes could be affected by future actions that may be taken by the IRS.

Taxation of Capital Gains

U.S. holders

Subject to the PFIC rules discussed below, on a sale or other taxable disposition of a Preferred Share, a U.S. holder will recognize capital gain or loss in an amount equal to the difference between the U.S. holder's adjusted tax basis in the Preferred Share and the amount realized on the sale or other taxable disposition, each determined in U.S. dollars. Such capital gain or loss will be long-term capital gain or loss if at the time of the sale or other taxable disposition the Preferred Share has been held for more than one year. In general, any adjusted long-term net capital gain of a non-corporate U.S. holder is subject to a maximum U.S. federal income tax rate of 20% (plus an additional 3.8% Net Investment Income tax — see "*Net Investment Income Tax*"). The deductibility of capital losses is subject to limitations.

Any gain a U.S. holder recognizes generally will be U.S. source income for U.S. foreign tax credit purposes, and, subject to certain exceptions, any loss will generally be a U.S. source loss. If a Brazilian tax is withheld on a sale or other disposition of a Preferred Share, the amount realized will include the gross amount of the proceeds of that sale or other disposition before deduction of the Brazilian tax. The generally applicable limitations under U.S. federal income tax law on crediting foreign income taxes generally precludes a U.S. holder from claiming a foreign tax credit for any Brazilian income tax withheld on U.S. source capital gain from a sale of a Preferred Share as an offset against the U.S. federal income tax liability on such U.S. source gain. Alternatively, any Brazilian withholding tax may be taken as (i) a foreign tax credit to offset U.S. federal income tax on non-U.S. source income or gains that the taxpayer has in the same "basket" of income, or (ii) as a deduction against taxable income, provided the U.S. holder takes a deduction and not a credit for all foreign income taxes paid or accrued in the same taxable year. The rules relating to the determination of the foreign tax credit are complex, and U.S. holders are urged to consult with their own tax advisers regarding the application of such rules.

Non-U.S. holders

A non-U.S. holder will not be subject to U.S. federal income tax on a gain recognized on a sale or other disposition of a Preferred Share unless (i) the gain is effectively connected with the conduct of trade or business by the non-U.S. holder within the United States (and, if an applicable income tax treaty so provides, is attributable to a permanent establishment or fixed base the non-U.S. holder maintains in the United States), or (ii) in the case of a non-U.S. holder who is an individual, the holder is present in the United States for 183 or more days in the taxable year of the sale or other taxable disposition and certain other conditions are met. Any effectively connected gain of a corporate non-U.S. holder may also be subject under certain circumstances to an additional "branch profits tax," the rate of which may be reduced pursuant to an applicable income tax treaty.

PFIC Rules

A special set of U.S. federal income tax rules applies to a foreign corporation that is PFIC for U.S. federal income tax purposes. Based on the Company's audited financial statements and significant market and shareholder data, as well as the Company's current and projected income, assets and activities, the Company believes it was not a PFIC for U.S. federal income tax purposes for its taxable year, nor does it anticipate being classified as a PFIC in its current taxable year or future taxable years. However, because the determination of whether the Company is a PFIC is based upon the composition of its income and assets from time to time, and because there are uncertainties in the application of the rules, it is possible that the Company will become a PFIC in a future taxable year (and no assurance can be provided that the Company will not be considered a PFIC for its current (or any past) taxable year).

If the Preferred Shares were shares of a PFIC for any taxable year, U.S. holders (including certain indirect U.S. holders) will generally be subject to adverse U.S. federal income tax consequences, including the possible imposition of ordinary income treatment for gains or "excess distributions" (generally a distribution in excess of 125% of the average distributions received during the past three years or, if shorter, the U.S. holder's holding period) that would otherwise be taxed as capital gains or dividends, along with an interest charge on gains or "excess distributions" allocable to prior years in the U.S. holder's holding period during which the Company was determined to be a PFIC. If the Company is deemed to be a PFIC for a taxable year, dividends on a Preferred Share would not constitute "qualified dividends" subject to preferential rates of U.S. federal income taxation for non-corporate taxpayers. In addition, if the Company is deemed to be a PFIC for a taxable year, U.S. holders would be subject to increased reporting requirements. U.S. holders are urged to consult their own tax advisers regarding the application of the PFIC rules.

Net Investment Income Tax

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the United States holder's "net investment income" (or undistributed "net investment income" in the case of estates and trusts) for the taxable year and (2) the excess of the United States holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A holder's net investment income will generally include its dividend income and its net gains from the disposition of the Preferred Shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your own tax advisor regarding the applicability of this Net Investment Income tax to your income and gains in respect of your investment in our Preferred Shares.

Information Reporting and Backup Withholding

Under U.S. federal income tax law and the Treasury regulations, certain categories of U.S. holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, certain U.S. holders that hold certain specified foreign financial assets in excess of \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year are subject to U.S. return disclosure obligations (and related penalties for failure to comply with such reporting requirements). The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a non-U.S. entity. U.S. holders may be subject to these reporting requirements unless their Preferred Shares are held in an account at a domestic financial institution. Penalties for failure to file certain of these information returns are substantial. U.S. holders should consult with their own tax advisers regarding the requirements of filing information returns, and, if applicable, filing obligations relating to the PFIC rules.

Dividends paid on, and proceeds from the sale or other taxable disposition of, a Preferred Share to a U.S. holder generally may be subject to information reporting requirements and may be subject to backup withholding (currently at the rate of 24%) unless the U.S. holder provides an accurate taxpayer identification number or otherwise demonstrates that it is exempt from backup withholding. The amount of any backup withholding collected from a payment to a U.S. holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle the U.S. holder to a refund, provided that certain required information is timely submitted to the IRS. A non-U.S. holder generally will be exempt from these information reporting requirements and backup withholding tax but may be required to comply with certain certification and identification procedures in order to establish its non-U.S. status.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

The Company makes its filings in electronic form under the EDGAR filing system of the U.S. Securities and Exchange Commission and XBRL - eXtensible Business Reporting Language. Its filings are available through the EDGAR system and XBRL at www.sec.gov. The Company's filings are also available to the public through the Internet at Gerdau's website at <https://ri.gerdau.com/en/>. Such filings and other information on its website are not incorporated by reference in this Annual Report. Interested parties may request a copy of this filing, and any other report, at no cost, by writing to the Company at the following address: Av. Doutora Ruth Cardoso, 8501 – 8th floor – São Paulo-SP – 05425-070 – Brazil or calling +55113094 6300 or by e-mail at inform@gerdau.com. In compliance with New York Stock Exchange Corporate Governance Rule 303A.11, the Company provides on its website a summary of the differences between its corporate governance practices and those of U.S. domestic companies under the New York Stock Exchange listing standards.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES REGARDING MARKET RISK

Gerdau is exposed to various market risks, which involve the fluctuation of exchange rates, interest rates and also commodities. The Company uses derivatives and other financial instruments to reduce the impact of such risks on its financial assets and liabilities or future cash flows and earnings. Gerdau has established policies to assess market risks and to approve the use of derivative financial instruments transactions related to those risks. The Company enters into derivative financial instruments to manage the above-mentioned market risks and never for speculative purposes.

Exchange Rate Risk

This risk is related to the possibility of fluctuations in exchange rates affecting the amounts of financial assets or liabilities or of future cash flows and income. The Company assesses its exposure to the exchange rate by measuring the difference between the amount of its assets and liabilities in foreign currency. The Company understands that the accounts receivables originated from exports, its cash and cash equivalents denominated in foreign currencies and its investments abroad are more than equivalent to its liabilities denominated in foreign currency. Since the management of these exposures occurs at each operation level, if there is a mismatch between assets and liabilities denominated in foreign currency, the Company may contract derivative financial instruments in order to mitigate the effect of exchange rate fluctuations.

Foreign currency sensitivity analysis

As of December 31, 2025, the Company was primarily exposed to fluctuations between the Real and the Dollar. The sensitivity analysis performed by the Company considers the effects of a 5% increase or decrease between the Real and the Dollar on its unhedged debt (loans and financing), accounts receivable from exports from Brazil, and import suppliers (imports/exports). Fluctuations between the local currencies of other countries and the Dollar do not represent material exposures. In this analysis, for foreign currency variations, if the Real appreciates against the Dollar, this would represent gain of R\$ 217,347 (gain of R\$ 124,447 as of December 31, 2024), if the Real depreciates against the Dollar, this would represent an expense of the same value. As for foreign currency variations in imports and exports, if the Real appreciates against the Dollar, this would represent gain of R\$ 13,370 (loss of R\$ 44,777 as of December 31, 2024), if the Real depreciates against the Dollar, this would represent an expense of the same value.

The net values of other assets and other liabilities in foreign currencies do not present significant risks of impacts due to fluctuations in the exchange rate.

Sensitivity analysis of currency forward contracts

As of December 31, 2025 and December 31, 2024, the Company has no exposure to forward contracts in US Dollars or Argentine Pesos against the US Dollar for any of its assets and liabilities. The US Dollar/Real forward contracts are intended to hedge asset and liability positions in US Dollars, and the mark-to-market effects of these contracts were recorded in the Consolidated Income Statement.

Interest rate risk

This risk arises from the effects of fluctuations in interest rates applied to the Company's financial liabilities or assets and future cash flows and income. The Company evaluates its exposure to these risks: (i) comparing financial assets and liabilities denominated at fixed and floating interest rates and (ii) monitoring the variations of interest rates like SOFR and CDI. Accordingly, the Company may enter into interest rate swaps in order to reduce this risk.

Interest rate sensitivity analysis

The interest rate sensitivity analysis made by the Company considers the effects of an increase or reduction of 10 basis point (bps) on the average interest rate applicable to the floating part of its debt. The calculated impact, considering this variation in the interest rate totals R\$ 43,547 as of December 31, 2025 (R\$ 44,299 as of December 31, 2024) and would impact the Financial expenses account in the Consolidated Statements of Income. The specific interest rates to which the Company is exposed are related to the loans, financing, and debentures presented in Notes 15 and 16, and are mainly comprised by SOFR and CDI — Interbank Deposit Certificate.

Price risk of commodities

This risk is related to the possibility of changes in prices of the products sold by the Company or in prices of raw materials and other inputs used in the productive process. Since the Company operates in a commodity market, net sales and cost of sales may be affected by changes in the international prices of their products or materials. In order to minimize this risk, the Company constantly monitors the price variations in the domestic and international markets. Besides that, the Company may use derivative instruments for hedge purposes.

As of December 31, 2025, the Company has exposure to commodity (energy) derivatives. The sensitivity analysis performed by the Company considers the effects of a 5% increase or decrease in the price of commodities, and their effects on the mark-to-market valuation of these derivatives. A 5% increase in the price of commodities represents revenue of R\$ 4,130 (R\$ 3,113 as of December 31, 2024), and a 5% decrease in the price of commodities represents an expense as of December 31, 2025 and December 31, 2024. The effects of the mark-to-market valuation of these derivatives were recorded in the Consolidated Income Statement.

Credit risk

This risk arises from the possibility of the Company not receiving amounts arising from sales to customers or investments made with financial institutions. In order to minimize this risk, the Company adopt the procedure of analyzing in details of the financial position of their customers, establishing a credit limit and constantly monitoring their balances. Regarding financial investments, the Company only carries out transactions with first-rate institutions and with low credit risk, as assessed by rating agencies and risk mitigation parameters defined in the Company's internal guidelines.

Capital management risk

This risk comes from the Company's choice in adopting a financing structure for its operations. The Company manages its capital structure, which consists of a ratio between the financial debts and its own capital (Equity) based on internal policies and benchmarks. The Key Performance Indicators (KPI) related to the "Capital Structure Management" objective are: WACC (Weighted Average Cost of Capital), Net Debt/EBITDA (Earnings before interest, income tax, depreciation and amortization), Coverage Ratio of Net Financial Expenses (EBITDA/Net Financial Expenses) and Debt/Total Capitalization Ratio. Net Debt is formed by the principal of the debt reduced by cash, cash equivalents and short-term investments (Notes 4, 15 and 16). Total Capitalization is formed by the Total Debt (composed of the principal of the debt) and the Equity (Note 23). The Company may change its capital structure, according to economic and financial conditions, in order to optimize its financial leverage and debt management. At the same time, the Company seeks to improve its ROCE (Return on Capital Employed) through the implementation of working capital management and an efficient program of investments in property, plant and equipment.

Liquidity risk

The Company's management policy of indebtedness and cash on hand is based on using the committed lines and the currently available credit lines with or without a guarantee in export receivables for maintaining adequate levels of short, medium, and long-term liquidity.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITARY SHARES

On March 10, 1999, Gerdau obtained registration for the issuance of Level II ADSs, which began trading on the New York Stock Exchange the same day. Under the GGB symbol, these Level II ADSs are equivalent to one preferred share of Gerdau S.A (GGBR4).

J.P. Morgan Chase Bank, as depositary, has agreed to reimburse the Company for expenses it incurs that are related to the maintenance of the ADS program. The depositary has agreed to reimburse the Company for its continuing and annual stock exchange listing fees. It has also agreed to pay the standard out-of-pocket maintenance costs for the ADSs, and to reimburse the Company annually for certain investor relations programs or special promotional activities. In certain instances, the depositary has agreed to provide additional payments to the Company based on any applicable performance indicators relating to the ADS facility. There are limits on the amount of expenses for which the depositary will reimburse the Company, but the amount of reimbursement available to the Company is not necessarily tied to the amount of fees the depositary collects from investors. During calendar year 2025, the depositary reimbursed the Company in the amount of US\$ 2,763,612 gross (US\$ 1,934,528 net of withholding taxes) recognized in the income statement.

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them.

The fees that ADS holders may be required to pay or incur are the following:

Depository Service	Fee payable by ADS holder
Transferring, splitting or grouping receipts	\$1.50 per transfer of ADSs
Depository services	\$0.05 or less per ADS
Withdrawal or deposit/issuance and cancellations of shares underlying ADSs	\$5.00 or less per 100 ADSs
Cash distributions	\$0.05 or less per ADS

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 as amended (the “Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. And such information is accumulated and made known to the officers who certify the Company’s financial reports and to other members of senior management and the Disclosure Committee as appropriate to allow timely decisions regarding required disclosure.

A control system, no matter how well designed and operated, can only provide reasonable, not absolute, assurance that the objectives of the control system will be met. Based on their evaluation as of December 31, 2025, the Chief Executive Officer and the Chief Financial Officer of the Company have concluded that the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are effective at a reasonable assurance level.

The Disclosure Committee is composed of the Chief Executive Officer, Gustavo Werneck da Cunha, the Chief Financial Officer and Executive Vice President, Rafael Dorneles Japur, the Accounting Director, Clemir Uhlein, the Director of Corporate Communication, Pedro Moraes Torres Pinto and the Corporate Legal Director Leandro Miana Telles. This Committee oversees and reviews all materials for which there is a legal disclosure requirement, together with all data required to support the documents mentioned above. This committee meets at regular intervals in order to review all data.

There have been no significant changes in the Company’s internal control or other factors that could significantly affect these controls subsequent to the date of their most recent evaluation.

Please see Exhibits 12.01 and 12.02 for the certifications required by this Item.

(b) Management’s annual report on internal control over financial reporting

The management of Gerdau S.A. is responsible for establishing and maintaining adequate internal control over Financial Reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The internal controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has documented and evaluated the effectiveness of the internal control over Financial Reporting of the Company as of December 31, 2025, in accordance with the criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on the above evaluation, management has concluded that the Company maintained effective internal control over financial reporting as of December 31, 2025.

(c) Attestation report of the registered public accounting firm

PricewaterhouseCoopers Auditores Independentes Ltda., an independent registered certified public accounting firm (PCAOB ID: 1351), has audited and issued its report on the Consolidated Financial Statements of the Company and the effectiveness of the Company’s internal controls over financial reporting. The report is included on page F-2.

(d) Changes in internal control over financial reporting

There is no change.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The General Meeting, held on April 10, 2025, determined that Elvira Baracuchy Cavalcanti Presta, a member of its Board of Auditors, is a “financial expert” and independent within the meaning of the SEC rules applicable to disclosure of such expertise.

ITEM 16B. CODE OF ETHICS AND CONDUCT

The Gerdau Code of Ethics and Conduct is the foundation that defines the Company’s behavior and shows the commitment to conducting business ethically. It permeates the actions and relationships of its employees, vendors, customers, shareholders and community.

The Gerdau Code of Ethics and Conduct must be followed by all employees, Executive Officers, Chairman and Board of Directors, and meets all legal, ethics and compliance requirements applicable to publicly traded companies.

The current Code of Ethics and Conduct is aligned with the Company’s culture and the principle DO WHAT IS RIGHT. It is divided in chapters that cover: safety above all; respect; obligations with third parties; conflict of interest; corruption prevention; laws and regulations; competition practices; accurate information; donations and sponsorships; protection of Company property; data protection; disciplinary procedures; ethics helpline.

The “Ethics Channel” chapter instructs all to report suspected breaches or violations, with no fear of demotion, reprisal or retaliation. The Ethics Helpline implemented by the Company allows employees and third parties to report violations of the Code and laws, assuring confidentiality, anonymity, investigation of all cases, two-way communication for any needed follow-up and reports to the Risk Committee, the Board of Auditors and Board of Directors.

The purpose and the contents of the current Code of Ethics and Conduct have been made public to all employees and Board of Directors, with their understanding and formal agreement, and have been the object of periodically in-Company training. For suppliers, service providers, and customers there is a Code of Ethics and Conduct For Third Parties with similar content, which establishes guidelines for the Company’s relationship with its third parties.

The actual Code of Ethics and Conduct meets the definition contemplated by applicable SEC and New York Stock Exchange rules, covering wrongdoing related to business conduct, conflicts of interest, disclosure in reports and other documents, as well as compliance with legislation.

The Gerdau Code of Ethics is incorporated by reference into this Annual Report and also may be accessed through our Internet website (www.gerdau.com).

The Company did not grant any waiver from the Code provisions in the last fiscal year.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table provides information on fees billed to Gerdau for professional services rendered by the external auditors responsible for auditing the financial statements included in this Annual Report (in thousands of Brazilian *Reais*) which were PricewaterhouseCoopers Auditores Independentes Ltda. for the years ended on December 31, 2025 and December 31, 2024:

	2025	2024
Audit fees	11,800	10,864
Audit-related fees	2,212	113
All other fees	—	—
Total	14,012	10,977

Audit fees are related to professional services rendered in the auditing of Gerdau's Consolidated Financial Statements, quarterly reviews of Gerdau's Consolidated Financial Statements and statutory audits and interim reviews of certain of the Company's subsidiaries and affiliates as required by the appropriate legislation. Those amounts also include fees related to the audit of internal controls over financial reporting of Gerdau.

Audit-related fees are for assurance and related services, such as due diligence services traditionally performed by an external auditor related to acquisitions, as well as compliance services on accounting standards and transactions.

Other fees are mainly related to services provided to subsidiaries relating to tax compliance and tax services.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

On April 28, 2005, the Company elected its Board of Auditors duly adapted to ensure compliance with the Sarbanes-Oxley Act requirements and exemptions from the listing standards. The Board of Auditors ("*Conselho Fiscal*") has been operating in accordance with Brazilian Corporate Law, since April 2000. The customary role of this Board is to monitor and verify the actions of the Company's directors and executive officers and compliance with their legal duties, providing opinions and official statements on the annual management report and the proposals of members of the Board of Directors, denouncing errors or fraud, calling meetings whenever necessary and analyzing financial statements. In establishing a permanent Board of Auditors, the Company has availed itself of paragraph (c)(3) of Rule 10A-3 of the U.S. Securities Exchange Act of 1934, as amended, which provides a general exemption from the audit committee requirements for a foreign private issuer (such as the Company) with a Board of Auditors, subject to certain requirements which continue to be applicable under Rule 10A-3.

NYSE rules require that listed companies have an audit committee that (i) is composed of a minimum of 3 (three) independent directors who are all financially literate, (ii) meets the SEC rules regarding audit committees for listed companies, (iii) has at least one member who has accounting or financial management expertise and (iv) is governed by a written charter addressing the committee's required purpose and detailing its required responsibilities. However, as a foreign private issuer, the Company needs only to comply with the requirement that the audit committee, or Board of Auditors in its case, meet the SEC rules regarding audit committees for listed companies. The Brazilian Corporate Law requires companies to have a Board of Auditors composed of 3 (three) to 5 (five) members who are elected by the shareholders at the Ordinary General meeting, and the Bylaws shall set forth its rules of operation. Under the applicable law the Board of Auditor may operate on a permanent basis or only in the fiscal year in which it is installed at the request of the shareholders. The Board of Auditors operates independently from management and from a company's external auditors. Its main function is to monitor the activities of the management of the Company, examine the financial statements of each fiscal year and provide a formal report to its shareholders.

The Company has a permanent Board of Auditors that consists of 3 (three) but up to 5 (five) members and 3 (three) but up to 5 (five) alternates and which has ordinary meetings every two months. The members of Gerdau's Board of Auditors are all financially literate and one member has accounting expertise that qualifies him as an audit committee financial expert. Gerdau believes that its Board of Auditors, as modified, meets the requirements for the exemption available to foreign private issuers under the SEC rules regarding audit committees of listed companies. In addition, the Board of Auditors operates under a written charter which the Company believes satisfies the NYSE's requirements for audit committee charters. The Board of Auditors is not the equivalent of, or wholly comparable to, a U.S. audit committee. Among other differences, it is not required to meet the standards of "independence" established in Rule 10A-3 and is not fully empowered to act on matters that are required by Rule 10A-3 to be within the scope of an audit committee's authority. Nonetheless, with the duties that have been provided to the Board of Auditors to the extent permitted by Brazilian law, the Company believes that its current corporate governance system, taken as a whole, including the ability of the Board of Auditors to consult internal and external experts, is fully equivalent to a system having an audit committee functioning as an assistance committee of its Board of Directors. For a further discussion of its Board of Auditors, see "Item 6C. Board Practices – Board of Auditors."

The Board of Auditors members are elected at the Ordinary General meeting for one-year terms. They are eligible for reelection and they consist of 3 (three) members and 3 (three) alternates. As required by Brazilian law, members of the Board of Auditors must be college graduates or have held office for at least 3 (three) years as business administrators or as members of Boards of Auditors. The Board of Auditors, at the request of any of its members, may ask the external auditors to provide explanations or information and to investigate specific facts.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT.

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Under the Corporate Governance Rules of the New York Stock Exchange, currently in effect, the Company is required to disclose any significant ways in which its corporate governance practices differ from those required to be followed by domestic companies under NYSE listing standard. These significant differences are summarized below.

The Company is permitted to follow the practices in Brazil in lieu of the provisions of the Corporate Governance Rules, except that it is required to avail itself of an appropriate exemption to the requirement to have a qualifying audit committee under Section 303A.06 of the Rules, its Chief Executive Officer is obligated, under Section 303A.12(b), to promptly notify the NYSE in writing after any of its executive officers becomes aware of any material non-compliance with any applicable provisions of the Corporate Governance Rules and it is required to comply with Section 3.03A.14 (adoption of a policy for recovery of incentive-based compensation erroneously awarded).

Majority of Independent Directors: Under NYSE Rule 303A.01 domestic listed companies must have a majority of independent directors. The Company does not have a similar requirement under Brazilian practice and currently does not have a majority of independent directors serving on its Board of Directors (2 independent members out of 6 total members).

Separate meetings of non-management directors: Under NYSE Rule 303A.03, the non-management directors of each domestic listed company must meet at regularly scheduled executive sessions without management. Gerdau does not have a similar requirement under Brazilian practice, but non-management directors meet separately once a year to assess management performance.

Nominating/corporate governance committee: Under NYSE Rule 303A.04, a domestic listed company must have a nominating/corporate governance committee composed entirely of independent directors with a written charter. While the Company is not required to have such a committee under Brazilian law, it has a Corporate Governance Committee, but it is not composed by a majority of independent directors. The purpose of this Committee is to provide its views to the Board of Directors in respect of the best practices in Corporate Governance; evaluating the recommendations of the agents of capital markets and financial and specialized agencies, to recommend to the Board of Directors principles and guidelines of Corporate Governance; reviewing and commenting on the information relating to Corporate Governance contained in the official documents of the Company for dissemination to the market and evaluating the performance of the Board of Directors as a whole.

Compensation Committee: Under NYSE Rule 303A.05, a domestic listed company must have a compensation committee composed entirely of independent directors. The Company is not required to have such a committee under Brazilian practice. It has established a Compensation Committee to advise the full Board on employee and executive compensation and recruitment, incentive-compensation plans and related matters, but, although such committee has a separate charter, it is not composed by a majority of independent directors.

Audit Committee: Under NYSE Rule 303A.06 and the requirements of Rule 10A-3 of the Securities and Exchange Commission, domestic listed companies are required to have an audit committee consisting entirely of independent directors that otherwise complies with Rule 10A-3. In addition, the audit committee must have a written charter that addresses the matters outlined in NYSE Rule 303A.07(b), have an internal audit function and otherwise fulfill the requirements of the NYSE and Rule 10A-3. There is no requirement for an audit committee under Brazilian law and there are features of Brazilian law that require adaptation of the independent audit committee rule to local practice, as permitted by NYSE Rule 303A.06 and Rule 10A-3. The Company has a Board of Auditors (“*Conselho Fiscal*”) that currently performs certain of the functions prescribed for the audit committee, although the scope of its duties is not entirely compatible with the requirements of U.S. law and the NYSE rules. The Company has adapted its corporate governance practices and the functions of the Board of Auditors (with certain limitations due to Brazilian corporate law that qualify for an exemption as authorized by the SEC) to assure compliance with the requirements of the NYSE Rule and Rule 10A-3. See Item 6C. – “Board Practices-Board of Auditors” and Item 16D. – “Exemption from the Listing Standards for Audit Committees.” We do have an internal audit function to provide ongoing assessment of our internal risk processes and system of internal control.

Equity Compensation Plans: Under NYSE Rule 303A.08, shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions thereto, with certain limited exemptions as described in the Rule. Any material changes or a new or different Long-Term Incentive Plan will require the favorable vote of holders of the common shares of the Company. Holders of Preferred Shares, including holders of the Company’s ADSs, however, would not have the opportunity to vote on such a plan or any revisions thereto.

Corporate governance guidelines: Under NYSE Rule 303A.09, domestic listed companies must adopt and disclose their corporate governance guidelines. Gerdau establishes operating principles for governance, and it observes the requirements of the Brazilian Securities Commission (CVM) and it has adhered to the Level I listing standards of the B3. Furthermore, the Company also has the following corporate policies: (a) Information Disclosure Policy; (b) Securities Trading Policy; (c) Related-Party Transactions Policy; (d) Human Rights, Diversity, Equity & Inclusion, and Social Responsibility Policy; (e) Anti-Corruption Policy; (f) Environmental Policy; (g) Compliance Policy; (h) Risk Management Policy; (i) Tax Policy; (j) Integrated Policy; (k) Clawback Policy; (l) Contracting of Independent Auditors Policy; (m) Nomination Policy; (n) Income Allocation Policy; (o) Code of Ethics and Conduct; and (p) Code of Ethics and Conducts for Third Parties.

Code of Business Conduct and Ethics: Under NYSE Rule 303A.10, domestic listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees and promptly disclose any waivers of the code for directors or executive officers. The Company has a similar requirement under Brazilian law, and it has adopted a code of ethics that applies to its directors, officers and employees. For more information regarding the Code of Ethics please see Item 16B. Code of Ethics and Conduct.

Further information concerning the Company’s Corporate Governance practices and applicable Brazilian law is available on the Company’s website and in its submissions to the U.S. Securities and Exchange Commission.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable as none of our mines are in the United States and, therefore, not subject to the Federal Mine Safety and Health Act of 1977 or the Mine Safety and Health Administration.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTION.

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

As a Brazilian publicly traded company, Gerdau follows Brazilian Law and CVM Resolution N° 44, of August 23, 2021, in addition to having adopted a “Securities Trading Policy” and the Code of Ethics and Conduct. The Securities Trading Policy applies to the purchase, sale and other dispositions by our Board of Directors, Fiscal Counsel, senior management, employees and the Company itself, and has been reasonably designed to promote and control compliance with insider trading laws, rules and regulations and the treatment of confidential and non-public information.

The Securities Trading Policy and the Code of Ethics and Conduct are set forth herein as Exhibits 14.02 and 11.01, respectively.

ITEM 16K. CYBERSECURITY

Cybersecurity Disclosure:

Cybersecurity is a significant concern due to the importance of information technology to the successful conduct of our business operations. For that reason, Gerdau maintains a cybersecurity program to safeguard information assets and operations from both external and internal cyber threats.

Information Security Governance:

Gerdau maintains a dedicated structure for Information Security Governance and we have an executive, known as CISO, dedicated to leading the Information Security and Data Protection effort.

The CISO of Gerdau is an experienced and qualified professional in information security and related areas. With extensive international experience in leading critical projects and global teams, he has over 27 years of executive experience in corporate IT, with more than 22 years specifically focused on information security executive roles.

Before joining Gerdau, he worked at companies such as Hewlett-Packard (HP), Electronic Data Systems (EDS), and Netshoes (retail e-commerce), and has experience in the industrial sector with EMS – Pharmaceuticals industry.

He holds a bachelor's degree in information technology, a postgraduate degree in Business Administration, an MBA in Cybersecurity, and a specialization in Cyber Risk Management. Additionally, he has numerous international certifications in Information Security and Data Privacy, including EXIN Information Security, EXIN Certified Data Protection Officer, Cyber Risk Management from Fundação Getulio Vargas (FGV), and Modulo Certified Security Officer from Modulo Security Solutions.

We also have an internal team with qualified specialists and analysts to conduct and evaluate the adequacy of the security and data protection controls and the corporate information security program, providing regular reports to executives and the Board of Directors.

This team is responsible for:

- **Threat Detection and Monitoring:** Identify and analyze potential cybersecurity threats and vulnerabilities through continuous monitoring.
- **Incident Response:** Develop and implement strategies to respond effectively to cybersecurity incidents, minimizing damage and ensuring a swift recovery.
- **User Awareness Training:** Educate employees on cybersecurity best practices to reduce the risk of human-related security breaches.
- **Risk Assessment:** Conduct regular assessments to identify and prioritize potential risks to the organization's information systems.
- **Compliance Management:** Ensure adherence to cybersecurity regulations, industry standards, and internal policies.
- **Security Policy Development:** Establish and enforce security policies to guide the organization's information security practices.
- **Network and Endpoint Security:** Implement measures to secure networks, endpoints, and devices against cyber threats.
- **Cloud Security:** Implement and manage security measures specific to cloud environments to ensure the protection of data and resources.
- **Secure Development Practices:** Promote and enforce secure coding practices during software development to minimize vulnerabilities.

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- **Information Security Architecture:** Design and implement a comprehensive architecture that aligns with security best practices, ensuring a resilient and secure information environment.
- **Collaboration with IT Teams:** Work closely with IT teams to integrate security measures seamlessly into IT infrastructure and applications.
- **Data Protection:** Implement measures to protect sensitive data, including encryption, access controls, and secure data storage.
- **Security Awareness Programs:** Promote a culture of cybersecurity awareness among all employees to foster a collective commitment to security.

Additionally, Gerdau has contracts with globally recognized information security service providers to offer advisory and operational support in the areas of information security and data protection.

The CISO presents the Security Roadmap and the cybersecurity matters to the Board of Directors at least annually.

Cyber Risks Management:

Gerdau employs a risk-based information security process that aligns with both the National Institute of Standards and Technology (NIST) and the ISO 31000 framework. This approach is applied to conduct risk assessments for technologies, third-party suppliers, as well as its IT and OT networks.

The relevant results of these assessments are reported and presented to the corporate risk management team and the Board of Directors on a regular basis.

We have identified and mapped the main cyber risks faced by the Company, with the most relevant ones being threats of hacker attacks such as ransomware on corporate systems, cyberattacks targeting infrastructure and industrial systems, and unauthorized access to sensitive data. Our proactive approach involves continuous assessment and monitoring of these risks within the cybersecurity risk management process.

Risk Mitigation Strategies:

We have implemented various strategies to mitigate these risks, emphasizing investments in security technologies such as firewalls, disk encryption, detecting and respond systems (EDR), Data Loss Prevention systems and intrusion detection systems.

We have a security awareness program in place to train our employees against cyberfrauds and social engineering attacks.

There is an OT cybersecurity framework currently in the implementation phase to address vulnerabilities in the industrial control systems and operational technology environments.

We also operate a Global Security Operations Center, which monitors and manages security tools 24/7, 365 days a year, including Security Information and Event Management (SIEM) technology. This enables us to promptly identify and respond to threats and incidents.

Additionally, we maintain an internal team specialized in cybersecurity management and incident response. Continuous employee training and partnerships with security experts for assessment and audits further strengthen our cybersecurity measures.

Despite the cybersecurity measures Gerdau is implementing to mitigate these risks, there is no guarantee that these measures will be sufficient to protect Gerdau's systems and other assets from significant harm. Furthermore, future cybersecurity incidents may have a material adverse effect on the Company, impacting its results of operations, financial condition, or causing reputational harm and other adverse consequences.

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Policies and Procedures:

The Company adheres to rigorous internal policies and procedures related to cybersecurity, such as corporate guidelines covering aspects such as strong password policies, regular password changes, incident response procedures in case of security breaches, and access controls with privilege restrictions.

These corporate guidelines are regularly reviewed, communicated to all operations and employees, including third parties. Similarly, they are made available on Gerdau's intranet for online reference.

Incident Report:

There were no cybersecurity incidents during the year.

In the same way we have developed and maintained a Comprehensive Cybersecurity Incident Response Plan to identify critical roles and ensure the restored functioning of our operations in the event of a significant cybersecurity incident.

This comprehensive plan is not a static document; rather, it is a dynamic framework that undergoes regular review and updates to stay ahead of emerging threats. We conduct periodic assessments and adjustments to guarantee its relevance and effectiveness in the ever-evolving cybersecurity landscape.

Additionally, we also have an incident response service provider to support our team to prevent and respond to cyber incidents.

Finally, despite maintaining an incident response plan and a robust system backup strategy, the service recovery time may vary depending on the severity and scope of an incident. It is not possible to specify with precision; however, through tests and exercises, we consider that this time frame can range from 12 hours to two weeks, depending on the severity and extent of the incident.

Cyber Insurance:

The Company maintains a cyber insurance policy covering losses arising from cyber incidents, including claims related to Cyber Civil Liability, subject to the terms, conditions, exclusions, and limits set forth in the applicable insurance policy. This policy is intended to provide financial protection against certain risks associated with cybersecurity events and complements the Company's broader risk management framework.

In addition, the Company continues to hold industrial infrastructure insurance that may provide coverage for cyber incidents resulting in physical damage to industrial assets or disruption of operations, where applicable. While these insurance arrangements are an important component of the Company's risk mitigation strategy, they may not cover all potential losses, costs, or liabilities arising from cyber incidents.

PART III

ITEM 17. FINANCIAL STATEMENTS

The Company has responded to Item 18 in lieu of responding to this item.

ITEM 18. FINANCIAL STATEMENTS

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-1 of this Form 20-F. The audit report of PricewaterhouseCoopers Auditores Independientes Ltda., independent registered public accounting firm (PCAOB ID: 1351), is included preceding the audited consolidated financial statements.

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ITEM 19. FINANCIAL STATEMENTS AND EXHIBITS

(a) **Financial Statements**

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Consolidated balance sheets on December 31, 2025 and 2024	F-5
Consolidated statements of income for the years ended December 31, 2025, 2024 and 2023	F-7
Consolidated statements of comprehensive income for the years ended December 31, 2025, 2024 and 2023	F-8
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(b) **List of Exhibits**

1.01	Bylaws of Gerdau S.A. ±
2.(a)(1)	Corporate Governance – Level 1 Listing Rules — B3*
2.(a)(2)	Further Amended and Restated Deposit Agreement dated as of March 22, 2019, among the Company, JPMorgan Chase Bank, N.A., as Depositary and all holders from time to time of American Depositary Receipts issued thereunder. **
2(b)(1)	The Company agrees to furnish to the Commission upon its request any instrument relating to long-term debt issued by the Company or any subsidiary where the total amount of securities authorized under that instrument does not exceed 10% of the Company’s consolidated assets.
4.01	Gerdau S.A. Equity Incentive Plan , Equity Ownership Plan and Long-Term Incentive Plan (for Gerdau Ameristeel)***
4.02	Gerdau Special Steel North America Equity Incentive Plan****
4.03	Long-term incentive plan*****
11.01	Code of Ethics*****
12.01	Certification of the Chief Executive Officer under Item 15±
12.02	Certification of the Chief Financial Officer under Item 15±
13.01	Certification pursuant to 18 U.S.C. Section 1350 †±
13.02	Certification pursuant to 18 U.S.C. Section 1350 †±
14.01	Clawback Policy *****
14.02	Securities Trading Policy ±*****
23.01	Consent of PricewaterhouseCoopers Auditores Independentes Ltda.±
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

*Incorporated by reference to Exhibit 2(a)(1) to the Company’s Annual Report on Form 20-F (File N° 001-14878), filed with the Securities and Exchange Commission on April 23, 2012.

**Incorporated by reference to the Company’s Registration Statement on Form F-6 (File N° 333-230439), filed with the Securities and Exchange Commission on March 22, 2019.

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*** Incorporated by reference to the Company's Registration Statement on Form S-8 (File N° 333-171217) filed with the Securities and Exchange Commission on December 16, 2010.

**** Incorporated by reference to the Company's Registration Statement on Form S-8 (File N° 333-179182) filed with the Securities and Exchange Commission on January 26, 2012.

***** Incorporated by reference to Exhibit 4.03 to the Company's Annual Report on Form 20-F (File N° 001-14878), filed with the Securities and Exchange Commission on March 31, 2022.

***** Incorporated by reference to Exhibit 11.01 to the Company's Annual Report on Form 20-F (File N° 001-14878), filed with the Securities and Exchange Commission on March 31, 2022.

***** Incorporated by reference to Exhibit 14.01 to the Company's Annual Report on Form 20-F (File N° 001-14878) filed with the Securities and Exchange Commission on March 28, 2024.

***** Incorporated by reference to Exhibit 14.02 to the Company's Annual Report on Form 20-F (File N° 001-14878) filed with the Securities and Exchange Commission on March 14, 2025.

± Filed herewith.

† This certification will not be deemed "filed" for purposes of Section 18 of the Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

GERDAU S.A.

By: /s/ Gustavo Werneck da Cunha
Name: Gustavo Werneck da Cunha
Title: Chief Executive Officer

Dated: March 13, 2026

By: /s/ Rafael Dorneles Japur
Name: Rafael Dorneles Japur
Title: Chief Financial Officer

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GERDAU S.A.

Consolidated financial statements
as of December 31, 2025 and 2024
and for each of the three years in the period
ended December 31, 2023
prepared in accordance with International Financial Reporting Standards as issued by the International Accounting
Standards Board
and Reports of Independent Registered Public Accounting Firms

Report of independent registered public accounting firm

To the Board of Directors and Shareholders of Gerdau S.A.

Opinions on the financial statements and internal control over financial reporting

We have audited the accompanying consolidated balance sheets of Gerdau S.A. and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15 (b). Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and limitations of internal control over financial reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical audit matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill impairment assessment – North America

As described in Notes 11 and 29.1 to the consolidated financial statements, the Company has a goodwill balance of R\$ 11,995,727 thousand as of December 31, 2025, associated with the North America cash generating unit (“CGU”). Management performs impairment tests of goodwill for each CGU at least annually, or whenever changes in events or circumstances indicate that the carrying value of goodwill may be impaired. When the carrying amount of the CGU exceeds its recoverable amount, the Company recognizes an impairment charge. The recoverable amount of the asset is the higher of its fair value less costs of disposal and its value in use. The Company’s management determined the recoverable amount of goodwill in the CGU based on its value in use, using a discounted cash flow model. The cash flow projections used by management to estimate the recoverable amount of goodwill includes significant judgments and assumptions relating to growth rates in perpetuity and discount rates.

The principal considerations for our determination that performing procedures relating to goodwill impairment assessment is a critical audit matter are the significant judgments applied by management when developing the recoverable amounts of the Company’s CGU. This, in turn, led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management’s significant assumptions, including growth and discount rates. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management’s impairment assessment. These procedures also included, among others, testing management’s process for developing a reliable estimate; evaluating the appropriateness of the discounted cash flow model; testing the completeness and accuracy of underlying data used in the model; and evaluating the reasonableness of the significant assumptions used by management related to discount and growth rates by considering (i) the current and past performance of the cash generating units, (ii) the consistency with available external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professional with specialized skill and knowledge were used to assist in the evaluation of the Company’s use of the discounted cash flow model and the discount rate assumption.

Recoverability of deferred tax assets

As described in Notes 2.10 and 8(b) to the consolidated financial statements, the Company has an outstanding amount of R\$ 2,208,152 thousand of deferred tax assets (composed of taxes on income: “IRPJ and CSLL”) as of December 31, 2025. The recoverability of these deferred tax assets is dependent on the generation of future taxable income, which is supported by projections prepared by management. This assessment considers the historical profitability of the Company and its subsidiaries, expectations of continuous profitability and estimates of the recovery of deferred tax assets over future years. The future taxable income projections used by management to estimate the recoverability of these deferred tax assets include significant judgments and assumptions relating to growth rates as well as movements in the temporary tax differences.

The principal considerations for our determination that performing procedures relating to the recoverability of deferred tax assets is a critical audit matter are (i) a high degree of auditor judgment, subjectivity in applying our procedures relating to the reasonableness of the estimated recoverability of deferred tax assets through the assessment of the Company’s ability to generate sufficient future taxable income; (ii) assessing the significant judgments and assumptions; and (iii) professionals with specialized skills and knowledge were used to assist in performing these procedures and evaluating the audit evidence.

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Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the completeness, accuracy and integrity of the tax data, significant assumptions and the projected future taxable income used to assess the recoverability of deferred tax assets. These procedures also included, among others, (i) evaluating the reasonableness of management's assessment of future taxable income generation; (ii) testing the completeness and accuracy of tax loss carryforwards and temporary tax differences, (iii) evaluating the appropriateness of the recoverability analysis method and the reasonableness of the projection for the recoverability of deferred tax assets; and (iv) evaluating the completeness, accuracy and sufficiency of disclosures. Professional with specialized skill and knowledge were used to assist in the evaluation of the tax calculation bases.

/s/ PricewaterhouseCoopers Auditores Independentes Ltda.
Porto Alegre, Brazil
March 13, 2026

We have served as the Company's auditor since 2022.

GERDAU S.A.
CONSOLIDATED BALANCE SHEETS
as of December 31, 2025 and 2024
In thousands of Brazilian reais (R\$)

	Note	2025	2024
CURRENT ASSETS			
Cash and cash equivalents	4	5,929,170	7,767,813
Short-term investments	4	445,627	509,030
Trade accounts receivable - net	5	4,810,640	5,176,958
Inventories	6	14,731,081	16,504,911
Tax credits	7	1,282,249	1,153,122
Income and social contribution taxes recoverable		685,811	914,395
Dividends receivable		4,981	125
Fair value of derivatives	17	36,623	16,921
Other current assets		678,899	626,148
		<u>28,605,081</u>	<u>32,669,423</u>
NON-CURRENT ASSETS			
Tax credits	7	1,429,324	1,744,387
Deferred income taxes	8	2,561,980	2,427,648
Judicial deposits	19	150,893	332,560
Other non-current assets		387,708	358,806
Prepaid pension cost	21	9,328	9,716
Fair value of derivatives	17	—	35,947
Investments in associates and joint ventures	9	3,944,474	4,222,317
Goodwill	11	11,995,727	13,853,114
Leasing	13	1,271,462	1,168,694
Other intangibles	12	691,365	400,567
Property, plant and equipment, net	10	30,640,833	29,591,314
		<u>53,083,094</u>	<u>54,145,070</u>
TOTAL ASSETS		81,688,175	86,814,493

The accompanying notes are an integral part of these Consolidated Financial Statements.

GERDAU S.A.
CONSOLIDATED BALANCE SHEETS
as of December 31, 2025 and 2024
In thousands of Brazilian reais (R\$)

	Note	2025	2024
CURRENT LIABILITIES			
Trade accounts payable - domestic market	14	3,641,918	3,892,296
Trade accounts payable - debtor risk	14	381,415	459,899
Trade accounts payable - imports	14	986,338	1,365,909
Short-term debt	15	897,295	697,049
Debentures	16	44,609	37,988
Taxes payable	18	400,293	411,420
Income and social contribution taxes payable		289,862	346,208
Payroll and related liabilities		915,508	918,612
Leasing payable	13	386,472	430,727
Employee benefits	21	594	186
Environmental liabilities	22	382,800	245,429
Fair value of derivatives	17	3,306	1,747
Other current liabilities		1,557,010	2,043,921
		<u>9,887,420</u>	<u>10,851,391</u>
NON-CURRENT LIABILITIES			
Long-term debt	15	8,877,457	9,110,972
Debentures	16	4,362,790	3,790,475
Deferred income taxes	8	353,828	163,138
Provision for tax, civil and labor liabilities	19	2,292,412	2,328,849
Environmental liabilities	22	237,865	413,653
Employee benefits	21	404,085	545,206
Leasing payable	13	1,002,689	849,942
Other non-current liabilities		471,140	587,081
		<u>18,002,266</u>	<u>17,789,316</u>
EQUITY			
Capital	23	24,273,225	24,273,225
Capital reserves		11,597	11,597
Treasury stocks		(520,067)	(734,278)
Retained earnings		23,054,501	24,238,217
Transactions with non-controlling interests without change of control		(2,904,670)	(2,904,670)
Other reserves		9,670,807	13,064,668
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT		<u>53,585,393</u>	<u>57,948,759</u>
NON-CONTROLLING INTERESTS		<u>213,096</u>	<u>225,027</u>
EQUITY		<u>53,798,489</u>	<u>58,173,786</u>
TOTAL LIABILITIES AND EQUITY		<u>81,688,175</u>	<u>86,814,493</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

GERDAU S.A.
CONSOLIDATED STATEMENTS OF INCOME
for the years ended December 31, 2025, 2024 and 2023
In thousands of Brazilian reais (R\$)

	Note	2025	2024	2023
NET SALES	25	69,858,532	67,026,656	68,916,447
Cost of sales	30	(61,891,039)	(57,823,416)	(57,583,992)
GROSS PROFIT		7,967,493	9,203,240	11,332,455
Selling expenses	30	(782,351)	(762,560)	(716,195)
General and administrative expenses	30	(1,338,443)	(1,404,059)	(1,491,441)
Other operating income	30	164,476	306,426	1,033,506
Other operating expenses	30	(392,976)	(999,002)	(522,476)
Recovery of Eletrobras Compulsory Loan	19 IV	—	100,860	—
Results in operations with subsidiary and joint ventures	3.4	—	808,367	—
Impairment of financial assets	30	(10,249)	(30,910)	(10,728)
Impairment of assets	29	(1,964,504)	(199,627)	—
Equity in earnings of unconsolidated companies	9	95,622	464,467	827,606
INCOME BEFORE FINANCIAL INCOME (EXPENSES) AND TAXES		3,739,068	7,487,202	10,452,727
Financial income	31	693,610	726,154	903,019
Financial expenses	31	(2,073,372)	(1,508,339)	(1,396,789)
Exchange variations, net	31	210,767	(1,064,401)	(850,375)
Tax credits monetary update	31	—	—	253,002
(Losses) Gains on financial instruments, net	31	(45,626)	(176,901)	(14,979)
INCOME BEFORE TAXES		2,524,447	5,463,715	9,346,605
Current	8	(1,119,427)	(1,159,640)	(1,810,459)
Deferred	8	13,418	294,987	837
Income and social contribution taxes		(1,106,009)	(864,653)	(1,809,622)
NET INCOME		1,418,438	4,599,062	7,536,983
ATTRIBUTABLE TO:				
Owners of the parent		1,387,020	4,566,317	7,501,565
Non-controlling interests		31,418	32,745	35,418
		1,418,438	4,599,062	7,536,983
Basic earnings per share - preferred - (R\$)	24	0.69	2.18	3.57
Basic earnings per share - common - (R\$)	24	0.69	2.18	3.57
Diluted earnings per share - preferred - (R\$)	24	0.69	2.18	3.56
Diluted earnings per share - common - (R\$)	24	0.69	2.18	3.56

The accompanying notes are an integral part of these Consolidated Financial Statements.

GERDAU S.A.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
for the years ended December 31, 2025, 2024 and 2023
In thousands of Brazilian reais (R\$)

	2025	2024	2023
Net income for the year	1,418,438	4,599,062	7,536,983
Items that may be reclassified subsequently to profit or loss			
Other comprehensive income from associates and joint ventures	22,101	130,946	176,214
Cumulative translation adjustment	(3,779,601)	7,871,003	(2,405,155)
Recycling of cumulative translation adjustment to net income	—	(407,560)	—
Unrealized Gains (Losses) on net investment hedge	246,696	(558,529)	247,924
Cash flow hedges			
Unrealized Gains (Losses) on Financial Instruments, net of tax	—	(783)	783
	(3,510,804)	7,035,077	(1,980,234)
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit pension plan, net of tax	51,879	38,755	96,570
	51,879	38,755	96,570
Other comprehensive (loss) income, net of tax	(3,458,925)	7,073,832	(1,883,664)
Total comprehensive (loss) income for the year, net of tax	(2,040,487)	11,672,894	5,653,319
Total comprehensive (loss) income attributable to:			
Owners of the parent	(2,067,047)	11,596,391	5,625,696
Non-controlling interests	26,560	76,503	27,623
	(2,040,487)	11,672,894	5,653,319

The items in the statement of comprehensive income/(loss) are presented net of taxes, where applicable. The tax effects of these items are presented in note 8.

The accompanying notes are an integral part of these Consolidated Financial Statements.

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GERDAU S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
for the years ended December 31, 2025, 2024 and 2023
in thousands of Brazilian reais (R\$)

	Attributed to parent company's interest											Total parent company's interest	Non-controlling interests	Total Shareholder's Equity		
	Capital	Capital Reserve	Treasury stocks	Legal reserve	Tax Incentives Reserve	Investments and working capital reserve	Net income	Transactions with non-controlling interests without change of control	Gains and losses on net investment hedge	Gains and losses on financial instruments	Cumulative translation adjustment					
Balance as of January 1, 2023	<u>19,285,181</u>	<u>11,597</u>	<u>(119,995)</u>	<u>2,210,531</u>	<u>1,175,258</u>	<u>18,186,532</u>		<u>(2,904,670)</u>	<u>(930,970)</u>	<u>(12,734)</u>	<u>16,725,542</u>	<u>80,117</u>	<u>53,685</u>	<u>48,116,194</u>	<u>181,996</u>	<u>48,298,190</u>
2023 Changes in Equity																
Net income for the year	—	—	—	—	—	7,501,565	—	—	—	—	—	—	—	7,501,565	35,418	7,536,983
Other comprehensive income (loss) recognized in the year	—	—	—	—	—	—	—	247,924	783	(2,221,071)	96,495	—	—	(1,875,869)	(7,724)	(1,883,664)
Total comprehensive income (loss) recognized in the year	—	—	—	—	—	7,501,565	—	247,924	783	(2,221,071)	96,495	—	—	5,625,696	27,694	5,653,390
Increase in Capital through capitalization of Retained earnings	966,162	—	—	—	—	(966,162)	—	—	—	—	—	—	—	—	—	—
Long-term incentive plan cost recognized in the year	—	—	—	—	—	—	—	—	—	—	—	—	—	80,390	47	80,437
Long-term incentive plan exercised during the year	—	—	29,813	—	—	6,520	—	—	—	—	—	—	—	36,333	17	36,350
Effects of interest changes in subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(9,590)
Dividend in excess of the minimum statutory undistributed in 2022	—	—	—	—	—	(333,151)	—	—	—	—	—	—	—	(333,151)	—	(333,151)
Destination of net income proposed to the shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Legal reserve	—	—	—	318,142	—	—	—	—	—	—	—	—	—	—	—	—
Tax incentives reserve	—	—	—	—	1,138,728	—	—	—	—	—	—	—	—	—	—	—
Investments and working capital reserve	—	—	—	—	—	3,403,240	—	—	—	—	—	—	—	—	—	—
Dividend - adjustment in excess of the minimum statutory undistributed	—	—	—	—	—	174,952	—	—	—	—	—	—	—	(2,466,502)	(20,192)	(2,486,694)
Dividends interest on capital	20,215,341	11,597	(150,182)	2,528,673	2,914,226	20,471,921	—	(2,904,670)	(8,831,146)	(11,951)	14,504,471	176,612	134,055	49,058,959	179,804	49,238,763
Balance as of December 31, 2023 (Note 23)	<u>20,215,341</u>	<u>11,597</u>	<u>(150,182)</u>	<u>2,528,673</u>	<u>2,914,226</u>	<u>20,471,921</u>		<u>(2,904,670)</u>	<u>(8,831,146)</u>	<u>(11,951)</u>	<u>14,504,471</u>	<u>176,612</u>	<u>134,055</u>	<u>49,058,959</u>	<u>179,804</u>	<u>49,238,763</u>
2024 Changes in Equity																
Net income for the year	—	—	—	—	—	4,566,317	—	—	—	—	—	—	—	4,566,317	32,745	4,599,062
Other comprehensive income (loss) recognized in the year	—	—	—	—	—	—	—	(558,529)	(783)	7,550,628	38,758	—	—	7,030,074	43,758	7,073,832
Total comprehensive income (loss) recognized in the year	—	—	—	—	—	4,566,317	—	(558,529)	(783)	7,550,628	38,758	—	—	11,596,391	76,503	11,672,894
Increase in Capital through capitalization of Retained earnings	4,057,882	—	—	—	—	(4,057,882)	—	—	—	—	—	—	—	—	—	—
Effects of the share buyback program	—	—	(1,194,726)	—	—	—	—	—	—	—	—	—	—	(1,194,726)	—	(1,194,726)
Long-term incentive plan cost recognized in the year	—	—	—	—	—	—	—	—	—	—	—	—	—	62,553	69	62,622
Long-term incentive plan exercised during the year	—	—	—	—	—	(555)	—	—	—	—	—	—	—	61,450	(105)	61,345
Effects of interest changes in subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,366)
Cancellation of treasury stocks	—	—	548,625	—	—	(548,625)	—	—	—	—	—	—	—	—	—	—
Dividend in excess of the minimum statutory undistributed in 2023	—	—	—	—	—	(175,233)	—	—	—	—	—	—	—	—	—	(175,233)
Destination of net income proposed to the shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Legal reserve	—	—	—	228,316	—	—	—	—	—	—	—	—	—	—	—	—
Tax incentives reserve	—	—	—	—	2,673,921	—	—	—	—	—	—	—	—	—	—	—
Investments and working capital reserve	—	—	—	—	—	203,445	—	—	—	—	—	—	—	—	—	—
Dividend - adjustment in excess of the minimum statutory undistributed	—	—	—	—	—	(203,445)	—	—	—	—	—	—	—	(1,460,635)	(27,038)	(1,487,673)
Dividends interest on capital	24,213,225	11,597	(174,278)	2,756,989	2,914,226	18,567,002	—	(2,904,670)	(9,389,675)	(12,734)	22,055,099	215,370	196,608	57,948,759	253,007	58,173,766
Balance as of December 31, 2024 (Note 23)	<u>24,213,225</u>	<u>11,597</u>	<u>(174,278)</u>	<u>2,756,989</u>	<u>2,914,226</u>	<u>18,567,002</u>		<u>(2,904,670)</u>	<u>(9,389,675)</u>	<u>(12,734)</u>	<u>22,055,099</u>	<u>215,370</u>	<u>196,608</u>	<u>57,948,759</u>	<u>253,007</u>	<u>58,173,766</u>
2025 Changes in Equity																
Net income for the year	—	—	—	—	—	1,387,020	—	—	—	—	—	—	—	1,387,020	31,418	1,418,438
Other comprehensive income (loss) recognized in the year	—	—	—	—	—	—	—	246,696	—	(3,752,603)	51,840	—	—	(3,454,067)	(4,858)	(3,458,925)
Total comprehensive income (loss) recognized in the year	—	—	—	—	—	1,387,020	—	246,696	—	(3,752,603)	51,840	—	—	(2,067,047)	(2,040)	(2,069,087)
Effects of the share buyback program	—	—	(1,169,314)	—	—	—	—	—	—	—	—	—	—	(1,169,314)	—	(1,169,314)
Long-term incentive plan cost recognized in the year	—	—	—	—	—	—	—	—	—	—	—	—	—	60,206	(7)	60,199
Long-term incentive plan exercised during the year	—	—	—	—	—	(2,259)	—	—	—	—	—	—	—	51,019	10	51,029
Effects of interest changes in subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,772)
Cancellation of treasury stocks	—	—	1,330,247	—	—	(1,330,247)	—	—	—	—	—	—	—	—	—	—
Dividend in excess of the minimum statutory undistributed in 2024	—	—	—	—	—	(203,272)	—	—	—	—	—	—	—	—	—	(203,272)
Destination of net income proposed to the shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Legal reserve	—	—	—	69,351	—	—	—	—	—	—	—	—	—	—	—	—
Tax incentives reserve	—	—	—	—	85,197	—	—	—	—	—	—	—	—	—	—	—
Investments and working capital reserve	—	—	—	—	—	197,514	—	—	—	—	—	—	—	—	—	—
Dividend - adjustment in excess of the minimum statutory undistributed	—	—	—	—	—	(1,034,958)	—	—	—	—	—	—	—	(1,034,958)	(35,722)	(1,070,680)
Dividends interest on capital	24,213,225	11,597	(450,063)	2,826,340	2,914,226	17,313,935	—	(2,904,670)	(9,142,976)	(12,734)	18,302,406	207,210	256,814	53,585,393	213,006	53,798,400
Balance as of December 31, 2025 (Note 23)	<u>24,213,225</u>	<u>11,597</u>	<u>(450,063)</u>	<u>2,826,340</u>	<u>2,914,226</u>	<u>17,313,935</u>		<u>(2,904,670)</u>	<u>(9,142,976)</u>	<u>(12,734)</u>	<u>18,302,406</u>	<u>207,210</u>	<u>256,814</u>	<u>53,585,393</u>	<u>213,006</u>	<u>53,798,400</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

GERDAU S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the years ended December 31, 2025, 2024 and 2023
In thousands of Brazilian reais (R\$)

	Note	2025	2024	2023
Cash flows from operating activities				
Net income for the year		1,418,438	4,599,062	7,536,983
Adjustments to reconcile net income for the year to net cash provided by operating activities				
Depreciation and amortization	30	3,683,585	3,126,247	3,047,212
Impairment of assets	29	1,964,504	199,627	—
Equity in earnings of unconsolidated companies	9	(95,622)	(464,467)	(827,606)
Exchange variation, net	31	(210,767)	1,064,401	850,375
Losses on derivative financial instruments, net	31	45,626	176,901	14,979
Post-employment benefits		271,217	257,359	235,977
Long-term incentive plans		149,210	152,414	157,979
Income tax	8	1,106,009	864,653	1,809,622
Losses on disposal of property, plant and equipment		75,397	45,859	27,525
Gain from a bargain purchase	3.4	(41,306)	—	—
Results in operations with subsidiary and joint ventures		—	(808,367)	—
Impairment of financial assets	5	10,249	30,910	10,728
Provision of tax, civil, labor and environmental liabilities, net		(40,432)	210,305	160,245
Tax credits recovery		—	(100,860)	(1,098,218)
Interest income on short-term investments		(166,307)	(274,291)	(481,624)
Interest expense on debt and debentures	31	1,274,472	796,933	840,069
Interest expense on leases liabilities		122,321	129,137	127,787
(Reversal) Provision for net realizable value adjustment in inventory, net	6	23,472	(33,137)	12,036
		9,590,066	9,972,686	12,424,069
Changes in assets and liabilities				
Decrease (Increase) in trade accounts receivable		149,592	549,548	(294,509)
Decrease in inventories		956,924	542,496	1,305,424
Decrease in trade accounts payable		(486,382)	(1,192,990)	(355,416)
Decrease (Increase) in other receivables		197,222	1,881,763	(107,171)
Decrease in other payables		(203,599)	(407,073)	(434,100)
Dividends from associates and joint ventures		235,327	414,653	461,292
Purchases of short-term investments		(362,906)	(924,686)	(7,223,644)
Proceeds from maturities and sales of short-term investments		616,006	3,020,432	7,908,990
Cash provided by operating activities		10,692,250	13,856,829	13,684,935
Interest paid on loans and financing		(1,461,147)	(946,936)	(858,301)
Interest paid on lease liabilities	13	(122,321)	(129,137)	(127,787)
Income and social contribution taxes paid		(1,121,328)	(1,399,513)	(1,560,137)
Net cash provided by operating activities		7,987,454	11,381,243	11,138,710
Cash flows from investing activities				
Purchases of property, plant and equipment	10	(6,681,620)	(5,778,381)	(5,209,128)
Proceeds from sales of property, plant and equipment, investments and other intangibles		69,729	1,559,697	40,661
Additions in other intangibles	12	(171,221)	(168,036)	(127,195)
Shares repurchase from joint venture		—	—	47,006
Payment for acquisition of company control	3.4	(699,118)	(455,683)	—
Capital increase in associate and joint venture	9	(91,436)	(191,947)	(524,185)
Net cash used by investing activities		(7,573,666)	(5,034,350)	(5,772,841)
Cash flows from financing activities				
Purchases of Treasury stocks	23	(1,169,314)	(1,194,726)	—
Dividends and interest on capital paid		(1,285,673)	(1,656,414)	(2,683,328)
Proceeds from loans and financing		9,221,436	3,918,019	1,776,684
Payment of loans and financing		(7,994,826)	(3,269,587)	(2,830,684)
Leasing payment		(487,784)	(459,504)	(388,202)
Intercompany loans, net		—	(24,992)	102
Net cash used in financing activities		(1,716,161)	(2,687,204)	(4,125,428)
Exchange variation on cash and cash equivalents		(536,270)	1,102,479	(710,659)
(Decrease) Increase in cash and cash equivalents		(1,838,643)	4,762,168	529,782
Cash and cash equivalents at beginning of year		7,767,813	3,005,645	2,475,863
Cash and cash equivalents at end of year		5,929,170	7,767,813	3,005,645

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTE 1 — GENERAL INFORMATION

Gerdau S.A. is a publicly traded corporation (*sociedade anônima*) with its corporate domicile in the city of São Paulo, Brazil. Gerdau S.A and subsidiaries (collectively referred to as the “Company”) is a leading producer of long steel in the Americas and one of the largest suppliers of special steel in the world. In Brazil, the Company also produces flat steel and iron ore, activities which expanded the product mix and made its operations even more competitive. The Company believes it is the largest recycler in Latin America and around the world it transforms each year millions of tons of scrap into steel, reinforcing its commitment to sustainable development of the regions where it operates. Gerdau is listed on the São Paulo and New York stock exchanges.

The Consolidated Financial Statements of Gerdau S.A and subsidiaries were approved by the Board of Directors on March 13, 2026.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

2.1 — Basis of Presentation

The Company’s Consolidated Financial Statements have been prepared in accordance with and are in compliance with International Financial Reporting Standards (IFRS) issued by *International Accounting Standards Board* (IASB).

The preparation of the Consolidated Financial Statements in accordance with IFRS requires Management to make accounting estimates. The areas that involve judgment or use of estimates significant to the Consolidated Financial Statements are stated in Note 2.17. The Consolidated Financial Statements have been prepared using historical cost as its basis, except for the valuation of certain financial instruments, which are measured at fair value.

The Company adopted all applicable standards and revisions of standards and interpretations issued by the IASB or the IFRS Interpretations Committee that are effective as of December 31, 2025.

a) Investments in Subsidiaries

The Company’s consolidated financial statements include the financial statements of Gerdau S.A. and all its subsidiaries. The Company controls an entity when it is exposed or has the right to variable returns arising from their involvement with the entity and has the ability to affect those returns due to the power exercised over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Third parties’ interests in equity and net income of subsidiaries are reported separately in the consolidated balance sheet and in the consolidated statement of income, respectively, under the account “Non-controlling interests.”

For business combinations, the assets, liabilities, and contingent liabilities of a subsidiary are reported at their respective fair value on the date of acquisition. Any excess of the acquisition cost over the fair value of the identifiable net assets acquired is recorded as goodwill. When the acquisition cost is less than the fair value of the net assets identified, the difference is recorded as a gain in the statement of income for the year in which the acquisition took place. The non-controlling interests are presented based on the proportion of the fair value of the identified assets and liabilities acquired. Intercompany transactions and balances are eliminated in the consolidation process. Gains or losses resulting from transactions among consolidated entities of the Company are also eliminated.

b) Investments in Joint ventures and Associate companies

Joint ventures are those in which the control is held jointly by the Company and one or more partners. An associate company is one in which the Company exercises significant influence, but over which it does not have control. Investments in joint ventures and associate companies are recorded under the equity accounting method.

c) Equity in Earnings of Unconsolidated Companies

According to this method, investments are recognized in the consolidated balance sheet at acquisition cost and are adjusted subsequently based on the Company’s share in the earnings and/or comprehensive income in other changes in the net assets of the Associates and Joint Ventures. The balances of the investments can also be reduced due to impairment losses. Furthermore, dividends received from these companies are recorded as reductions in the value of the investments.

2.2 — Foreign Currency Translation

a) Functional and Reporting Currency

The functional currency of an entity is the currency of the primary economic environment where it operates. The Consolidated Financial Statements are presented in Brazilian Reais (R\$), which is the functional and reporting currency of the Company. The functional currencies of the subsidiaries located in other countries are the currencies of the respective countries, with the conversion to Reais being carried out as disclosed in items b) and c) below. All balances were rounded to the nearest thousand, unless otherwise stated.

b) Transactions and Balances

For purposes of the Consolidated Financial Statements, the balances of each subsidiary of the Company are converted into Brazilian reais, which is the functional currency of the Company and the reporting currency of its Consolidated Financial Statements, at the exchange rates at the dates of the transactions.

c) Translation of financial statements in foreign currency

The results of operations and financial position of all subsidiaries included in the consolidated financial statements, along with equity investments, which have functional currencies different from the Company's reporting currency are translated into the reporting currency as follows:

- i) Asset and liability balances are translated at the exchange rate in effect at the balance sheet date;
- ii) Income and expenses are translated using the average monthly exchange rates for the year;
- iii) Translation gains and losses resulting from the above methodology are recognized in Equity, in the Statement of Comprehensive Income, in the account named "Other reserves - Cumulative translation adjustment"; and
- iv) The amounts presented in the cash flow are extracted from the converted changes in assets, liabilities and results.

d) Hyperinflation in Argentina

Since July 2018, Argentina has been considered a hyperinflationary economy due to its accumulated inflation in the previous three years above 100%, thus, the application of the accounting and disclosure standard in a highly inflationary economy (IAS 29) has been required. According to IAS 29, the non-monetary assets and liabilities, shareholders' equity and income statement of subsidiaries operating in highly inflationary economies are adjusted by the change in the general purchasing power of the currency, applying a consumer price index and their values are shown in the monetary unit of measurement at the end of the year. As a result of the above, the Company has applied the IAS 29 concepts to its subsidiaries in Argentina, which effects are presented in the line of Exchange variations, net in the income statement.

2.3 — Financial Assets

At initial recognition, a financial asset is classified as measured at amortized cost, at fair value through profit or loss or at fair value through other comprehensive income. Financial assets are not reclassified after initial recognition, unless the Company changes the business model for the management of financial assets. The Company performs an evaluation of the business model objective in which a financial asset is held in the portfolio because this better reflects the way in which the business is managed.

a) Financial assets at amortized cost

These assets are measured subsequently to initial recognition at the amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized directly in income. Any gain or loss on derecognition is recognized on statement of income.

b) Financial assets measured at fair value through profit or loss

These assets are measured subsequently to initial recognition at the fair value. The net result, including interest, is recognized directly in income.

c) Financial assets measured at fair value through other comprehensive income

These assets are measured subsequently to initial recognition at fair value. Interest income calculated using the effective interest method, exchange gains and losses and impairment are recognized in the statement of income. Other net results are recognized in other comprehensive income. In derecognition, the accumulated result in other comprehensive income is reclassified to the statement of income.

d) Impairment of financial assets

The Company measures the impairment of financial assets in an amount equal to the Expected credit loss. In determining whether the credit risk of a financial asset has increased significantly since the initial recognition and in estimating the expected credit losses, the Company considers reasonable and supportable information that is significant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the Company's historical experience, credit assessment and considering forward-looking information. The impairment loss of financial assets was calculated based on the credit risk analysis, which includes the historical losses, the individual situation of the clients, the situation of the economic group to which they belong, the real guarantees for the debts and the evaluation of the legal advisors and is considered sufficient to cover possible losses on amounts receivable, in addition to a prospective assessment that takes into account the change or expectation of change in economic factors that affect expected credit losses, which will be determined based on probabilities weighted. The Company presents the impairment of the financial assets in the Statement of Income in the line of Impairment of financial assets.

e) Derecognition

The Company derecognizes a financial asset when expire the contractual rights of the cash flows of the asset, or when the Company transfers the contractual rights of that cash flows in a transaction in which substantially all the risks and benefits of the financial asset are transferred or in which the Company neither transfers nor maintains substantially all the risks and benefits of the financial asset and also does not retain control over the financial asset.

f) Offset

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

g) Financial Instruments

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss: it is maintained within a business model whose objective is to maintain financial assets to receive contractual cash flows; and its contractual terms generate, at specific dates, cash flows that are related only to payment of principal and interest outstanding amounts.

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A debt instrument is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as measured at fair value through profit or loss: it is maintained within a business model whose objective is achieved both by receipt of contractual cash flows and sale of financial assets; and its contractual terms generate, on specific dates, cash flows that are only payments of principal and interest on the outstanding principal amount. In the initial recognition of an investment in an equity instrument that is not held for trading, the Company may irrevocably choose to present subsequent changes in the fair value of the investment in other comprehensive income. This choice is made investment by investment.

The Company performs an evaluation of the business model objective in which a financial asset is held in the portfolio because this better reflects the way in which the business is managed, and the information is provided to Management. The information considered includes: the policies and objectives stipulated for the portfolio and the practical operation of those policies. They include the question of whether Management's strategy focuses on obtaining contractual interest income, maintaining a certain interest rate profile, matching the duration of financial assets with the duration of related liabilities or expected outflows of cash, or the realization of cash flows through the sale of assets; how the performance of the portfolio is evaluated and reported to the Company's Management; the risks that affect the performance of the business model (and the financial asset held in that business model) and the manner in which those risks are managed; the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and their expectations about future sales.

h) Evaluation on whether contractual cash flows are only payments of principal and interest

For the purposes of this valuation, the 'principal' is defined as the fair value of the financial asset at the initial recognition. 'Interest' is defined as a consideration for the time value of money and for the credit risk associated with the principal amount outstanding over a given period of time and for the other underlying risks and costs of borrowing (e.g. liquidity risk and costs administrative costs), as well as a profit margin.

The Company considers the contractual terms of the instrument to assess whether contractual cash flows are only principal and interest payments. This includes assessing whether the financial asset contains a contractual term that could change the timing or value of the contractual cash flows so that it would not meet that condition. In making this assessment, the Company considers: contingent events that modify the value or the time of cash flows; terms that may adjust the contractual rate, including variable rates; the prepayment and the extension of the term; and terms that limit the Company's access to cash flows of specific assets (for example, based on the performance of an asset).

The prepayment is consistent with the principal and interest payments criterion if the prepayment amount represents, for the most part, unpaid principal and interest amounts on the outstanding principal amount - which may include additional compensation on the early termination of the contract.

2.4 — Inventories

Inventories are measured at the lower of historical cost of acquisition or production and net realizable value. The acquisition and production costs include transportation, storage and non-recoverable taxes.

Net realizable value is the estimated sale price in the ordinary course of business less the estimated costs of completion and directly related selling expenses. Information regarding the allowance for adjustments to net realizable value is presented in Note 6.

2.5 — Property, Plant and Equipment

Property, plant and equipment are stated at historical cost, monetarily adjusted when applicable, less depreciation, except for land, which is not depreciated. The Company recognizes monthly to the construction costs of qualified assets, which are assets that, necessarily, require a substantial period of time to be finished for its intended use, the borrowing costs as part of the acquisition cost of the property, plant and equipment under construction based on the following capitalization criteria: (a) the capitalization period begins when the property, plant and equipment item is under construction in process and the capitalization of borrowing costs ceases when the asset is available for use; (b) borrowing costs are capitalized considering the weighted average rate of loans existing on the capitalization date or a specific rate, in the case of loans for the acquisition of property, plant and equipment; (c) borrowing costs capitalized do not exceed the interest expenses during the capitalization period; and (d) capitalized borrowing costs are depreciated considering the same criteria and useful life determined for the property, plant and equipment item to which it was capitalized.

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Depreciation is calculated under the straight-line method at rates that take into consideration the estimated useful life of the asset, its level of utilization and the estimated residual value of the asset at the end of its useful life. The estimated residual value and useful life of the assets are reviewed and adjusted, if necessary, at each year-end.

Subsequent costs are added to the carrying amount of property, plant and equipment or recognized as a specific item, as appropriate, only if the economic benefits associated to these items are probable and the amounts can be reliably measured. The carrying amount of replaced items is written-off. Other repairs and maintenance are recognized directly in income when incurred.

Exploration expenditures are recognized as expenses until the technical feasibility and commercial viability of mining activity is established and thereafter subsequent costs are capitalized. Costs for the development of new iron ore reserves or to expand the capacity of operating mines are capitalized and amortized based on the amount of iron ore extracted. Stripping costs (costs associated with removal of waste and other residual materials) incurred during the development phase of a mine, before production phase, are registered as part of the depreciable cost of asset. Subsequently, these costs are depreciated over the useful life of the mine. Spending on waste removal, after the start of production of the mine, are treated as production costs. Depletion of mines is calculated based on units of production.

The net book value of property, plant and equipment items is immediately impaired to its recoverable amount when the residual balance exceeds the recoverable amount.

2.6 — Goodwill

Goodwill represents the excess of the acquisition cost over the fair value net of the assets acquired, liabilities assumed and identifiable contingent liabilities of a subsidiary, joint venture, or associate company, at the respective acquisition date.

Goodwill is recorded as an asset and recorded under “Goodwill” account. Goodwill is not amortized and is subject to impairment tests annually or whenever there are indications of potential impairment. Any impairment loss is recorded as an expense in the income statement and cannot be reversed. Goodwill is allocated to the operating segments, which represents the lowest level at which goodwill is monitored by management and is tested annually for its recoverable amount.

2.7 — Other Intangible Assets

Other intangible assets are stated at acquisition cost, less accumulated amortization and impairment losses, when applicable. Intangible assets consist mainly of assets which represent the capacity to generate economic benefits from companies acquired based on relationships with customers and suppliers, software and others. Software development expenditures are capitalized when all aspects of the standard are met, in particular, the technical feasibility of completing the asset so that it is available for use.

Intangible assets with definite useful lives are amortized taking into consideration their actual use or a method that reflects their consumption of economic benefits. The net book value of intangible assets is impaired immediately to its recoverable value when the residual balance exceeds the recoverable amount (Note 2.8).

Intangible assets acquired in a business combination are recorded at fair value, less accumulated amortization and impairment losses, when applicable. Intangible assets that have a defined useful life are amortized over their useful lives using an amortization method that reflects the period of economic benefit use of the intangible asset to record amortization through the period of use of that intangible and is recorded in the cost of sales account. The intangible relationship with customers and suppliers is amortized based on an accelerated method that considers the expected future economic benefit provided over time by these new acquired customers and suppliers. Mining exploration rights are classified as Other intangible assets.

The Company reviews the amortization period and amortization method for its intangible assets with definite useful lives at the end of each year.

2.8 — Provision for Impairment of Assets and Reversal of Impairment

At each balance sheet date, the Company performs an assessment to determine whether there is evidence that the carrying amount of long-lived assets might be impaired. If such evidence is identified, the recoverable amount of the assets is estimated by the Company. The recoverable amount of an asset is determined as the higher of: (a) its fair value less estimated costs to selling and (b) its value in use. The value in use is measured based on discounted cash flows (before taxes) derived from the continuous use of the asset until the end of its estimated useful life. Regardless of whether or not there is any indication that the carrying amount of the asset may be impaired, the balances of goodwill arising from business combinations and intangible assets with indefinite useful lives are tested for impairment at least once a year in December.

When the carrying amount of the asset exceeds its recoverable amount, the Company recognizes a reduction in the book value of the asset (Impairment). The reduction to the recoverable amount of the asset is recorded as an expense. Goodwill impairment, after recognized, is not allowed to be reversed, even if circumstances that resulted in the impairment changes. Other assets impairment may be reversed if circumstances that resulted in the impairment no longer exists, but in these circumstances the reversal of impairment is limited to the residual depreciated balance of the asset at the time of the reversal, determined as if the impairment had not been recorded.

If actual results are not consistent with estimates and assumptions used in estimating future cash flows and asset fair values, the Company may be exposed to losses that could be material.

2.9 — Financial Liabilities and Equity Instruments

a) Financial liabilities

Financial liabilities are classified as amortized cost or at fair value through profit or loss. A financial liability is classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, or it is designated as such at initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value and the net result, including interest, is recognized in the income statement. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, exchange gains and losses are recognized in income.

b) Derecognition

The Company derecognizes a financial liability when its contractual obligation is withdrawn, canceled, or expired. The Company also derecognizes a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. In the derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the income statement.

c) Derivative Instruments and hedging

The Company enters into derivative financial instruments mainly to manage its exposure to fluctuation in interest rates and exchange rates. The Company measures its derivative financial instruments, based on quotations obtained from market participants, at fair value at the balance sheet date.

Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge or a net investment hedge are recorded in the statement of comprehensive income.

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In cases of net investment hedges, the amount recorded in the statement of comprehensive income is written off and recognized in the statement of income when the disposal of the hedged investment occurs. In addition, changes in the fair value of financial instruments not characterized as hedges are recognized in the line of (Loss) Gains on financial instruments, net, in the statement of income.

d) Equity instruments

The equity component is initially recognized by the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

2.10 — Current and Deferred Income and Social Contribution Taxes

Current income and social contribution tax expense is calculated in conformity with enacted tax rate in effect at the balance sheet date in the countries where the Company's subsidiaries, associates and joint venture operate and generate taxable income. Management periodically evaluates positions taken in relation to tax matters which are subject to interpretation and recognizes a provision when there is an expectation of payment of income tax and social contribution in accordance with the tax bases. The expense for income tax and social contribution taxes comprises current and deferred taxes. Current tax and deferred tax are recognized in income unless they are recognized for a business combination, or for items directly recognized in equity through other comprehensive income.

Current tax is the estimated tax payable or receivable on the taxable income or loss for the year, at the tax rates effective at the balance sheet date. Deferred income tax and social contribution are recognized in its total on the differences generated between assets and liabilities recognized for tax purposes and corresponding to amounts recognized in the Financial Statements. However, deferred income and social contribution taxes are not recognized arising from the initial recognition of assets and liabilities in a transaction other than a business combination and that do not affect the tax basis. Income and social contribution taxes are determined based on tax rates (and laws) effective at the financial statement date and applicable when the respective income and social contribution taxes is paid.

Deferred tax assets recorded for tax loss carryforwards are supported by projections of taxable income based on technical feasibility studies submitted annually to the Board of Directors of the Company and its subsidiaries, when applicable. These studies consider historical profitability of the Company and its subsidiaries, expectations of continuous profitability and estimates of the recovery of deferred tax assets over future years. Other deferred tax assets arising from temporary differences, mainly tax provision, are recognized according to their estimate of realization. Deferred income tax and social contribution assets are reviewed at each reporting date and will be reduced to the extent that their realization is not more likely than not based on future taxable income.

2.11 — Employee Benefits

The Company has several employee benefit plans including pension and retirement plans, health care benefits, profit sharing, bonus, and share-based payment, as well as other retirement and termination benefits. The main benefit plans granted to the Company's employees are described at Notes 21 and 26.

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The actuarial obligations related to the pension and retirement benefits and the actuarial obligations related to the health care plans are recorded based on actuarial calculations performed every year by independent actuaries, using the projected unit credit method, net of the plan assets, when applicable, and the related costs are recognized over the employees' service period. Any employee benefit plan surpluses are also recognized up to the probable amount of reduction in future contributions by the Company.

Actuarial rereasurement arising from adjustments and changes in actuarial assumptions of the pension and retirement benefit plans and actuarial obligations related to the health care plan are recognized directly in the Statement of Comprehensive Income as described in Note 21.

In accounting for pension and post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include discount rate assumptions, return on plan assets, future increases in health care costs, and rate of future compensation increases. In addition, the Company and its actuary use other factors whose measurement involves judgment are used such as withdrawal, turnover, and mortality rates. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans. The disclosures of relevant assumptions and estimates related to this matter are described in Note 21.

2.12 — Other Current and Non-current Assets and Liabilities

Other current and non-current assets and liabilities are recorded at their realizable amounts (assets) and at their known or estimated amounts plus accrued charges and monetary adjustments (liabilities), when applicable.

2.13 — Related-Party Transactions

Loan agreements between the entities in Brazil and abroad are adjusted by contractual financial charges plus foreign exchange variation, when applicable. These contracts have an expiration date, with the possibility of extension of time by agreement between the parties. Sales and purchases of raw materials and products are made under terms and conditions contractually established between the parties.

2.14 — Dividends and Interest on equity

The bylaws of Gerdau S.A. requires dividends of not less than 30% of the annual net income adjusted by 5% representing the constitution of legal reserve, and the constitution of tax incentives reserve; therefore, Gerdau S.A. records a liability at year-end for the minimum dividend amount that has not yet been paid during the year up to the limit of the mandatory minimum dividend described above. Brazilian Law 9,249/95 provides that a company may, at its sole discretion, consider dividends distributions to shareholders to be considered as interest on own capital, subject to specific limitations, which has the effect of a taxable deduction in the determination of income tax and social contribution. The limitation is the greater of (i) shareholders' equity multiplied by the TJLP (Long-Term Interest Rate) rate or (ii) 50% of the net income in the fiscal year. This expense is not recognized for the purpose of preparing the financial statements and therefore does not impact net income.

2.15 — Revenue Recognition

Net sales are presented net of taxes and discounts. The significant judgment made by the Company is presented in Note 2.17 and regarding revenue recognition it considers that such recognition is derived from the sole performance obligation to transfer its products or services in accordance with contracts and commercial agreements. The transfer of control and the fulfillment of the Company's performance obligation occur at the same time, at which time the revenue of sale of goods and services is recognized by the Company. It is also considered that the buyer obtains the benefits of the acquisitions, the potential cash flows, and the amount of revenue (transaction price) can be reliably measured, and the consideration must be transferred, meaning that the Company is likely to receive the consideration to which it is entitled in exchange for the products or services.

For the Company's operations, generally the revenue recognition criteria are met when its products are delivered to its customers (CIF term) or to a carrier that will transport the goods to its customers (FOB term) and these are the times when the Company has generally fulfilled its performance obligations. Revenue is measured by the transaction price of the consideration received or receivable, an amount to which the Company expects to be entitled.

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The Company's products follow industry production standards for its applications. Historically, only a small portion of the Company's products are returned or have claims filed against the sale as result of quality complaints or other problems. Claims may be one of the following: product shipped and billed to an end customer that did not meet industry quality standards, such as physical defects in the goods, goods shipped to the wrong location or goods shipped outside acceptable time parameters. The Company estimates the consideration for such claims and reduces the amount of revenue recognized.

The warranties and claims arise when the product fails on the criteria mentioned above. Sales-related warranties associated with the goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37. Warranties and claims represent immaterial amounts to the Company.

2.16 — Investments in Environmental Protection and Environmental liabilities

Environmental costs that relate to current operations are expensed or capitalized as appropriate. Environmental costs that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation or cost reduction are recorded as expense. Liabilities are recorded when environmental assessments or remedial efforts are probable, and the cost can be reasonably estimated based on discussions with the environmental authorities and other assumptions significant to the nature and extent of the remediation that may be required. The ultimate cost to the Company is dependent upon factors beyond its control such as the scope and methodology of the remedial action requirements to be established by environmental and public health authorities, new laws or government regulations, rapidly changing technology, and the outcome of any potential related litigation. Environmental liabilities are adjusted to present value when the aggregate amount of the obligation and the amount and timing of cash disbursements are established or can be reliably estimated.

2.17 — Use of Judgements and Estimates

The preparation of the Consolidated Financial Statements requires estimates to record certain assets, liabilities, and other transactions. To make these estimates, Management uses the best information available on the date of preparation of the Consolidated Financial Statements and the experience of past and/or current events, also considering assumptions related to future events. As such, the Consolidated Financial Statements include estimates with respect to estimates referring mainly to revenue recognition (Note 2.15), the recoverable amount of goodwill and long-lived assets (Note 29), with respect to the need and the amount of provisions for tax, civil and labor claims (Note 19), recoverability of deferred tax assets (Note 8), estimates in selecting interest rates, return on assets, mortality tables and expectations for salary increases (Note 21), and long-term incentive plans through the selection of the valuation model and rates (Note 26). Actual results could differ from those estimates.

2.18 — Business Combinations for the Financial Statements

a) Step-acquisitions in which control is obtained

When a business combination is achieved in stages, the interest previously held by the Company in the acquired entity is remeasured at fair value at acquisition date (i.e. the date when the Company acquires the control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts related to the Company's interest in the acquired company before the acquisition date, and that were recognized in "Other comprehensive income," are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

b) Acquisitions in which control is obtained initially

Acquisitions of businesses are accounted for under the acquisition method. The cost of the acquisition is measured at the fair values (at the date of the transaction) of the assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquired business entity. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair values at the acquisition date. The interest of non-controlling shareholders in the acquiree is initially measured at its proportion of the net fair value of the assets, liabilities and contingent liabilities recognized. Expenses related to the acquisition are recognized in the income statement when incurred.

c) Increases/decreases in non-controlling interests

Subsequent increases/decreases in interest in subsidiaries, after the Company has obtained control, are treated as acquisitions/reductions of shares from non-controlling shareholders. The identifiable assets and liabilities of the acquired entity are not subject to a further revaluation and the positive or negative difference between the cost of such subsequent acquisitions/reductions and the net amount disbursed/received from the Company's proportional portion is recorded in equity.

d) Loss of control of a subsidiary

When control of a subsidiary is lost because of a transaction, event or other circumstance, the Company derecognizes all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognized at its fair value at the date that control is lost. This fair value is reflected in the calculation of the gain or loss on disposal attributable to the parent and becomes the initial carrying amount for subsequent accounting for the retained interest.

2.19 — Segment Information

The bodies responsible for making operational decisions, allocating resources, and evaluating performance include the Board of Executive Officers and the Board of Directors. The information presented to the senior management with the respective performance of each segment is derived from the records kept in accordance with IFRS, with some reallocations between the segments.

Starting with the disclosure of the results of 2025, the Company began to disclose the information and results of its business segments as follows:

- Brazil Segment: includes the long, flat and special steel operations and the iron ore operation located in Brazil and joint ventures (note 3.2) and associates (note 3.3) companies located in Brazil.
- North America Segment: includes the long and specialty steel operations located in Canada and the United States and the joint ventures (note 3.2) located in Canada and Mexico;
- South America Segment: includes the operations in Argentina, Peru and Uruguay.

With these changes, the information and results of the former Special Steel Segment, which included the special steel operations located in Brazil and the United States, are now disclosed jointly with the other segments, according to their geographic location, as the Brazil Segment and the North America Segment, respectively.

This new format for disclosing information and results is in line with recent changes in the global steel industry scenario, which have led to an increasing regionalization of markets, business dynamics and local currencies of these operations, improving the presentation of Gerdau's results in Brazil and North America, the main regions in which it operates. The comparative information of the segments presented in these Financial Statements has been adjusted to reflect this new composition.

2.20 — Earnings per Share

The tables presented in Note 24 reconcile net income to the amounts used to calculate basic and diluted earnings per share. The Company has no instruments considered antidilutive that should be excluded from the calculation of diluted EPS.

The calculation of basic EPS has been based on the profit attributable to shareholders and weighted-average number of shares outstanding. The calculation of diluted EPS has been based on the profit attributable to shareholders and weighted-average number of shares outstanding after adjustment for the effects of all dilutive potential shares.

2.21 — Long-term incentive plans

The Company settles its Long-term incentive plans by delivering its own shares, which are held in treasury until the exercise of the options by the employees. Additionally, the Company granted the following long-term incentive plans: Restricted Shares and Performance Shares, as presented in Note 26.

2.22 — Leasing Operations

The Company, as a lessee, recognizes a right-of-use asset that represents its right to use the leased asset and a lease liability that represents its obligation to make lease payments. Exemptions are available for short-term leases and low-value items. The Company recognizes new assets and liabilities for its operating leases. The Company recognizes a depreciation of rights of use assets and financial expense on lease obligations. Variable elements of payments related to leases (such as, for example, a lease for machinery and/or equipment with parts of payments based on the productivity of the asset) are not considered in the calculation of the liability, being recorded as operating expense. The discount rates used by the Company were obtained in accordance with market conditions.

2.23 — Tax Claims

The Company and its subsidiaries are party in judicial and administrative proceedings involving tax matters, as disclosed in Note 19. In note 2.17, the Company discloses that provisions for tax liabilities require the use of judgments and estimates.

The Company discloses different taxes related to indirect taxes (ICMS, IPI, PIS and COFINS) and they fall into the scope of IAS 37, which establishes that a liability is a present obligation of the entity arising from past events and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. In these tax discussions, past events give rise to present obligations, which based on all available evidence, resulted in a more likely than not present obligation. Contingent liabilities are not recognized, since the possibility of an outflow of resources embodying economic benefits is not more likely than not. Since contingent liabilities may develop in a way not initially expected, they are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs.

Contingent liabilities disclosures related to income taxes (IRPJ and CSLL) also fall into the scope of IAS 37, while tax provisions related to income taxes fall into the scope of IAS 12. Management considers the guidance in IFRIC 23, with the assistance of its legal advisors, to record tax provisions in accordance with applicable laws and appropriately considers uncertainties over income taxes for purposes of recognition and measurement. The assessment provided by the Company in these cases considers whether it is probable that a taxation authority will accept an uncertain tax treatment and a provision is recognized when the uncertain income tax treatment is no longer probable that it will be accepted by the taxation authority. During every fiscal year, the Company reassess its judgment and estimates to check if the facts and circumstances on which the judgment or estimate was based changed as a result of new information that affects the judgment or estimate.

2.24 — Trade accounts payable (domestic market, debtor risk and imports)

Trade accounts payable balances are obligations payable for the acquisition of goods or services in the normal course of business, being classified as current liabilities due to maturity of up to one year in the Balance Sheet and in the Cash Flow variations are presented as an increase or decrease in trade accounts payable. These amounts are initially recognized at fair value and subsequently measured at amortized cost.

The Company offers its suppliers the option of receiving payment through a debt risk transaction with financial institutions. The debt risk transaction is a supplier financing agreement in which the financial institution settles the amounts that the Company owes to its suppliers and the Company agrees to pay the financial institution in accordance with the terms and conditions of the agreement. The transfer of the right to receive the Company's securities, at the supplier's discretion, does not change the payment term nor does it imply the payment of interest by the Company, since the financial cost of such transfer is the supplier's responsibility.

In import operations of coal and other raw materials abroad, the supplier may request the issuance of a letter of credit or similar risk mitigation instrument to ship the products, being the costs associated with issuing the letter of credit recognized as a financial expense.

The breakdown of trade accounts payable balances is presented in Note 14.

2.25 — New IFRS and Interpretations of the IFRIC (International Financial Reporting Interpretations Committee)

The issued and/or reviewed IFRS standards made by the IASB that are effective for the year started in 2025 had no impact on the Company's Financial Statements. In addition, the IASB issued/reviewed some IFRS standards, which have mandatory adoption for the year 2026 and/or after, and the Company is assessing the adoption impact of these standards in its Consolidated Financial Statements.

- Issuance of IFRS 18 – Presentation and Disclosure in Financial Statements. It will replace IAS 1 – Presentation of Financial Statements, introducing new requirements that will help achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Although IFRS 18 does not impact the recognition or measurement of items in financial statements, its impacts on presentation and disclosure are expected to be widespread, in particular those related to the demonstration of financial performance and the provision of performance measures defined by management within the financial statements. This standard is effective for years beginning on/or after January 1, 2027. The Company is evaluating the impacts on its Financial Statements of adopting this standard.

- Issuance of IFRS 19 – Subsidiaries without Public Accountability: Disclosures. Establishes simplified disclosures requirements for consolidated or individual financial statements of entities eligible for the application of this standard. These rules are effective for fiscal years beginning on/or after January 1, 2027. The Company does not expect material impacts on its Financial Statements.

- Amendment to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments. It clarifies aspects related to the classification and measurement of financial instruments. This amendment to the standards is effective for years beginning on/or after January 1, 2026. The Company is evaluating the impacts on its Financial Statements of adopting these standards.

- Amendment to IFRS 9 and IFRS 7 – Contracts that refer to electricity dependent on nature. Clarifies aspects related to the application and disclosure of purchase and sale contracts exposed to variations in electricity generation dependent on uncontrollable natural conditions and related financial instruments. This amendment to the standards is effective for fiscal years beginning on or after January 1, 2026. The Company does not expect significant impacts on its Financial Statements.

- Annual improvements to IFRS Accounting Standards. It applies amendments to IFRS 1, addressing first-adoption aspects related to hedge accounting; IFRS 7, covering aspects of gain and loss on the reversal of a financial instrument, credit risk disclosures, and the difference between fair value and transaction price; IFRS 9, addressing aspects related to the reversal of leasing liabilities and transaction price; IFRS 10, addressing the determination of the “*de facto agent*” and IAS 7, addressing aspects related to the cost method. These amendments are effective for years beginning on/or after January 1, 2026. The Company does not expect material impacts on its Financial Statements.

- Amendment to IFRS 19 - Subsidiaries without Public Accountability: Disclosures. Amends disclosure requirements originally provided for this standard. This amendment to the standards is effective for years beginning on/or after January 1, 2027. The Company does not expect material impacts on its Financial Statements.

- Amendment to IAS 21 – Translation to a Hyperinflationary Presentation Currency. Changes treatment and disclosure requirements originally set forth in this standard. This amendment is effective for fiscal years beginning on or after January 1, 2027. The Company does not expect significant impacts on its Financial Statements.

- Amendment to the Illustrative Examples of IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 – Disclosures about Uncertainties in the Financial Statements. These amendments provide guidance examples that illustrate how an entity applies the requirements in the Standards to report the effects of uncertainties in its financial statements. These amendments do not have an effective date. The Company does not expect significant impacts on its Financial Statements.

2.26 — Brazilian Tax Reform

On January 16, 2025, Complementary Law Project (“PLP”) 68/2024 was sanctioned, becoming Complementary Law 214/25, which regulates the Consumption Tax Reform foreseen by Constitutional Amendment (“EC”) No. 132/2023. The new model is based on a split VAT (“dual VAT”) with two jurisdictions: a federal one (Contribution on Goods and Services - CBS), which will replace PIS and COFINS, and a sub-national one (Tax on Goods and Services - IBS), which will replace ICMS and ISS. A Selective Tax (“IS”) was also created – under federal jurisdiction – which will apply to the production, extraction, marketing, or importation of goods and services harmful to health or the environment, according to complementary law. There will be a transition period from 2026 to 2032, during which the two tax systems – old and new – will coexist. On January 13, 2026, Complementary Law No. 227 was published, establishing the IBS Management Committee, in addition to defining guidelines regarding the administrative tax process and distribution of IBS revenue among the federative entities, without altering the previously defined model, including maintaining the transition period between 2026 and 2032 (with 2026 being a testing and adaptation period – without IBS and CBS collection). Even with the publication of the aforementioned complementary law, there are still numerous aspects of the reform that require regulation. Consequently, there is no effect of the Reform on the Company’s Financial Statements as of December 31, 2025.

2.27 — Risks of international conflicts

International conflicts may have a material adverse effect on the overall macroeconomic environment, which may include demand for steel and iron ore and prices, as well as increasing energy costs. Both the conflict itself and the sanctions imposed (and further sanctions that may be imposed), as well as potential responses to sanctions, may have further destabilizing effects on financial markets and in certain commodity markets. A conflict may escalate militarily both regionally and globally; any substantial escalation would have a material adverse effect on macroeconomic conditions. In addition, sanctions may remain in place beyond the duration of any military conflict and have a long-lasting impact on the region and globally and may adversely impact the Company’s results of operations and financial condition.

2.28 — Climate Risks

A significant number of scientists, environmentalists, international organizations, regulators and other commentators sustain that global climate change has contributed, and will continue to contribute, to the increasing unpredictability, frequency and severity of natural disasters (including, but not limited to, hurricanes, droughts, tornadoes, freezes, other storms and fires) in certain parts of the world. As a result, several legal and regulatory measures as well as social initiatives have been introduced in numerous countries in an effort to reduce carbon dioxide and other greenhouse gas (GHG) emissions and combat global climate change. Such reductions in GHG emissions could result in increased energy, transportation and raw material costs and may require us to make additional investments in facilities and equipment. Although we cannot predict the impact of changing global climate conditions without certain assumptions, or of legal, regulatory and social responses to concerns about global climate change, any such occurrences may negatively affect our business, financial condition, results of operations and cash flows.

2.29 — Increase in tariffs on exports to the United States

Following the announcement by the United States government of increased tariffs on exports of Brazilian products, the Company has been cautiously monitoring the potential impacts that US tariffs on Brazil may have on the local industry, which could have a cascading effect on steel consumption in Brazil.

2.30 — Pillar Two

Brazil began adopting Pillar Two rules through the creation of an Additional Social Contribution (CSLL) to be calculated based on the universe of Brazilian companies (QDMTT) through the publication of Law 15,079/23, applicable from the 2025 calendar year. Having performed the respective calculations, the Company benefits from the Safe Harbor provision, not having to pay additional tax in the fiscal year. In countries where the Company has significant industrial and commercial activities, its controlled entities are taxed at nominal profit tax rates exceeding 15%, including in Brazil. Therefore, there is no expectation for subsequent years of legislative changes or extraordinary transactions that would result in effective income tax rates below 15% in the geographies where the Company conducts significant industrial and commercial activities. Thus, the Company does not expect significant exposure to Pillar Two effects in any of the jurisdictions in which it operates, and consequently, does not expect significant impacts on its Financial Statements related to the entry into force of this standard. The implementation of the Pillar Two standard is effective for fiscal years beginning on or after January 1, 2024, for Canada, Spain, and Hungary, and for Uruguay, for fiscal years beginning after December 16, 2025.

NOTE 3 — CONSOLIDATED FINANCIAL STATEMENTS

3.1 — Subsidiaries

Listed below are the significant consolidated subsidiaries:

Consolidated company	Country	Equity Interests		
		2025	2024	2023
Gerdau GTL Spain S.L.	Spain	100.00	100.00	100.00
Gerdau Internacional Empreendimentos Ltda. - Grupo Gerdau	Brazil	100.00	100.00	100.00
Gerdau Ameristeel Corporation and subsidiaries ⁽¹⁾	USA/Canada	100.00	100.00	100.00
Gerdau Açominas S.A. and subsidiary ⁽²⁾	Brazil	99.89	99.86	99.86
Gerdau Aços Longos S.A. and subsidiaries ⁽³⁾	Brazil	99.84	99.83	99.83
Gerdau Steel Inc.	Canada	100.00	100.00	100.00
Paraopeba - Fixed-income investment fund ⁽⁴⁾	Brazil	77.83	84.49	75.36
Gerdau Hungria Holdings Limited Liability Company	Hungary	100.00	100.00	100.00
GTL Equity Investments Corp.	British Virgin Islands	100.00	100.00	100.00
Empresa Siderúrgica del Perú S.A.A. - Siderperú	Peru	90.03	90.03	90.03
Gerdau GTL México, S.A. de C.V.	Mexico	100.00	100.00	100.00
Seiva S.A. - Florestas e Indústrias	Brazil	97.73	97.73	97.73
Gerdau Laisa S.A.	Uruguai	100.00	100.00	100.00
Sipar Gerdau Inversões S.A.	Argentina	99.99	99.99	99.99
Sipar Aceros S.A. and subsidiary ⁽⁵⁾	Argentina	99.98	99.98	99.98
Gerdau Trade Inc.	British Virgin Islands	100.00	100.00	100.00
Gerdau Next S.A. and subsidiaries ⁽⁶⁾	Brazil	100.00	100.00	100.00

(*) The voting capital is substantially equal to the total capital. The interests reported represent the ownership percentage held directly and indirectly in the subsidiary.

(1) Subsidiaries: Gerdau Ameristeel US Inc., GUSAP III LLP, GNA Financing Inc., Gerdau Macsteel Inc. and Chaparral Steel Company and Gerdau Steel North America Two Corporation.

(2) Subsidiary: Gerdau Açominas Overseas Ltd.

(3) Subsidiaries: SPEs Barro Alto Solar Park (SPE Barro Alto V, SPE Barro Alto VI and SPE Barro Alto VII), Paranatinga Energia S.A., Comercial Gerdau Aços Planos Ltda., Sul Renováveis Participações S.A. and Rio do Sangue Energia S.A..

(4) Fixed-income investment fund managed by Santander Bank. The participation shown refers to the balances applied by the Company in relation to the total fund each year.

(5) Subsidiary: Siderco S.A.

(6) Subsidiaries: G2L Logística S.A., G2base Fundações e Contensões Ltda, G2 Adições Minerais e Químicas Ltda. and Circulabi S.A.

3.2 — Joint ventures

Listed below are the interests in joint ventures:

Joint ventures	Country	Equity Interests		
		Total capital ^(*)		
		2025	2024	2023
Bradley Steel Processors (Note 3.4)	Canada	—	50.00	50.00
MRM Guide Rail	Canada	50.00	50.00	50.00
Gerdau Corsa S.A.P.I. de CV	Mexico	75.00	75.00	75.00
Gerdau Summit Aços Fundidos e Forjados S.A. (Note 3.4)	Brazil	—	58.73	58.73
Juntos Somos Mais Fidelização S.A.	Brazil	27.48	27.47	27.16
Addiante S.A.	Brazil	50.00	50.00	50.00
Brasil ao Cubo S.A.	Brazil	44.66	44.66	44.66
MRS Logística S.A.	Brazil	1.32	1.32	1.32
Ubiratã Tecnologia S.A.	Brazil	—	—	50.00
Gerdau Metaldom Corp. (Note 3.4)	Dominican Rep.	—	—	50.00
Diacó S.A. (Note 3.4)	Colombia	—	—	49.85

(*) The voting capital is substantially equal to the total capital. The interests reported represent the ownership percentage held directly and indirectly held in the joint venture.

Although the Company owns more than 50% of Gerdau Corsa S.A.P.I. de C.V., it does not consolidate the financial statements of these joint venture entities, due to joint control agreements with the other shareholders that prevent the Company from controlling the decisions in conducting the joint venture's business. The Company has a 1.32% interest in MRS Logística S.A. and, due to the existence of a shareholders' agreement, it is characterized as a joint venture entity with significant influence outlined in the accounting standard for applying the equity method.

The Company presents the joint venture information in aggregate, since the investments in these entities are not individually material. The summarized financial information of these joint ventures, accounted for under the equity method, is presented below:

Joint ventures	Joint ventures		
	2025	2024	2023
Cash and cash equivalents	5,268,140	4,885,784	4,946,614
Total current assets	8,204,754	8,646,770	10,830,003
Total non-current assets	24,726,193	19,743,779	19,799,735
Short-term debt	1,363,974	947,126	1,387,985
Total current liabilities	4,760,141	5,063,501	7,153,365
Long-term debt	9,796,171	8,952,910	6,509,894
Total non-current liabilities	14,146,451	11,436,979	9,547,371
Net sales	13,125,426	13,996,168	20,054,786
Cost of sales	(8,715,528)	(9,659,890)	(12,364,560)
Income before financial income (expenses) and taxes	3,283,628	3,404,073	4,516,140
Financial income	1,450,250	1,526,541	736,790
Financial expenses	(2,300,243)	(2,039,335)	(1,585,142)
Income and social contribution taxes	(774,075)	(870,477)	(827,060)
Net income	1,658,916	1,945,071	2,573,019
Depreciation and amortization	(1,693,717)	(1,314,812)	(1,241,155)
Total comprehensive income for the year, net of tax	1,658,916	1,945,071	2,580,649

3.3 — Associate companies

Listed below is the interest in associate companies:

Associate companies	Country	Equity interests		
		Total capital (*)		
		2025	2024	2023
Dona Francisca Energética S.A.	Brazil	53.94	53.94	51.82
Newave Energia S.A.	Brazil	40.00	40.00	33.33

(*) The voting capital is substantially equal to the total capital. The interests reported represent the ownership percentage held directly and indirectly.

The Company does not consolidate the Financial Statements of Dona Francisca Energética S.A. despite holding more than 50% of the total capital of this affiliate, due to protection rights granted to other shareholders that prevent the Company from fully implementing decisions regarding the conduct of the affiliate's business.

The summarized financial information of the associate company, accounted for under the equity method, is presented below:

Associate companies	Associate companies		
	2025	2024	2023
Cash and cash equivalents	19,489	89,078	138,389
Total current assets	159,054	173,927	165,048
Total non-current assets	1,330,910	1,064,426	424,053
Total current liabilities	156,974	54,664	122,308
Total non-current liabilities	131,565	53,305	7,965
Net sales	743,021	231,495	80,312
Cost of sales	(724,339)	(136,254)	(41,022)
Income before financial income (expenses) and taxes	(14,439)	50,805	(15,033)
Financial income	14,097	2,685	33,528
Financial expenses	(98,037)	(2,619)	(4,793)
Income and social contribution taxes	21,868	(16,617)	(2,557)
Net income	(76,512)	34,254	9,134
Depreciation and amortization	(54,803)	(16,165)	(10,329)
Total comprehensive income for the year, net of tax	(76,512)	34,254	9,134

3.4 — Acquisition of joint venture, associate company and subsidiaries

a) Brasil ao Cubo S.A.

On January 10, 2023, the Company converted into equity interest a convertible loan with the Brasil ao Cubo S.A. in the amount of R\$ 141 million. On the same date, the Company also acquired some shareholdings from the original shareholders in the amount of R\$ 37 million and, as a result of these operations, became the holder of 44.66% of the total capital of this company. Brasil ao Cubo S.A. operates in the construction of buildings, the manufacture of metallic structures, the manufacture of metal frames, the manufacture of locksmith articles, with the exception of frames, retail trade of construction materials in general and engineering services.

b) Newave Energia S.A.

On March 15, 2023, the Company's subsidiary Gerdau Next S.A. ("Gerdau Next") and Fundo Newave Energia I Advisory Fundo de Investimento em Participações Multiestratégia ("NW Capital"), signed an agreement for the subscription of an equity interest in the share capital of Newave Energia S.A. ("Newave") by Gerdau Next and NW Capital, in the proportions of 33.33% and 66.67%, respectively. On December 31, 2023, the amount paid in by the Company is R\$ 388 million.

c) Dales Recycling Partnership

On September 17, 2024, Gerdau Ameristeel US Inc., subsidiary of Gerdau in North America, signed an agreement to acquire the entire ferrous and non-ferrous scrap processing and recycling business of Dales Recycling Partnership. The acquisition price of approximately US\$57.4 million (equivalent to R\$331.9 million), paid in cash with own available resources. The acquisition generated a goodwill of R\$116,396, aims to increase Gerdau's captive ferrous scrap supply through proprietary channels, supplying raw material to its operations at a competitive cost. The Company also clarifies that this acquisition is aligned with its strategy of growth and competitiveness of operations through assets with greater potential for long-term value generation and expansion of its presence in more profitable markets for its business. The closing of the transaction occurred on November 1, 2024, the date from which Gerdau Ameristeel US Inc. will have control over the Dales Recycling business.

The Company has completed the assessment of the fair value of the assets and liabilities of Dales Recycling and the following table summarizes the fair value of the assets and liabilities at the date of acquisition of control of the company:

	Book Value	Acquisition's adjustments	Fair Value
Inventories	2,524	—	2,524
Property, plant and equipment, net	200,268	12,677	212,945
Assets	202,792	12,677	215,469
Goodwill	—	116,396	116,396
Total assets	202,792	129,073	331,865

The amounts recognized as revenue and net income in the year, attributable to Dales Recycling, included in the Company's Consolidated Financial Statements since the date of acquisition are not material. Additionally, the revenue and net income that would have been generated by Dales Recycling for the year ended December 31, 2024, if control had been obtained at the beginning of the year, would also not be significant.

d) Barro Alto Solar Park

On December 6, 2024, the Company and its subsidiary Gerdau Aços Longos S.A. entered into instruments with Newave Energia S.A. for the full acquisition of three Special Purpose Entities (SPEs) in the Barro Alto Solar Park, which is under construction in Barro Alto, in the state of Goiás, and through this acquisition, the Company now holds the right to all of the solar energy to be generated by them.

The acquisition of the three SPEs by the Company represents an investment of approximately R\$600 million, of which R\$300 million comes from its own capital (to be disbursed according to the project execution schedule) and R\$300 million comes from financing from the Superintendência de Desenvolvimento do Centro-Oeste (Sudeco), operated by Banco do Brasil. As of December 31, 2024, the Company has already invested R\$123,818 in these SPEs.

e) Gerdau Summit Aços Fundidos e Forjados S.A. (Gerdau Summit)

On February 10, 2025, the Company, after fulfilling all the conditions precedent, including approval by the antitrust authorities, concluded the transaction with Sumitomo Corporation and The Japan Steel Works Ltd., for the acquisition of 39.53% and 1.74%, respectively, of the total shares issued by Gerdau Summit Aços Fundidos e Forjados S.A. ("Gerdau Summit"). With the closing of the transaction, the Company owns 100% of the Gerdau Summit's capital. The acquisition price, paid in cash with own available resources, was approximately US\$ 32.6 million (equivalent to R\$ 188.6 million on the date of completion of the transaction), and as a result of the acquisition, the Company obtained a gain from a bargain purchase of R\$ 37.7 million, due to the acquisition price being lower than the fair value of Gerdau Summit, with the gain being recognized in the income statement of the period. Gerdau Summit, until then a joint venture, with this transaction becomes a subsidiary of the Company.

On May 30, 2025, at the Extraordinary General Meeting, it was decided to incorporate Gerdau Summit into Gerdau S.A., without a capital increase and without the issuance of new shares by the Company, with effect from May 31, 2025.

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The Company assessed the fair value of Gerdau Summit's assets and liabilities and the following table summarizes the fair value of assets and liabilities on the date of acquisition of control of the company:

	Book Value	Acquisition's adjustments	Fair Value
Cash and cash equivalents	49,311	—	49,311
Short-term investments	2,079	—	2,079
Trade accounts receivable - net	108,989	—	108,989
Inventories	195,266	—	195,266
Other current assets	34,317	—	34,317
Property, plant and equipment, net	323,038	30,743	353,781
Other non-current assets	72,910	—	72,910
Current liabilities	(275,028)	—	(275,028)
Non-current liabilities	(36,943)	—	(36,943)
Assets (Liabilities)	473,939	30,743	504,682
Negative Goodwill (Bargain Purchase)	—	(37,706)	(37,706)
Deferred income taxes	—	12,820	12,820
Assets (Liabilities), net	473,939	5,857	479,796

f) Rio do Sangue Energia S.A.

On March 21, 2025, the Company completed the acquisition, from Ataia Energia S.A., of all the shares of Rio do Sangue Energia S.A., owner of the Small Hydroelectric Power Plant ("SHP") called Garganta da Jararaca, for R\$ 244.5 million. The acquisition price was paid in cash on the closing date with its own available resources. The SHP is located in the state of Mato Grosso and will supply renewable energy to Gerdau's steel production units in Brazil, on a self-generation basis. The acquisition of these assets is in line with the Company's strategy of increasing the cost competitiveness of its business by increasing the self-production of clean energy.

The Company assessed the fair value of the assets and liabilities of Rio do Sangue Energia S.A. and the following table summarizes the fair value of the assets and liabilities on the date of acquisition of control of the company:

	Book Value	Acquisition's adjustments	Fair Value
Current assets	1,205	—	1,205
Property, plant and equipment, net	32,112	—	32,112
Other intangibles	1,949	210,209	212,158
Other non-current assets	400	—	400
Current liabilities	(1,244)	—	(1,244)
Non-current liabilities	(83)	—	(83)
Assets (Liabilities), net	34,339	210,209	244,548
Purchase price			244,548

The amount of R\$ 210,209 allocated as other intangible assets in the table above refers to the fair value adjustments from the authorization to operate. The amounts recognized as revenue and net income in the period, attributable to Rio do Sangue Energia S.A., included in the Company's Consolidated Financial Statements since the acquisition date, are not material. Additionally, the revenue and net income that would have been generated by Rio do Sangue Energia S.A. for the year ended December 31, 2025, if control had been obtained at the beginning of the year, would also not be significant.

g) Comercial Gerdau Aços Planos Ltda.

On April 11, 2025, the Company acquired 100% of the capital of Kloeckner Metals Brasil Ltda. from Klöckner & Co.SE, for approximately R\$ 42.9 million. As a result of the acquisition, the Company realized a gain on a bargain purchase of R\$ 3.6 million, since the acquisition price was lower than the fair value of the acquired company, and the gain was recognized in the income statement for the period. The acquisition price was paid in cash with its own available resources. Following the acquisition, the Company changed the name of its new subsidiary to Comercial Gerdau Aços Planos Ltda.. The acquired company's business purpose is the sale of steel products and metal cutting and bending, among other activities. The amounts recognized as revenue and net income for the year, attributable to Comercial Gerdau Aços Planos Ltda., included in the Company's Consolidated Financial Statements since the acquisition date, are not material. Additionally, the revenues and net profit that would have been generated by Comercial Gerdau Aços Planos Ltda. for the year ended December 31, 2025, if control had been obtained at the beginning of the year, would also not have been significant.

h) Paranatinga Energia S.A.

On April 28, 2025, the Company, together with Atiaia Energia S.A., completed the acquisition of all the shares of Paranatinga Energia S.A., owner of the Small Hydroelectric Power Plant (SHP) called Paranatinga II, for approximately R\$197.2 million, net of consolidated cash of R\$ 32.8 million. The acquisition price was paid in cash with its own available resources. This SHP is located in the state of Mato Grosso and will supply renewable energy to Gerdau's steel production units in Brazil, on a self-production basis. The acquisition of this asset is in line with Gerdau's strategy of increasing the cost competitiveness of its business by increasing the self-production of clean energy.

The Company assessed the fair value of the assets and liabilities of Paranatinga Energia S.A. and the following table summarizes the fair value of the assets and liabilities on the date of acquisition of control of the company:

	Book Value	Acquisition's adjustments	Fair Value
Cash and cash equivalents	32,805	—	32,805
Other current assets	3,318	—	3,318
Property, plant and equipment, net	59,818	—	59,818
Other intangibles	7,322	129,069	136,391
Other non-current assets	159	—	159
Current liabilities	(2,318)	—	(2,318)
Non-current liabilities	(203)	—	(203)
Assets (Liabilities), net	<u>100,901</u>	<u>129,069</u>	<u>229,970</u>
Purchase price			<u>229,970</u>

The amount of R\$ 129,069 allocated as other intangible assets in the table above refers to the fair value adjustments from the authorization to operate. The amounts recognized as revenue and net income in the period, attributable to Paranatinga Energia S.A., included in the Company's Consolidated Financial Statements since the acquisition date, are not material. Additionally, the revenue and net income that would have been generated by Paranatinga Energia S.A. for the year ended December 31, 2025, if control had been obtained at the beginning of the year, would also not be significant.

i) Bradley Steel Processors Inc. (Bradley)

On December 1, 2025, the Company completed the transaction with John Buller Inc. to acquire 50% of the total outstanding shares of Bradley. Upon closing the transaction, the Company came to own 100% of the share capital of Bradley. The acquisition price, paid in cash with equity, was approximately CAD 6.8 million (equivalent to R\$ 27.1 million), and as a result of the acquisition, the Company recognized goodwill of CAD 2.7 million (equivalent to R\$ 11.0 million). Bradley, previously a jointly controlled company, becomes a subsidiary of the Company as a result of this transaction. This company is located in Canada and its main business activity is the manufacture of components used in trailers for the transportation industry. The amounts recognized as revenue and net income for the year attributable to Bradley, included in the Company's Consolidated Financial Statements since the acquisition date, are not material. Additionally, the revenues and net income that Bradley would have generated for the fiscal year ended December 31, 2025, had control been acquired at the beginning of the fiscal year, would also not have been significant.

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The Company has assessed the fair value of Bradley's assets and liabilities, and the following table summarizes the fair value of the assets and liabilities at the date of acquisition of control of the company:

	<u>Book Value</u>	<u>Acquisition's adjustments</u>	<u>Fair Value</u>
Current assets	10,944	—	10,944
Property, plant and equipment, net	2,316	10,498	12,814
Goodwill	—	11,024	11,024
Current liabilities	(3,284)	—	(3,284)
Non-current liabilities	(88)	—	(88)
Assets (Liabilities), net	<u>9,888</u>	<u>21,522</u>	<u>31,410</u>
Fair value of the existing shares			4,311
Purchase price			<u>27,099</u>

NOTE 4 — CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Cash and cash equivalents

	<u>2025</u>	<u>2024</u>
Cash	14,710	16,245
Banks and immediately available investments	5,914,460	7,751,568
Cash and cash equivalents	<u>5,929,170</u>	<u>7,767,813</u>

Immediately available investments include investments with maturity of up to 90 days or readily redeemable, that means, those that have immediate liquidity and low risk of fair value variation.

Short-term investments

	<u>2025</u>	<u>2024</u>
Short-term investments	<u>445,627</u>	<u>509,030</u>

Short-term investments include securities held for immediate trading or available for future sale and substantially include amounts in investment funds, whose portfolio is composed of Bank Deposit Certificates, government bonds, financial bills and debentures, among others, which are used to manage the cash from the Company's operating activities and recorded at fair value. Income generated by these investments is recorded as financial income.

NOTE 5 — TRADE ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Trade accounts receivable - in Brazil	1,912,129	2,261,456
Trade accounts receivable - exports from Brazil	718,930	792,385
Trade accounts receivable - outside of Brazil	2,271,451	2,237,636
(-) Impairment loss on trade receivables	(91,870)	(114,519)
	<u>4,810,640</u>	<u>5,176,958</u>

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Accounts receivable by aging are as follows:

	2025	2024
Current	4,326,579	4,662,821
Past-due:		
Up to 30 days	369,766	444,927
From 31 to 60 days	100,422	52,058
From 61 to 90 days	14,946	24,820
From 91 to 180 days	50,845	45,108
From 181 to 360 days	14,326	14,660
Above 360 days	25,626	47,083
(-) Impairment on financial assets	(91,870)	(114,519)
	<u>4,810,640</u>	<u>5,176,958</u>

The changes in the impairment on financial assets are as follows:

Balance as of January 1, 2023	<u>(92,587)</u>
Impairment on financial assets during the year	(37,609)
Recoveries in the year	26,719
Write-offs	9,736
Exchange variation	3,855
Balance as of December 31, 2023	<u>(89,886)</u>
Impairment on financial assets during the year	(67,838)
Recoveries in the year	36,928
Write-offs	18,403
Exchange variation	(12,126)
Balance as of December 31, 2024	<u>(114,519)</u>
Impairment on financial assets during the year	(36,705)
Recoveries in the year	26,456
Write-offs	26,581
Acquisition of company control (Note 3.4)	(180)
Exchange variation	6,497
Balance as of December 31, 2025	<u>(91,870)</u>

The Company's maximum exposure to credit risk, net of impairment on financial assets, is the amount of accounts receivable. The credit quality of accounts receivable to maturity is considered adequate, and the value of the effective risk of possible losses on accounts receivable from customers is presented as impairment on financial assets.

NOTE 6 — INVENTORIES

	2025	2024
Finished products	6,903,389	7,413,773
Work in progress	3,255,250	3,795,605
Raw materials	3,085,485	3,277,924
Storeroom supplies	1,054,641	1,350,468
Imports in transit	484,408	696,699
(-) Allowance for adjustments to net realizable value	(52,092)	(29,558)
	<u>14,731,081</u>	<u>16,504,911</u>

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The allowance for adjustment to net realizable value of inventories, on which the provision and write-offs are registered with impact on cost of sales, is as follows:

Balance as of January 1, 2023	(47,497)
Provision for the year	(59,783)
Reversal of adjustments to net realizable value	47,747
Exchange rate variation	1,361
Balance as of December 31, 2023	(58,172)
Provision for the year	(34,356)
Reversal of adjustments to net realizable value	67,493
Exchange rate variation	(4,523)
Balance as of December 31, 2024	(29,558)
Provision for the year	(59,291)
Reversal of adjustments to net realizable value	35,819
Acquisition of company control (Note 3.4)	(746)
Exchange rate variation	1,684
Balance as of December 31, 2025	(52,092)

NOTE 7 — TAX CREDITS

	2025	2024
Current		
ICMS (state VAT)	329,345	269,544
Social security financing	704,210	604,704
Financing of social integration program	160,689	178,989
IPI (federal VAT)	31,481	33,154
IVA (value-added tax)	4,626	4,555
Others	51,898	62,176
	<u>1,282,249</u>	<u>1,153,122</u>
Non-current		
ICMS (state VAT)	204,012	195,537
Social security financing	1,079,922	1,269,568
Financing of social integration program and Others	145,390	279,282
	<u>1,429,324</u>	<u>1,744,387</u>
	<u>2,711,573</u>	<u>2,897,509</u>

The estimates of realization of non-current tax credits are as follows:

	2025	2024
2026	—	575,517
2027	663,699	384,850
2028	255,025	456,327
2029	198,434	327,693
2030 on	312,166	—
	<u>1,429,324</u>	<u>1,744,387</u>

NOTE 8 — INCOME AND SOCIAL CONTRIBUTION TAXES

In Brazil, income taxes include federal income tax (IRPJ) and social contribution (CSLL), which represents an additional federal income tax. The statutory rates for income tax and social contribution are 25% and 9%, respectively, and are applicable for the years ended December 31, 2025, 2024 and 2023. The foreign subsidiaries of the Company are subject to taxation at rates ranging between 23% and 35%, without considering there are subsidiaries abroad with zero tax rate, which have mainly financial activities. The differences between the Brazilian tax rates and the rates of other countries are presented under “Difference in tax rates in foreign companies” in the reconciliation of income tax and social contribution below. The uncertain tax positions related to federal income tax (IRPJ) and Social Contribution (CSLL) are disclosed in Note 19.

a) Reconciliations of income and social contribution taxes at statutory rates to amounts presented in the Statement of Income are as follows:

	2025	2024	2023
Income (loss) before income taxes	2,524,447	5,463,715	9,346,605
Statutory tax rates	34 %	34 %	34 %
Income and social contribution taxes at statutory rates	(858,312)	(1,857,663)	(3,177,846)
Tax adjustment with respect to:			
- Difference in tax rates in foreign companies	402,939	805,361	281,754
- Equity in earnings of unconsolidated companies	32,511	157,919	281,386
- Interest on equity (Note 2.14)	65	(1,662)	302,602
- Interests on tax lawsuits	42,417	38,249	134,131
- Tax credits and incentives	9,311	10,382	16,634
- Deferred tax assets not recognized / Realization, net	(565,697)	38,481	44,000
- Other permanent differences, net	(169,243)	(55,720)	307,717
Income and social contribution taxes	<u>(1,106,009)</u>	<u>(864,653)</u>	<u>(1,809,622)</u>
Current	(1,119,427)	(1,159,640)	(1,810,459)
Deferred	13,418	294,987	837

b) Breakdown and changes in deferred income and social contribution tax assets and liabilities at statutory tax rates:

	Balance as of January 01, 2023	Recognized in income	Comprehensive Income	Others	Balance as of December 31, 2023
Tax loss carryforward	639,046	209,405	(10)	88,975	937,416
Social contribution tax losses	173,579	67,505	—	—	241,084
Provision for tax, civil and labor liabilities	525,158	55,830	(40)	—	580,948
Benefits granted to employees	199,773	(276)	(106,576)	—	92,921
Other temporary differences	347,051	56,739	(120,863)	—	282,927
Deferred exchange variance	834,335	(410,931)	223	—	423,627
Provision for losses	43,737	49,696	(33)	—	93,400
Fair value adjustments on businesses acquired	(694,543)	(27,131)	84,661	—	(637,013)
	<u>2,068,136</u>	<u>837</u>	<u>(142,638)</u>	<u>88,975</u>	<u>2,015,310</u>
Non-current assets	2,164,477				2,219,461
Non-current liabilities	(96,341)				(204,151)
	Balance as of December 31, 2023	Recognized in income	Comprehensive Income	Others	Balance as of December 31, 2024
Tax loss carryforward	937,416	173,232	(193)	(30,008)	1,080,447
Social contribution tax losses	241,084	52,565	—	—	293,649
Provision for tax, civil and labor liabilities	580,948	55,693	2	—	636,643
Benefits granted to employees	92,921	43	17,745	—	110,709
Other temporary differences	282,927	106,170	90,073	—	479,170
Deferred exchange variance	423,627	(153,604)	(1,598)	—	268,425
Provision for losses	93,400	38,310	174	—	131,884
Fair value adjustments on businesses acquired	(637,013)	22,578	(121,982)	—	(736,417)
	<u>2,015,310</u>	<u>294,987</u>	<u>(15,779)</u>	<u>(30,008)</u>	<u>2,264,510</u>
Non-current assets	2,219,461				2,427,648
Non-current liabilities	(204,151)				(163,138)

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	Balance as of December 31, 2024	Recognized in income	Comprehensive Income	Acquisition of company control (Note 3.4)	Balance as of December 31, 2025
Tax loss carryforward	1,080,447	(1,665)	—	—	1,078,782
Social contribution tax losses	293,649	23,557	—	—	317,206
Provision for tax, civil and labor liabilities	636,643	(14,504)	—	826	622,965
Benefits granted to employees	110,709	(3,234)	(30,040)	—	77,435
Other temporary differences	479,170	(160,890)	(80,505)	(17,044)	220,731
Deferred exchange variance	268,425	(266,988)	217	25	1,679
Provision for losses	131,884	480,187	—	97	612,168
Fair value adjustments on businesses acquired	(736,417)	(43,045)	56,648	—	(722,814)
	<u>2,264,510</u>	<u>13,418</u>	<u>(53,680)</u>	<u>(16,096)</u>	<u>2,208,152</u>
Non-current assets	2,427,648				2,561,980
Non-current liabilities	(163,138)				(353,828)

The recoverability analysis of deferred tax balances related to tax loss carryforward and social contribution tax losses performed by the Company and approved by its Board of Directors are based on its business plans and aligned with other projections and analysis performed by the Company as, for example, the impairment of assets tests.

c) Estimated recovery and reversal of income and social contribution tax assets and liabilities are as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
2025	—	642,303	—	(3,438)
2026	458,983	374,285	(4,064)	(18,963)
2027	401,069	386,288	(30,686)	(2,908)
2028	415,979	229,836	(70,875)	(23,361)
2029	354,304	290,656	(65,016)	(19,558)
2030 on	931,645	504,280	(183,187)	(94,910)
	<u>2,561,980</u>	<u>2,427,648</u>	<u>(353,828)</u>	<u>(163,138)</u>

d) Tax Assets not recognized:

Due to the lack of expectation to use tax losses, negative social contribution base and deferred exchange variation arising from some operations in Brazil, the Company did not recognize a portion of tax assets of R\$ 907,295 (R\$ 300,763 on December 31, 2024), which do not have an expiration date. The subsidiaries abroad had R\$ 701,413 (R\$ 849,200 as of December 31, 2024) of tax credits on capital losses for which deferred tax assets have not been recognized and which expire between 2029 and 2035 and also several Unrecognized tax loss carryforwards from state credits in the United States in the amount of R\$ 291,979 (R\$ 326,966 as of December 31, 2024), which expire at various dates between 2025 and 2038.

NOTE 9 — INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	<u>Total</u>
Balance as of January 1, 2023	<u>3,896,518</u>
Equity in earnings	827,606
Cumulative Translation Adjustment	176,214
Capital increase	524,185
Conversion of intercompany loan into equity interest	141,070
Negative goodwill in acquisition of equity interest	11,195
Presentation as Assets held for sale	(1,210,041)
Shares repurchase	(47,006)
Dividends/Interest on equity	<u>(461,292)</u>
Balance as of December 31, 2023	<u>3,858,449</u>
Equity in earnings	464,467
Cumulative Translation Adjustment	130,946
Capital increase	184,947
Additional share purchase	7,000
Dividends/Interest on equity	(414,653)
Other transactions	(8,839)
Balance as of December 31, 2024	<u>4,222,317</u>
Equity in earnings	95,622
Cumulative Translation Adjustment	22,101
Capital increase	91,436
Acquisition of company control (Note 3.4)	25,846
Disposal in acquisition of company control	(277,521)
Dividends/Interest on equity	<u>(235,327)</u>
Balance as of December 31, 2025	<u>3,944,474</u>

NOTE 10 — PROPERTY, PLANT AND EQUIPMENT

a) Summary of changes in property, plant and equipment:

Cost of the property, plant, and equipment	Land and buildings	Machines, equipment, and installations	Data electronic equipment	Property, plant and equipment under construction	Others	Total
Balances as of January 1, 2023	10,430,215	38,638,694	1,022,633	3,714,681	1,374,158	55,180,381
Additions	93,945	211,267	15,337	5,097,397	265,551	5,683,497
Assets retirement obligation	21,310	—	—	—	—	21,310
Capitalized interest	—	—	—	54,374	—	54,374
Transfers	708,827	2,335,980	96,450	(3,238,470)	97,213	—
Disposals	(33,995)	(344,697)	(5,598)	(2,739)	(18,487)	(405,516)
Foreign exchange effect	(346,911)	(1,761,512)	(41,713)	(108,693)	(15,786)	(2,274,615)
Balances as of December 31, 2023	10,873,391	39,079,732	1,087,109	5,516,550	1,702,649	58,259,431
Additions	29,238	163,145	5,045	5,720,273	265,387	6,183,088
Capitalized interest	—	—	—	125,729	—	125,729
Transfers	724,304	2,541,877	58,097	(3,352,066)	27,788	—
Disposals	(21,812)	(223,378)	(360,827)	(899)	(31,729)	(638,645)
Acquisition of company	65,290	114,819	—	123,818	32,836	336,763
Impairment of assets (Note 29.2)	(28,032)	(143,669)	(711)	—	(27,215)	(199,627)
Foreign exchange effect	1,101,743	5,829,519	101,414	466,718	77,391	7,576,785
Balances as of December 31, 2024	12,744,122	47,362,045	890,127	8,600,123	2,047,107	71,643,524
Additions	31,710	356,596	14,547	5,544,539	197,130	6,144,522
Capitalized interest	—	—	—	227,093	—	227,093
Transfers	1,030,723	4,407,066	84,994	(5,540,035)	17,252	—
Disposals	(82,964)	(447,211)	(4,139)	(19,910)	(87,665)	(641,889)
Acquisition of company (Note 3.4)	34,340	395,322	2,390	42,780	(5,179)	469,653
Impairment of assets (Note 29.2)	(344,348)	(1,183,250)	(2,218)	(47,814)	(13,739)	(1,591,369)
Foreign exchange effect	(512,033)	(1,971,503)	(27,970)	(146,288)	(3,168)	(2,660,962)
Balances as of December 31, 2025	12,901,550	48,919,065	957,731	8,660,488	2,151,738	73,590,572
Accumulated depreciation	Land and buildings	Machines, equipment, and installations	Data electronic equipment	Property, plant and equipment under construction	Others	Total
Balances as of January 1, 2023	(5,716,422)	(27,719,696)	(918,769)	—	(402,760)	(34,757,647)
Depreciation	(542,419)	(1,773,479)	(62,072)	—	(72,227)	(2,450,197)
Transfers	30	(143)	113	—	—	—
Disposals	17,558	307,113	5,597	—	16,736	347,004
Foreign exchange effect	172,016	1,202,584	45,872	—	61,467	1,481,939
Balances as of December 31, 2023	(6,069,237)	(27,983,621)	(929,259)	—	(396,784)	(35,378,901)
Depreciation	(427,553)	(1,922,750)	(76,514)	—	(57,626)	(2,484,443)
Transfers	924	(814)	(135)	—	25	—
Disposals	10,421	219,650	360,770	—	31,365	622,206
Foreign exchange effect	(567,594)	(4,129,783)	(62,691)	—	(51,004)	(4,811,072)
Balances as of December 31, 2024	(7,053,039)	(33,817,318)	(707,829)	—	(474,024)	(42,052,210)
Depreciation	(462,279)	(2,332,157)	(91,877)	—	(105,660)	(2,991,973)
Disposals	27,301	409,819	3,339	—	48,868	489,327
Foreign exchange effect	279,829	1,290,955	33,861	—	472	1,605,117
Balances as of December 31, 2025	(7,208,188)	(34,448,701)	(762,506)	—	(530,344)	(42,949,739)
Net property, plant and equipment						
Balances as of December 31, 2023	4,804,154	11,096,111	157,850	5,516,550	1,305,865	22,880,530
Balances as of December 31, 2024	5,691,083	13,544,727	182,298	8,600,123	1,573,083	29,591,314
Balances as of December 31, 2025	5,693,362	14,470,364	195,225	8,660,488	1,621,394	30,640,833

The average rate of capitalized interest in 2025 was 13.8% (11.4% in 2024 and 13.1% in 2023).

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The following useful lives are used to calculate depreciation:

	Useful lives of property, plant and equipment
Buildings	10 to 33 years
Machines, equipment, and installations	10 to 20 years
Furniture and fixture	5 to 10 years
Vehicles	3 to 5 years
Data electronic equipment	2.5 to 6 years

b) Guarantees — property, plant and equipment were not offered as collateral for loans and financing in 2025, 2024 and 2023.

c) Impairment of property, plant and equipment — As of December 31, 2025, the carrying amount of items of property, plant and equipment for which an impairment loss has been recognized up to current year is R\$ 639,826 for land and buildings (346,147 as of December 31, 2024), R\$ 1,533,935 for machines, equipment and installations (R\$ 488,533 as of December 31, 2024), R\$ 2,787 for data electronic equipment (R\$ 711 as of December 31, 2024), R\$ 609,823 for Property, plant and equipment under construction (R\$ 562,009 as of December 31, 2024) and R\$ 13,739 for others (R\$ 0 as of December 31, 2024).

In the fourth quarter of 2025, the Company recorded impairment losses related to such assets in the amount of R\$ 1,591,369 in the Brazil segment. These losses were determined based on the difference between the carrying amount and the recoverable amount of these assets. These losses were recorded as an expense, in the “Impairment of assets” line in the Consolidated Statements of Income, as detailed in Note 29.

d) Asset additions in 2025 include a non-cash effect of R\$ 537,098 (R\$ 404,707 as of December 31, 2024).

NOTE 11 — GOODWILL

The changes in goodwill are as follows:

	Goodwill	Accumulated impairment losses	Goodwill after Impairment losses
Balance as of January 1, 2023	21,745,547	(10,111,083)	11,634,464
(+/-) Foreign exchange effect	(1,377,739)	568,423	(809,316)
Balance as of December 31, 2023	20,367,808	(9,542,660)	10,825,148
Acquisition of company	116,396	—	116,396
(+/-) Foreign exchange effect	5,348,256	(2,436,686)	2,911,570
Balance as of December 31, 2024	25,832,460	(11,979,346)	13,853,114
Acquisition of company (Note 3.4)	11,024	—	11,024
(+/-) Foreign exchange effect	(2,963,431)	1,468,155	(1,495,276)
Impairment of assets	—	(373,135)	(373,135)
Balance as of December 31, 2025	22,880,053	(10,884,326)	11,995,727

The amounts of goodwill by segment are as follows:

	2025	2024	2023
Brazil	—	373,135	373,135
North America	11,995,727	13,479,979	10,452,013
	11,995,727	13,853,114	10,825,148

NOTE 12 — INTANGIBLE ASSETS

Intangible assets refer, substantially, to the development of software with application in business management and the added value of the right to operate Small Hydroelectric Power Plants:

Balance as of January 1, 2023	415,159
Additions	127,195
Disposals	(1,336)
Amortization	(166,155)
Foreign exchange effect	(1,153)
Balance as of December 31, 2023	373,710
Additions	168,036
Disposals	(12,499)
Amortization	(170,254)
Foreign exchange effect	41,574
Balance as of December 31, 2024	400,567
Acquisition of company (Note 3.4)	348,549
Additions	171,221
Disposals	(21,088)
Amortization	(196,092)
Foreign exchange effect	(11,792)
Balance as of December 31, 2025	691,365
Estimated useful lives	up to 6 years

NOTE 13 — LEASING

a) Summary of changes in the leasing assets:

Right-of-use Cost	Land and buildings	Machines, equipment, and installations	Data electronic equipment	Others	Total
Balances as of January 1, 2023	562,187	909,709	133,484	219,295	1,824,675
Additions	45,736	580,722	—	51,738	678,196
Disposals	(7,134)	(241,191)	(589)	(7,962)	(256,876)
Remeasurements	26,615	11,357	—	10,102	48,074
Foreign exchange effect	(28,128)	(54,981)	(98)	(12,947)	(96,154)
Balances as of December 31, 2023	599,276	1,205,616	132,797	260,226	2,197,915
Additions	34,807	246,986	269	8,863	290,925
Disposals	(30,793)	(153,648)	(701)	(63,885)	(249,027)
Remeasurements	60,167	57,847	189	45,595	163,798
Foreign exchange effect	75,442	31,976	8,493	2,080	117,991
Balances as of December 31, 2024	738,899	1,388,777	141,047	252,879	2,521,602
Acquisition of company (Note 3.4)	18,475	—	—	5,318	23,793
Additions	146,514	299,677	955	99,472	546,618
Disposals	(50,634)	(248,333)	(302)	(17,233)	(316,502)
Remeasurements	6,980	95,311	2,681	25,696	130,668
Foreign exchange effect	(28,209)	(52,618)	(82)	(20,208)	(101,117)
Balances as of December 31, 2025	832,025	1,482,814	144,299	345,924	2,805,062

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Accumulated depreciation	Land and buildings	Machines, equipment, and installations	Data electronic equipment	Others	Total
Balances as of January 1, 2023	(226,415)	(482,349)	(57,264)	(97,771)	(863,799)
Depreciation	(77,771)	(300,200)	(12,893)	(39,996)	(430,860)
Disposals	8,475	239,196	519	5,629	253,819
Foreign exchange effect	7,564	15,278	76	2,661	25,579
Balances as of December 31, 2023	(288,147)	(528,075)	(69,562)	(129,477)	(1,015,261)
Depreciation	(81,055)	(336,490)	(13,830)	(40,175)	(471,550)
Disposals	22,205	138,361	701	66,717	227,984
Foreign exchange effect	(32,698)	(40,306)	(126)	(20,951)	(94,081)
Balances as of December 31, 2024	(379,695)	(766,510)	(82,817)	(123,886)	(1,352,908)
Acquisition of company (Note 3.4)	(5,806)	—	—	(4,921)	(10,727)
Depreciation	(81,099)	(350,937)	(15,022)	(48,462)	(495,520)
Disposals	27,101	233,146	257	15,845	276,349
Foreign exchange effect	14,437	26,747	24	7,998	49,206
Balances as of December 31, 2025	(425,062)	(857,554)	(97,558)	(153,426)	(1,533,600)
Right-of-use Assets					
Balances as of December 31, 2023	311,129	677,541	63,235	130,749	1,182,654
Balances as of December 31, 2024	359,204	622,267	58,230	128,993	1,168,694
Balances as of December 31, 2025	406,963	625,260	46,741	192,498	1,271,462

b) Leasing payable:

Lease payments are presented within financing activities in the consolidated statements of cash flows.

The liabilities presented in the Balance Sheet are adjusted to present value, based on risk-free interest rates observed in each country where the Company has operations, adjusted by the Company's credit spread, where on December 31, 2025 the discount rates were between 3.5% p.a. to 15.2% p.a. (3.5% p.a. to 13.1% p.a. on December 31, 2024), varying according to the country and duration of the lease.

The payment schedules of leasing are as follows:

	2025	2024
2025	—	430,727
2026	386,472	285,711
2027	324,770	184,682
2028	221,401	130,349
2029	134,829	249,200
2030 on	321,689	—
	1,389,161	1,280,669

Leasing payable

Current	386,472	430,727
Non-current	1,002,689	849,942
Financial expense for the years ended on December 31, 2025 and 2024	122,321	129,137

NOTE 14 – TRADE ACCOUNTS PAYABLE (domestic market, debtor risk and imports)

	2025	2024
Trade accounts payable - domestic market	3,641,918	3,892,296
Trade accounts payable - debtor risk	381,415	459,899
Trade accounts payable - imports	986,338	1,365,909
	<u>5,009,671</u>	<u>5,718,104</u>

Under “Trade Accounts Payable - Domestic Market”, the Company presents balances payable arising from the acquisition of goods and services in the domestic markets of each of the countries where the Company and its subsidiaries operate.

The Company has contracts with financial institutions in order to allow its suppliers to anticipate their receivables through an operation called “Trade Accounts Payable – Debtor Risk.” In this operation, suppliers can transfer, at their discretion, the right to receive the securities to a financial institution, which, in turn, becomes the holder of the rights of the suppliers’ receivables. The average discount rate on risk transactions carried out by our suppliers with financial institutions in Brazil and with subsidiaries in the United States was based on market conditions. The transfer of the right to receive the Company’s securities, at the supplier’s discretion, does not change the payment term, nor does it imply the payment of interest by the Company, as the financial cost of such transfer is the responsibility of the supplier. Therefore, the payment term for suppliers at risk drawn varies between 7 and 132 days, with the same payment term for suppliers who do not choose to advance their receivables through the operation called “Trade Accounts Payable – Debtor Risk.”

	2025	2024	2023
Trade accounts payable - debtor risk	381,415	459,899	584,320
Amounts received by suppliers from financial institutions that are part of the financing agreement - debt risk, in relation to the outstanding balance mentioned above	373,172	451,420	571,784

The amounts of liabilities under the supplier financing arrangement are considered to be reasonable approximations of their fair values, due to their short-term nature.

The balances presented as “Trade Accounts Payable - Imports” substantially refer to the purchase of coal and other raw materials abroad, where in commercial transactions the supplier may require the issuance of a letter of credit or similar risk mitigation instrument to ship the products. On December 31, 2025, contracts negotiated via letter of credit had a payment term of up to 180 days and rates that also varied, depending on market conditions.

The Company permanently monitors the composition of the portfolio and the conditions established with suppliers, which have not undergone significant changes in relation to what had been practiced historically.

NOTE 15 – SHORT-TERM DEBT AND LONG-TERM DEBT

Loans and financing are as follows:

	2025	2024
Ten/Thirty Year Bonds	7,514,045	8,994,067
Other loans	2,260,707	813,954
Total Loans and Financing	9,774,752	9,808,021
Current	897,295	697,049
Non-current	8,877,457	9,110,972
Principal amount of loans and Financing	9,656,888	9,661,769
Interest accrued of loans and Financing	117,864	146,252
Total	9,774,752	9,808,021

As of December 31, 2025, the nominal weighted average cost of debts denominated in US dollars is 6.12% p.a. (5.52% p.a. on December 31, 2024), for debts denominated in Real is CDI -2.11% p.a. (CDI +0.82% p.a. on December 31, 2024) and for other currencies 3.64% p.a. (3.88% p.a. on December 31, 2024).

Loans and financing denominated in Brazilian reais are indexed to fixed rates or CDI (Interbank Deposit Certificate).

Summary of loans and financing by currency:

	2025	2024
Brazilian Real (BRL)	1,789,242	456,448
U.S. Dollar (USD)	7,837,820	9,169,319
Other currencies	147,690	182,254
	9,774,752	9,808,021

The amortization schedules of long-term loans and financing are as follows:

	2025	2024
2026	—	167,154
2027	1,778,633	2,531,696
2028	55,811	11,075
2029	51,438	8,420
2030 on	6,991,575	6,392,627
	8,877,457	9,110,972

a) Credit Lines

In September 2022, the Company completed the renewal of the Global Credit Line in the total amount of US\$ 875 million (equivalent to R\$ 4.815 million as of December 31, 2025) with maturity in September 2027. The transaction aims to provide liquidity to operations in North America and Latin America, including Brazil. The companies Gerdau S.A., Gerdau Açominas S.A. and Gerdau Aços Longos S.A. provide guarantee for this transaction. As of December 31, 2025, no amount of this credit line was used.

The Company and its subsidiaries are not subject to default clauses (covenants) linked to financial ratios. Non-financial performance clauses have been complied with.

b) Main debt funding

In February 2025, the subsidiary Gerdau Açominas S.A. raised debt in the amount of R\$ 1.165 billion from a top-tier financial institution, maturing in December 2025.

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In March 2025, the Company signed an amendment to the financing agreement with a top-tier financial institution, with the transfer of resources from the Fundo de Desenvolvimento do Centro Oeste (“FDCO”) managed by the Superintendência do Desenvolvimento do Centro-Oeste (“SUDECO”), whose total approved and released amount is approximately R\$ 300 million. The contract expires in July 2044.

In April 2025, the subsidiary Gerdau Açominas S.A. raised debt backed by export contracts in the principal amount of US\$ 50 million (equivalent to approximately R\$ 303 million on the date of the raising) from a top-tier financial institution, maturing in December 2025.

In April 2025, the subsidiary Gerdau Aços Longos S.A. raised debt backed by agricultural activities in the amount of R\$ 750 million from a top-tier financial institution, maturing in October 2027.

In June 2025, the subsidiary Gerdau Trade Inc. raised a bond maturing in June 2035 in the amount of US\$ 650 million (equivalent to R\$ 3,624 million on the date of the raising).

In August 2025, the Company and its subsidiaries Gerdau Açominas S.A. and Gerdau Aços Longos S.A. raised short-term debt from top-tier financial institutions, totaling R\$ 450 million and maturing in 6 months. This fundraising was done in conjunction with a protective derivative financial instrument, whose objective is to represent, in the combined operations, a cost indexed to the CDI (Interbank Deposit Certificate).

During the last quarter of 2025, the Company and its subsidiary Gerdau Açominas S.A. finalized financing agreements with BNDES (Brazilian Development Bank), totaling R\$ 566 million. Of this amount, R\$ 317 million has already been disbursed. The funds are intended to support and develop sustainable initiatives, aligned with the environmental guidelines of the program. The contracts have maturities scheduled for 2035 and 2041, respectively.

c) Main Amortization

In June 2025, the subsidiary Gerdau Trade Inc. partially repurchased the 2027 Bond for US\$ 238 million (equivalent to R\$ 1.316 million on the repurchase date), intended to repurchase part of the Company’s Bonds maturing in October 2027.

In December 2025, the Company made an early settlement of debt in the amount of R\$60 million with a first-tier financial institution. During the same period, the subsidiary Gerdau Aços Longos fully settled a financial obligation of R\$428 million. This operation was associated with a derivative financial instrument for hedging purposes, the settlement of which occurred on the same date, simultaneously extinguishing the associated risks.

Additionally, the subsidiary Gerdau Açominas S.A. settled a financing agreement totaling R\$ 1.165 billion, as well as a debt secured by export contracts amounting to approximately US\$ 50 million (equivalent to approximately R\$ 275 million on the settlement date), both with leading financial institutions.

Also in December 2025, the Company, through its subsidiary GUSAP III, carried out the early redemption (Make-Whole) of all Bonds issued with maturity in 2030, with a principal amount of US\$ 500 million (equivalent to R\$ 2.7 million on the redemption date).

d) Assumption of Obligations through Merger

In June 2025, Gerdau S.A. merged with its subsidiary Gerdau Summit Aços Fundidos e Forjados S.A., fully assuming its assets and liabilities.

NOTE 16 — DEBENTURES

Issuance	General Meeting	Quantity as of December 31, 2025		Maturity	2025	2024
		Issued	Held in treasury			
14th	August 26, 2014	20,000	20,000	August 30, 2034	—	—
16th	April 25, 2019	800,000	—	May 6, 2026	—	812,957
17th	May 29, 2024	1,500,000	—	May 29, 2029	1,514,441	1,510,163
18th	December 10, 2024	1,500,000	—	December 10, 2028	1,508,060	1,505,343
19th	June 05, 2025	1,375,000	—	June 04, 2032	1,384,898	—
Total Consolidated					<u>4,407,399</u>	<u>3,828,463</u>
Current					44,609	37,988
Non-current					4,362,790	3,790,475

The amortization schedules of long-term are as follows:

	2025	2024
2026	—	799,538
2028	1,496,022	1,495,447
2029	1,496,222	1,495,490
2030 on	1,370,546	—
	<u>4,362,790</u>	<u>3,790,475</u>

The debentures are denominated in Brazilian Reais, nonconvertible, and pay variable interest as a percentage of the CDI – Interbank Deposit Certificate. The Company and its subsidiaries are not subject to default clauses (covenants) linked to financial indexes.

The average interest rate was CDI + 0.67% for the year ended on December 31, 2025 (CDI + 0.74% for the year ended on December 31, 2024).

In June 2025, the Company announced a public offering for its 19th issuance of debentures, where it issued 1,375,000 (one million three hundred and seventy - five thousand) debentures in registered and written form, without issuing warrants or certificates, with a unit nominal value of R\$ 1, totaling R\$ 1.375 billion. In the same month, the Company made an early settlement of its 16th debenture issuance, in the amount of R\$ 800 million.

NOTE 17 — FINANCIAL INSTRUMENTS

a) General considerations — Gerdau S.A. and its subsidiaries enter into transactions with financial instruments whose risks are managed through market strategies discussed and shared with senior management and in accordance with internal guidelines and control systems for exposure limits to them. All financial instruments are recorded in the accounting books and presented as short-term investments, trade accounts receivable - net, fair value of derivatives, other current assets, other non-current assets, trade accounts payable – domestic market, trade accounts payable – debtor risk, trade accounts payable - imports, loans and financing, debentures, related parties, other current liabilities and other non-current liabilities.

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The Company has derivatives and non-derivative instruments, such as the hedge for some operations under hedge accounting. These operations are intended to protect the Company against exchange rate fluctuations on foreign currency loans, interest rate and commodity prices fluctuations. These transactions are carried out considering direct active or passive exposures, without leverage.

b) **Fair Value** — the Fair Value of the financial instruments is as follows:

	2025		2024	
	Book value	Fair value	Book value	Fair value
Assets				
Short-term investments	445,627	445,627	509,030	509,030
Trade accounts receivable - net	4,810,640	4,810,640	5,176,958	5,176,958
Fair value of derivatives	36,623	36,623	52,868	52,868
Other current assets	678,899	678,899	626,148	626,148
Other non-current assets	387,708	387,708	358,806	358,806
Liabilities				
Trade accounts payable - domestic market	3,641,918	3,641,918	3,892,296	3,892,296
Trade accounts payable - debtor risk	381,415	381,415	459,899	459,899
Trade accounts payable - imports	986,338	986,338	1,365,909	1,365,909
Loans and Financing	9,774,752	10,311,438	9,808,021	9,842,254
Debentures	4,407,399	4,403,314	3,828,463	3,829,910
Fair value of derivatives	3,306	3,306	1,747	1,747
Other current liabilities	1,557,010	1,557,010	2,043,921	2,043,921
Other non-current liabilities	471,140	471,140	587,081	587,081

The fair values of Loans and Financing and Debentures are based on market premises, which may take into consideration discounted cash flows using equivalent market rates and credit rating. All other financial instruments, which are recognized in the Consolidated Financial Statements at their carrying amount, are substantially similar to those that would be obtained if they were traded in the market. However, because there is no active market for these instruments, differences could exist if they were settled in advance. The fair value hierarchy of the financial instruments above are presented in Note 17.g.

c) **Risk factors that could affect the Company's and its subsidiaries' businesses:**

Price risk of commodities: this risk is related to the possibility of changes in prices of the products sold by the Company or in prices of raw materials and other inputs used in the productive process. Since the Company operates in a commodity market, net sales and cost of sales may be affected by changes in the international prices of their products or materials. In order to minimize this risk, the Company constantly monitors the price variations in the domestic and international markets. Furthermore, the Company may contract derivatives in order to reduce this risk.

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Interest rate risk: this risk arises from the effects of fluctuations in interest rates applied to the Company's financial liabilities or assets and future cash flows and income. The Company evaluates its exposure to these risks: (i) comparing financial assets and liabilities denominated at fixed and floating interest rates and (ii) monitoring the variations of interest rates like Secured Overnight Financing Rate (SOFR) and CDI. Accordingly, the Company may enter into interest rate swaps in order to reduce this risk.

Exchange rate risk: this risk is related to the possibility of fluctuations in exchange rates affecting the amounts of financial assets or liabilities or of future cash flows and income. The Company assesses its exposure to the exchange rate by measuring the difference between the amount of its assets and liabilities in foreign currency. The Company understands that the accounts receivables originated from exports, its cash and cash equivalents denominated in foreign currencies and its investments abroad are more than equivalent to its liabilities denominated in foreign currency. Since the management of these exposures occurs at each operation level, if there is a mismatch between assets and liabilities denominated in foreign currency, the Company may contract derivative financial instruments in order to mitigate the effect of exchange rate fluctuations.

Credit risk: this risk arises from the possibility of the Company not receiving amounts arising from sales to customers or investments made with financial institutions. In order to minimize this risk, the Company adopt the procedure of analyzing in details of the financial position of their customers, establishing a credit limit and constantly monitoring their balances. Regarding financial investments, the Company only carries out transactions with first-rate institutions and with low credit risk, as assessed by rating agencies and risk mitigation parameters defined in the Company's internal guidelines.

Capital management risk: this risk comes from the Company's choice in adopting a financing structure for its operations. The Company manages its capital structure, which consists of a ratio between the financial debts and its own capital (Net Equity) based on internal policies and benchmarks. The Key Performance Indicators (KPI) related to the "Capital Structure Management" objective are: WACC (Weighted Average Cost of Capital), Net Debt/EBITDA (Earnings before interest, income tax, depreciation and amortization), Coverage Ratio of Net Financial Expenses (EBITDA/Net Financial Expenses) and Debt/Total Capitalization Ratio. Net Debt is formed by the principal of the debt reduced by cash, cash equivalents and short-term investments (notes 4, 15 and 16). Total Capitalization is formed by the Total Debt (composed of the principal of the debt) and the Net Equity (Note 23). The Company may change its capital structure, according to economic and financial conditions, in order to optimize its financial leverage and debt management. At the same time, the Company seeks to improve its ROCE (Return on Capital Employed) through the implementation of working capital management and an efficient program of investments in property, plant and equipment. In the long term, the Company seeks to remain within the parameters below, admitting occasional variations in the short term:

Net debt/EBITDA	Less or equal to 1.5 times
Gross debt limit	R\$ 12 billion
Average maturity	more than 6 years

These key indicators are used to monitor the objectives described above and may not be used as indicators for other purposes, such as impairment test.

Liquidity risk: The Company's management policy of indebtedness and cash on hand is based on using the committed lines and the currently available credit lines with or without a guarantee in export receivables for maintaining adequate levels of short, medium, and long-term liquidity. The maturity of long-term loans and financing, and debentures are presented in Notes 15 and 16, respectively.

Contractual obligations	2025				
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Trade accounts payable - domestic market	3,641,918	3,641,918	—	—	—
Trade accounts payable - debtor risk	381,415	381,415	—	—	—
Trade accounts payable - import	986,338	986,338	—	—	—
Loans and financing	17,760,275	897,295	3,142,016	1,128,975	12,591,989
Debentures	7,516,287	725,711	1,362,204	3,519,966	1,908,406
Fair value of derivatives	3,306	3,306	—	—	—
Other current liabilities	1,557,010	1,557,010	—	—	—
Other non-current liabilities	471,140	—	38,764	—	432,376
	32,317,689	8,192,993	4,542,984	4,648,941	14,932,771

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Contractual obligations	2024				
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Trade accounts payable - domestic market	3,892,296	3,892,296	—	—	—
Trade accounts payable - debtor risk	459,899	459,899	—	—	—
Trade accounts payable - import	1,365,909	1,365,909	—	—	—
Loans and financing	15,543,368	569,411	1,287,591	3,520,542	10,165,824
Debentures	6,027,093	485,247	1,709,221	2,257,447	1,575,178
Fair value of derivatives	1,747	1,747	—	—	—
Other current liabilities	2,043,921	2,043,921	—	—	—
Other non-current liabilities	587,081	—	51,841	—	535,240
	29,921,314	8,818,430	3,048,653	5,777,989	12,276,242

As presented in Note 14, the Company has supplier financing agreements with certain financial institutions with the aim of providing greater liquidity to its suppliers. As of December 31, 2025, there is no liquidity risk or exposure since the Company maintains the payment date and the amount of the original obligation with suppliers. Therefore, the terms remain unchanged.

Sensitivity analysis:

The Company performed a sensitivity analysis, which can be summarized as follows:

Impacts on Statements of Income

Assumptions	Percentage of change	2025	2024
Foreign currency sensitivity analysis - Loans and financing	5%	217,347	124,447
Foreign currency sensitivity analysis - Imports/Exports	5%	13,370	44,777
Interest rate sensitivity analysis	10 bps	43,547	44,299
Sensitivity analysis of changes in prices of products sold	1%	698,585	670,267
Sensitivity analysis of changes in raw material and commodity prices	1%	445,379	419,850
Commodity contracts	5%	4,130	3,113
Swaps USD x DI	5%	8,643	9,556
Swaps IPCA x DI	5%	252	—

Foreign currency sensitivity analysis: As of December 31, 2025, the Company is mainly exposed to variations between the Real and the Dollar. The sensitivity analysis carried out by the Company considers the effects of a 5% increase or decrease between the Real and the Dollar in its non-hedged debts, trade accounts receivable - exports from Brazil and trade accounts payable – imports. Variations between the local currencies of other countries and the Dollar do not represent material exposures. In this analysis, if the Real appreciates against the Dollar, this would represent a gain of R\$ 217,347 (gain of R\$ 124,447 as of December 31, 2024). If the Real depreciates against the Dollar, this would represent a loss of the same amount. As for foreign currency variations in Imports/Exports, if the Real appreciates against the Dollar, this would represent a gain of R\$13,370 (loss of R\$44,777 on December 31, 2024), if the Real depreciates against the Dollar, this would represent a loss of the same value.

The net values of other assets and other liabilities in foreign currencies do not present significant risks of impacts due to fluctuations in the exchange rate.

Interest rate sensitivity analysis: The interest rate sensitivity analysis made by the Company considers the effects of an increase or reduction of 10 basis point (bps) on the average interest rate applicable to the floating part of its debt. The calculated impact, considering this variation in the interest rate totals R\$ 43,547 as of December 31, 2025 (R\$ 44,299 as of December 31, 2024) and would impact the Financial expenses account in the Consolidated Statements of Income. The specific interest rates to which the Company is exposed are related to the loans, financing, and debentures presented in Notes 15 and 16, and are mainly comprised by SOFR and CDI — Interbank Deposit Certificate.

Sensitivity analysis of changes in sales price of products and price of raw materials and other inputs used in production: The Company is exposed to changes in the price of its products. This exposure is associated with the fluctuation of the sales price of the Company's products and the price of raw materials and other inputs used in the production process, mainly for operating in a commodity market. The sensitivity analysis made by the Company considers the effects of an increase or of a reduction of 1% on both prices. The impact measured considering this variation in the price of products sold, considering the revenues and costs for the year ended on December 31, 2025, totals R\$ 698,585 (R\$ 670,267 as of December 31, 2024) and the variation in the price of raw materials and other inputs totals R\$ 445,379 as of December 31, 2025 (R\$ 419,850 as of December 31, 2024). The impact in the price of products sold and raw materials would be recorded in the accounts Net Sales and Cost of Sales, respectively, in the Consolidated Statements of Income. The Company does not expect to be more vulnerable to a change in one or more specific product or raw material.

Sensitivity analysis of currency forward contracts: As of December 31, 2025 and December 31, 2024, the Company has no exposure to forward contracts in US Dollars or Argentine Pesos against the US Dollar for any of its assets and liabilities. The US Dollar/Real forward contracts are intended to hedge asset and liability positions in US Dollars, and the mark-to-market effects of these contracts were recorded in the Consolidated Income Statement.

Sensitivity analysis of commodity forward contracts: the Company has exposure to Commodity forward contracts (energy) for some of its liabilities. The sensitivity analysis carried out by the Company considers the effects of a 5% increase or decrease in the price of the commodity, and its effects on the mark to market of these derivatives. A 5% increase in the price of the commodity represents a gain of R\$ 4,130 as of December 31, 2024 (gain of R\$ 3,113 as of December 31, 2024), and a 5% decrease in the price of the commodity represents a loss on December 31, 2025 and December 31, 2024 in the same amount. The mark to market effects of these contracts were recorded in the Consolidated Statement of Income. Commodity forward contracts to which the Company is exposed are presented in Note 17.e.

Sensitivity analysis of USD x DI swaps: the Company has USD x DI swaps to protect some of its Loans and financing. The sensitivity analysis carried out by the Company considers the impact on the MTM of a 5% increase in the Dollar against Real for all vertices of the respective operations. This variation would represent a gain of R\$ 8,643 (gain of R\$ 9,556 as of December 31, 2024). These effects would be recognized in the Consolidated Income Statement. The USD x DI swaps that the Company is exposed to are presented in Note 17.e.

Sensitivity analysis of IPCA x DI swaps: the Company has IPCA x DI swaps to protect some of its loans and financing. The sensitivity analysis carried out by the Company considers the impact on MTM of a 50 bps increase in the real yield curve for all vertices of the respective operations. This variation would represent a gain of R\$ 252 as of December 31, 2025 (R\$ 0 as of December 31, 2024). These effects would be recognized in the Consolidated Income Statement. The IPCA x DI swaps to which the Company is exposed to are presented in Note 17.e.

Sensitivity analysis of EUR x DI swaps: As of December 31, 2025 and 2024 the Company does not have EUR x CDI swaps to protect some of its Loans and Financing.

d) Financial Instruments per Category

Summary of the financial instruments per category:

2025 Assets	Financial asset at amortized cost	Financial asset at fair value through profit or loss	Total
Short-term investments	—	445,627	445,627
Trade accounts receivable - net	4,810,640	—	4,810,640
Fair value of derivatives	—	36,623	36,623
Other current assets	665,020	13,879	678,899
Other non-current assets	387,708	—	387,708
Total	5,863,368	496,129	6,359,497
Financial income (expenses) on December 31, 2025	240,477	311,604	552,081

2025 Liabilities	Financial liability at fair value through profit or loss	Financial liability at amortized cost	Total
Trade accounts payable - domestic market	—	3,641,918	3,641,918
Trade accounts payable - debtor risk	—	381,415	381,415
Trade accounts payable - import	—	986,338	986,338
Loans and financing	—	9,774,752	9,774,752
Debentures	—	4,407,399	4,407,399
Fair value of derivatives	3,306	—	3,306
Other current liabilities	—	1,557,010	1,557,010
Other non-current liabilities	—	471,140	471,140
Total	3,306	21,219,972	21,223,278
Financial income (expenses) on December 31, 2025	(67,733)	(1,698,969)	(1,766,702)

2024 Assets	Financial asset at amortized cost	Financial asset at fair value through profit or loss	Total
Short-term investments	—	509,030	509,030
Trade accounts receivable - net	5,176,958	—	5,176,958
Fair value of derivatives	—	52,868	52,868
Other current assets	608,182	17,966	626,148
Other non-current assets	356,414	2,392	358,806
Total	6,141,554	582,256	6,723,810
Financial income (expenses) on December 31, 2024	823,590	440,223	1,263,813

2024 Liabilities	Financial liability at fair value through profit or loss	Financial liability at amortized cost	Total
Trade accounts payable - domestic market	—	3,892,296	3,892,296
Trade accounts payable - debtor risk	—	459,899	459,899
Trade accounts payable - import	—	1,365,909	1,365,909
Loans and financing	—	9,808,021	9,808,021
Debentures	—	3,828,463	3,828,463
Fair value of derivatives	1,747	—	1,747
Other current liabilities	—	2,043,921	2,043,921
Other non-current liabilities	—	587,081	587,081
Total	1,747	21,985,590	21,987,337
Financial income (expenses) on December 31, 2024	(263,644)	(3,023,656)	(3,287,300)

e) Operations with derivative financial instruments

Risk management objectives and strategies: In order to execute its strategy of sustainable growth, the Company implements risk management strategies in order to mitigate market risks.

The objective of derivative transactions is always related to mitigating market risks as stated in our policies and guidelines. All derivative instruments in force are monthly reviewed by the Financial Risk Committee, which validates the fair value of such instruments. All gains and losses on derivative instruments are recognized at their fair value in the Company's consolidated financial statements in the line of Gains (Losses) on financial instruments, net.

Policy for use of derivatives: The Company is exposed to various market risks, including changes in exchange rates, commodities prices and interest rates. The Company uses derivatives and other financial instruments to reduce the impact of such risks on the fair value of its assets and liabilities or in future cash flows and income. The Company has established policies to evaluate the market risks and to approve the use of derivative transactions related to these risks. The Company enters into derivative financial instruments solely to manage the market risks mentioned above and never for speculative purposes. Derivative financial instruments are used only when they have a related position (asset or liability exposure) resulting from business operations, investments and financing.

Policy for determining fair value: the fair value of derivative financial instruments is determined using models and other valuation techniques, including future prices and market curves.

Derivative transactions may include: interest rate and/or currency swaps, currency futures contracts and currency options contracts.

Currency forward contracts: The Company may contract forward contract operations, through which it receives/pays a fixed dollar amount and receives/pays a fixed Real/Argentinian peso amount. Counterparties are always top-tier financial institutions with low credit risk.

Swap Contracts: The Company may contract a swap contract operation, through which it exchanges interest rate indices or local and/or foreign currency. Counterparties are always top-tier financial institutions with low credit risk.

The derivatives instruments can be summarized and categorized as follows:

Contracts	Position	Notional value		Amount receivable		Amount payable	
		2025	2024	2025	2024	2025	2024
Commodity derivatives							
Maturity in 2025	bought in US\$	US\$ 1.1 million	US\$ 4.3 million	—	—	—	1,747
Commodity contracts							
Maturity in 2026	—	—	—	20,113	16,921	—	—
Swaps USD x DI							
Maturity in 2026	107.9% of CDI	US\$ 30.6 million	US\$ 30.6 million	16,510	35,947	—	—
Swaps IPCA x DI							
Maturity in 2026	CDI - 1.10%	R\$ 300 million	—	—	—	2,192	—
Maturity in 2026	CDI - 0.90%	R\$ 150 million	—	—	—	1,114	—
Total fair value of financial instruments				<u>36,623</u>	<u>52,868</u>	<u>3,306</u>	<u>1,747</u>

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	2025	2024
Fair value of derivatives		
Current assets	36,623	16,921
Non-current assets	—	35,947
	<u>36,623</u>	<u>52,868</u>
Fair value of derivatives		
Current liabilities	3,306	1,747
	<u>3,306</u>	<u>1,747</u>
	<u>2025</u>	<u>2024</u>
Net Income		
Gains on financial instruments	22,107	86,743
Losses on financial instruments	(67,733)	(263,644)
	<u>(45,626)</u>	<u>(176,901)</u>
Other comprehensive income		
Losses on financial instruments	—	(783)
	<u>—</u>	<u>(783)</u>

f) Net investment hedge

The Company designated as hedge of part of its net investments in subsidiaries abroad the operations of Ten Years Bonds. As a consequence, the effect of exchange rate changes on these debts on the amount of US\$ 0.8 billion (equivalent to R\$ 4.6 billion on December 31, 2025) (designated as a hedge) has been recognized in the Statement of Comprehensive Income.

The Company demonstrated effectiveness of the hedge as of its designation dates and demonstrated the high effectiveness of the hedge from the contracting of each debt for the acquisition of these companies abroad, whose effects were measured and recognized directly in the Statement of Comprehensive Income as an unrealized gain, net of taxes, in the amount R\$ 246,696 for the year ended on December 31, 2024 (loss of R\$ 558,529 for the year ended on December 31, 2024).

The objective of the hedge is to protect, during the existence of the debt, the amount of part of the Company's investment in the subsidiaries abroad mentioned above against positive and negative changes in the exchange rate. This objective is consistent with the Company's risk management strategy. Prospective and retrospective tests demonstrated the effectiveness of these instruments.

g) Measurement of fair value:

IFRS defines fair value as the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in an arm's length transaction between market participants on the measurement date. The standard also establishes the classification by price quoted in an active market for an identical asset or liability or when it is based on a valuation technique that uses only observable market data.

IFRS describe the three levels of information that should be used in fair value measurement:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2 – Other available information, except that of Level 1, where quoted (unadjusted) prices are for similar assets and liabilities in inactive markets, or other information that is available or can be corroborated by observed market information for substantially the entirety of the terms of the assets and liabilities.

Level 3 – Information unavailable due to little or no market activity and that is significant for determining the fair value of the assets and liabilities.

As detailed in Note 17.d, on December 31, 2025 and December 31, 2024, the Company maintained certain assets classified as Financial asset at fair value through profit or loss and liabilities classified as Financial Liability at fair value through profit or loss, whose fair value measurement is required on a recurring basis.

The Company's financial assets and liabilities, measured at fair value on a recurring basis, are measured by a valuation technique that uses only observable market data (Level 2).

h) Changes in liabilities from Cash flow from financing activities:

The Company has summarized below the changes in the liabilities of cash flow from financing activities, from its Statement of Cash Flows:

	Balances as of January 1, 2023	Cash transactions		Non cash transactions		Balances as of December 31, 2023
		Proceeds/ (Repayment) from financing activities	Interest paid on loans and financing	Interest expense on loans and Interest on loans with related parties	Exchange variation and others	
Related parties	24,890	102	—	—	—	24,992
Leasing payable	1,030,643	(388,202)	(127,787)	127,787	635,161	1,277,602
Debt, Debentures and Losses/Gains on financial instruments - Derivative instruments	12,623,174	(1,054,000)	(858,301)	840,069	(637,752)	10,913,190

	Balances as of December 31, 2023	Cash transactions		Non cash transactions		Balances as of December 31, 2024
		Proceeds/ (Repayment) from financing activities	Interest paid on loans and financing	Interest expense on loans and Interest on loans with related parties	Exchange variation and others	
Related parties	24,992	(24,992)	—	—	—	—
Leasing payable	1,277,602	(459,504)	(129,137)	129,137	462,571	1,280,669
Debt, Debentures and Losses/Gains on financial instruments - Derivative instruments	10,913,190	648,432	(946,936)	796,933	2,173,744	13,585,363

	Balances as of December 31, 2024	Cash transactions		Non cash transactions		Balances as of December 31, 2025
		Proceeds/ (Repayment) from financing activities	Interest paid on loans and financing	Interest expense on loans and Interest on loans with related parties	Exchange variation and others	
Leasing payable	1,280,669	(487,784)	(122,321)	122,321	(675,186)	117,699
Debt, Debentures and Losses/Gains on financial instruments - Derivative instruments	13,585,363	1,226,610	(1,461,147)	1,274,472	(476,464)	14,148,834

NOTE 18 — TAXES PAYABLE

	2025	2024
Payroll charges	102,923	115,717
ICMS (state VAT)	89,997	66,916
COFINS (tax on revenue)	10,039	22,905
IPI (federal VAT)	20,583	15,826
IVA (value-added tax) and others	176,751	190,056
	<u>400,293</u>	<u>411,420</u>

NOTE 19 — TAX, CIVIL AND LABOR CLAIMS AND CONTINGENT ASSETS

The Company and its subsidiaries are party in judicial and administrative proceedings involving tax, civil and labor matters. Based on the opinion of its legal advisors, Management believes that the provisions recorded for these judicial and administrative proceedings is sufficient to cover probable and reasonably estimable losses from unfavorable court decisions and that the final decisions will not have significant effects on the financial position, operational results and liquidity of the Company and its subsidiaries.

For claims whose expected loss is considered probable, the provisions have been recorded considering the judgment of the Management of the Company with the assistance of its legal advisors and the provisions are considered enough to cover expected probable losses. The provisions balances are as follows:

I) Provisions

	<u>2025</u>	<u>2024</u>
a) Tax provisions	1,928,918	1,925,237
b) Labor provisions	326,315	369,041
c) Civil provisions	37,179	34,571
	<u>2,292,412</u>	<u>2,328,849</u>

a) Tax Provisions

Tax provisions refer mainly to discussions related to ICMS, IPI, Income tax and social contribution, social security contributions, offsetting of PIS and COFINS credits and incidence of PIS and COFINS on other revenues.

b) Labor Provisions

The Company is party to a group of individual and collective labor and/or administrative lawsuits involving various labor amounts and the provision arises from unfavorable decisions and/or the probability of loss in the ordinary course of proceedings with the expectation of outflow of financial resources by the Company.

c) Civil Provisions

The Company is party to a group of civil, arbitration and/or administrative lawsuits involving various claims and the provision arises from unfavorable decisions and/or probable losses in the ordinary course of proceedings with the expectation of outflow of financial resources for the Company.

The changes in the tax, civil and labor provisions are shown below:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	2,328,849	2,185,825	2,026,003
(+) Additions	165,196	223,883	208,219
(+) Interests	137,637	153,413	157,227
(-) Payments and reversal of accrued amounts	(343,266)	(234,698)	(205,202)
(+) Acquisition of company (Note 3.4)	3,969	—	—
(+/-) Foreign exchange effect on provisions in foreign currency	27	426	(422)
Balance at the end of the year	<u>2,292,412</u>	<u>2,328,849</u>	<u>2,185,825</u>

II) Contingent liabilities for which provisions were not recorded as of December 31, 2025

Considering the opinion of legal advisors and management's assessment, contingencies listed below have the probability of loss considered as possible (but not likely) and due to this classification, accruals have not been made in accordance with IFRS.

a) Tax contingencies

a.1) The Company and its subsidiaries Gerdau Aços Longos S.A. and Gerdau Açominas S.A. have lawsuits related to the ICMS (state VAT) which are mostly related to credit rights and rate differences, whose demands totaled R\$ 999,844 (R\$ 625,877 as of December 31, 2024).

a.2) The Company and certain of its subsidiaries in Brazil are parties to claims related to: (i) Imposto sobre Produtos Industrializados - IPI, substantially related to IPI credit on inputs, whose demands total the updated amount of R\$ 571,299 (R\$ 501,588 as of December 31, 2024); and (ii) social security contributions in the total of R\$ 172,301 (R\$ 159,220 as of December 31, 2024).

a.3) The Company and its subsidiaries in Brazil are parties to claims related to (i) PIS and COFINS, substantially related to disallowance of credits on inputs totaling R\$ 2,126,191 (R\$ 2,137,038 as of December 31, 2024); and (ii) other taxes, whose updated total amount is currently R\$ 854,422 (R\$ 772,337 as of December 31, 2024).

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a.4) The Company and its subsidiary Gerdaу Aços Longos S.A. are parties to administrative proceedings related to Withholding Income Tax, levied on interest remitted abroad, linked to export financing formalized through “Prepayment of Exports Agreements” (PPE) or “Advance Export Receipt” (RAE), in the updated amount of R\$ 1,643,601 (R\$ 1,708,269 as of December 31, 2024), of which: (i) R\$ 759,834 (R\$ 880,730 as of December 31, 2024) correspond to four lawsuits of the subsidiary Gerdaу Aços Longos S.A. that are processed in the administrative sphere where, currently, one lawsuit is at the first instance of the Administrative Board of Tax Appeals (CARF) awaiting the judgment of the Voluntary Appeals filed by the Company, three lawsuits await the judgment of the declaratory appeals filed against the judgments that, by a casting vote, denied the Voluntary Appeals filed by the Company, and one lawsuit that is in the Superior Chamber of Tax Appeals (CSRF) of CARF, for judgment of the Special Appeal filed by the Company; and (ii) R\$ 883,767 (R\$ 827,539 as of December 31, 2024) correspond to three lawsuits involving Gerdaу S.A., two of which had their discussion concluded in the administrative sphere, with the Company having started preparations for the discussion of the assessments before the Judiciary, and one lawsuit whose Voluntary Appeal filed by the Company was granted in the Administrative Board of Tax Appeals (CARF) to declare the partial nullity of the appealed decision and order the holding of a new trial within the scope of the for analysis of the subsidiary request not considered in the court of origin.

a.5) Gerdaу S.A. is a party in administrative proceedings relating to the disallowance of the deductibility of goodwill generated under Articles 7 and 8 of Law No. 9,532/97, from the tax base of Corporate Income Tax - IRPJ and Social Contribution on Net Profit – CSLL, resulting from corporate restructuring in 2010. The total updated value of the assessments amounts to R\$ 628,534 (R\$ 582,795 as of December 31, 2024), of which: (i) R\$ 34,406 (R\$ 31,818 as of December 31, 2024) corresponds to a proceeding in which the judgment that had resolved the merits favorably to the Public Treasury prevailed by the tie-breaking vote, and a new decision was issued recognizing the extinction of the assessed tax credit (composed exclusively of isolated fines) in relation to (i) R\$ 289,734 (R\$ 269,586 as of December 31, 2024) corresponds to a case pending judgment on the appeal filed by the Company, as provided for in Law No. 14,689/2023; (ii) R\$ 289,734 (R\$ 269,586 as of December 31, 2024) corresponds to a case pending judgment on the appeal filed by the Company and other issues not addressed in the voluntary appeal filed by the Company, as determined by the Superior Chamber of Tax Appeals (CSRF) when it partially granted, by a casting vote, the Special Appeal filed by the National Treasury Attorney’s Office; (iii) R\$ 94,941 (R\$ 88,229 as of December 31, 2024) corresponds to a case pending judgment on the appeal filed by the Company and other issues not addressed in the voluntary appeal filed by the Company, as determined by the Superior Chamber of Tax Appeals (CSRF) when it partially granted, by a casting vote, the Special Appeal filed by the National Treasury Attorney’s Office; and (iv) R\$ 209,453 (R\$ 193,162 as of December 31, 2024) corresponds to a case in which we had partial admissibility of our Special Appeal filed by the subsidiary Gerdaу S.A., against a decision that, by the casting vote, denied the Voluntary Appeal, and an Appeal was filed in relation to the part that was not admitted.

a.6) Gerdaу S.A. (as successor to Gerdaу Aços Especiais S.A.) and its subsidiary Gerdaу Internacional Empreendimentos Ltda. – Grupo Gerdaу are parties to legal proceedings relating to Corporate Income Tax - IRPJ and Social Contribution on Net Profit - CSLL, in the updated amount of R\$ 1,568,352 (R\$ 1,486,615 as of December 31, 2024). These proceedings concern profits generated abroad, of which: (i) R\$ 1,289,971 (R\$ 1,222,634 as of December 31, 2024) correspond to two legal proceedings of the subsidiary Gerdaу Internacional Empreendimentos Ltda. – Grupo Gerdaу. One of the proceedings is pending in the first instance, awaiting judgment on the Tax Enforcement Objections filed by the Company, and another proceeding in which the special appeal filed by the Union against the judgment that had unanimously granted the appeal filed by Gerdaу to dismiss the Tax Enforcement and deny the Union’s appeal is pending; and (ii) R\$ 278,381 (R\$ 263,981 as of December 31, 2024) corresponds to a proceeding involving Gerdaу S.A. (as successor to Gerdaу Aços Especiais S.A.), in which the appeal filed by the Union against the judgment that upheld the Tax Enforcement Objections filed by the Company is pending judgment.

a.7) The subsidiary Gerdaу Internacional Empreendimentos Ltda. – Grupo Gerdaу, is a party in an administrative proceeding relating to Corporate Income Tax - IRPJ and Social Contribution on Net Profit - CSLL, in the updated amount of R\$ 2,550,462, corresponding to a tax assessment demanding IRPJ and CSL relating to the calendar year 2021, arising from the alleged non-compliance with rules relating to taxation on a worldwide basis, and an administrative appeal has been filed which is awaiting judgment in the first administrative instance;

a.8) Gerdaul S.A. (by itself and as successor to Gerdaul Açõs Especiais S.A.) and its subsidiaries, Gerdaul Açõs Longos S.A. and Gerdaul Açõminas S.A., are parties to administrative and judicial proceedings relating to the disallowance of the deductibility of goodwill generated under Articles 7 and 8 of Law No. 9,532/97, from the tax base for Corporate Income Tax - IRPJ and Social Contribution on Net Profit - CSLL, resulting from the corporate reorganization carried out in 2004/2005. The total updated value of the assessments amounts to R\$ 8,545,810 (R\$ 8,154,991 as of December 31,), of which: (i) R\$ 4,971,219 (R\$ 4,721,327 as of 12/31/2024) corresponds to four proceedings involving Gerdaul S.A. (as successor to Gerdaul Açõs Especiais S.A.) and its subsidiaries Gerdaul Açõs Longos S.A. and Gerdaul Açõminas S.A., in the judicial collection phase, with the Companies having offered judicial guarantees, as a precautionary measure, through Surety Insurance, and initiated judicial discussions in Objections to Execution, and, in the Objections to Execution filed by Gerdaul S.A. (as successor to Gerdaul Açõs Especiais S.A.), the Special Appeal filed by the Treasury was not admitted. National in light of the decision of the Federal Regional Court of the 4th Region, which upheld a judgment in favor of the Company, with the admissibility and judgment of the extraordinary appeal filed by the National Treasury pending; in the Execution Proceedings filed by the subsidiary Gerdaul Açõs Longos S.A. (as successor to Gerdaul Comercial de Açõs S.A.), the Federal Regional Court of the 2nd Region denied the appeals of Gerdaul and the National Treasury, as well as the necessary referral, and partially admitted the Company's Motion for Clarification and dismissed the Union's Motion for Clarification, upholding the judgment in favor of the Company's Tax Execution Proceedings; In the proceedings involving the subsidiary Gerdaul Açõs Longos S.A., currently under judgment in the Federal Regional Court of the 2nd Region, the appeal filed by the National Treasury was denied, the Company's Motion for Clarification was partially granted, and the Union's Motion for Clarification was not granted, thus upholding the judgment in favor of the Company. Both parties filed Special Appeals, and the Union filed Extraordinary Appeals, which are awaiting admissibility review and subsequent judgment. Furthermore, the Objections to Tax Enforcement filed by the subsidiary Gerdaul Açõminas S.A. are awaiting judgment in the first instance court. (ii) R\$ 408,042 (R\$ 384,696 as of 12/31/2024) corresponds to a judicial process of the subsidiary Gerdaul Açõs Longos S.A., in which a debt maintained in the administrative sphere is being discussed, with the Federal Regional Court of the 2nd Region, unanimously, denying the appeal filed by the National Treasury against the judgment that upheld the Objections to Execution and recognized the invalidity of the tax assessment, and also denying the Declaratory Appeals of both parties and the Internal Appeal of the Union, with the Special and Extraordinary Appeals of the Union and the Special Appeal of the Company pending admissibility and judgment; (iii) R\$ 383,502 (R\$ 360,286 as of 12/31/2024) corresponds to a judicial process of the subsidiary Gerdaul Açõs Longos S.A., in which the debt maintained in the administrative sphere is being discussed, whose Regional Federal Court of the 2nd Region, unanimously, granted the Company's appeal to reform the judgment that had dismissed the Objections to the Tax Enforcement and recognized the nullity of the executive titles that supported the Tax Enforcement, with Declaratory Objections having been filed by the Union and the Company partially granted, the Company's Special Appeal admitted and the Union's Special Appeal not admitted, the judgment of the Union's Appeal against the decision that did not admit its Special Appeal is pending; (iv) R\$ 6,636 (R\$ 6,257 as of 12/31/2024) corresponds to a process of the subsidiary Gerdaul Açõs Longos S.A., whose administrative discussion has ended, and which is pending in the first instance awaiting judgment in the Tax Enforcement Objections filed by the Company, currently suspended; (v) R\$ 741 (R\$101,719 as of 12/31/2024) corresponds to a judicial process of the subsidiary Gerdaul Açõs Longos S.A., in which the assessment maintained in the administrative sphere is being discussed, with a decision having been issued accepting the request for termination of the Tax Enforcement due to the approval of the request for review of the registration in active debt, made by the Company, which resulted in the total extinction of the debts due to the exclusion of fines and, consequently, of default interest and legal charges, by virtue of the provisions of § 9-A of art. 25 of Decree No. 70,235/72 in conjunction with art. 15 of Law No. 14,689/2023, the Company having filed an appeal that was granted to condemn the Union to pay attorneys' fees, a decision that was the subject of Declaratory Appeals by both parties that were not admitted, and the admissibility judgment of the Special Appeals of both parties and the Extraordinary Appeal of the Union is pending; (vi) R\$ 129,629 (R\$122,116 as of 12/31/2024) corresponds to a process of Gerdaul S.A. (as successor to Gerdaul Açõs Especiais S.A.), whose administrative discussion has ended, with Gerdaul S.A. having offered an advance judicial guarantee in order to enable judicial discussion in the context of Objections to Tax Enforcement, already distributed and pending judgment in the first instance court; (vii) R\$ 286,671 (R\$ 266,020 as of 12/31/2024) corresponds to a judicial process of the subsidiary Gerdaul Açõs Longos S.A., in which the assessment maintained in the administrative sphere is being discussed in the context of Objections to Tax Enforcement filed by the Company, which was dismissed in the first instance court, and we will present the respective Appeal so that a collegiate judgment can take place within the scope of the Regional Court of the 2nd Region; (viii) R\$ 176,793 (R\$ 164,503 as of 12/31/2024) corresponds to a judicial process of Gerdaul S.A. (as successor to Gerdaul Açõs Especiais S.A.), in which the assessment maintained in the administrative sphere is being discussed in the context of Objections to Tax Enforcement filed by the Company, pending judgment in the first instance court; (ix) R\$ 775,120 (R\$ 719,697 as of 12/31/2024) corresponds to a process involving the subsidiary Gerdaul Açõs Longos S.A., which, after partial granting of the Voluntary Appeal and inadmissibility of the Special Appeal of the National Treasury, is awaiting notification of the decision that inadmissible the Appeal filed by the National Treasury; (x) R\$ 689,134 (R\$ 637,367 as of 12/31/2024) corresponds to a process involving the subsidiary Gerdaul Açõs Longos S.A., pending before the Administrative Council of Tax Appeals (CARF), in which, by a casting vote, the Voluntary Appeal filed by the Company was denied on the merits, the special appeal filed by the National Treasury was admitted, and the Special Appeal filed by the subsidiary was partially admitted, with the judgment of the special appeals still pending; (xi) R\$ 190,252 (R\$ 177,719 as of 12/31/2024) corresponds to a process of the subsidiary Gerdaul Açõs Longos S.A., separated from the process mentioned in item "vi" above, and which is currently in the judicial collection phase, with the appeal filed against the judgment that dismissed the Tax Enforcement Objections filed by the Company pending judgment; and (xii) R\$ 528,071 (R\$ 493,284 as of 12/31/2024) correspond to a process of the subsidiary Gerdaul Açõs Longos S.A., separated from the process mentioned in item "vi" above, and which is under judicial discussion, with the Federal Regional Court of the 2nd Region having dismissed the appeals filed by the parties, partially accepted the Company's Motion for Clarification and not accepting the Union's Motion for Clarification, upholding the judgment of the Company's Objections to Tax Enforcement.

b) Civil contingencies

b.1) On December 30, 2024, the Company and its subsidiary Gerdau Aços Longos S.A. entered into a Settlement Agreement with the Administrative Council for Economic Defense (“CADE”), without any admission of irregularity or illegality, to end the litigation concerning non-pecuniary obligations related to the two annulment actions from 2003 and 2006. Gerdau committed to paying the amount of R\$ 256,099 to the Fund for the Defense of Diffuse Rights, pursuant to Law No. 14,973 of October 17, 2024. The payment was made in full and with available own resources. The Company filed a request to waive the two lawsuits. In the action filed in 2006, the settlement was approved on January 7, 2025. In the action filed in 2003, the company continues to monitor the final procedures for the approval of the decision.

b.2) The Company and its subsidiaries are parties to other demands of a civil nature that collectively have a discussion amount of approximately R\$ 1,006,450 (R\$ 595,649 as of December 31, 2024). For these demands, no accounting provision was recorded, since they were considered as possible losses, based on the opinion of its legal counsel.

c) Labor Contingencies

The Company and its subsidiaries are parties to other labor claims that together have an amount of approximately R\$ 1,443,044 (R\$ 1,400,460 as of December 31, 2024). For these claims, no accounting provision was made, since these were considered as possible losses, based on the opinion of its legal counsel.

III) Judicial deposits

The Company has judicial deposits related to tax, labor and civil lawsuits as listed below:

	<u>2025</u>	<u>2024</u>
Tax	89,046	272,783
Labor	36,149	45,040
Civil	25,698	14,737
	<u>150,893</u>	<u>332,560</u>

NOTE 20 — RELATED-PARTY TRANSACTIONS

a) Operations with related parties

During the years ended December 31, 2025, 2024 and 2023, the Company, through its subsidiaries, entered into commercial operations with some of its associate companies and joint ventures including sales of R\$ 65,347 as of December 31, 2025 (R\$ 400,204 and R\$ 1,620,459 as of December 31, 2024 and 2023, respectively) and purchases in the amount of R\$ 85,547 as of December 31, 2025 (R\$ 263,328 and R\$ 210,931 as of December 31, 2024 and 2023, respectively). The net amount totals R\$ (20,200) as of December 31, 2025 (R\$ 136,876 and R\$ 1,409,528 as of December 31, 2024 and 2023, respectively).

As of December 31, 2024, the Company and its subsidiaries were due to receive R\$ 7,571 from controlling shareholders regarding the sale of real estate, and this amount had already been received by December 31, 2025. Additionally, the Company recorded income derived from rental agreement in the amount of R\$ 921 as of December 31, 2025 (R\$ 870 and R\$ 877 as of December 31, 2024 and 2023, respectively).

b) Guarantees granted

Related Party	Relationship	Object	Original Amount	Maturity	2025	2024	2023
Gerdau Aços Longos S.A.	Subsidiary	Financing Agreements	150,000	apr/24	—	—	150,000
Gerdau Açominas S.A.	Subsidiary	Financing Agreements	400,000	nov/24	—	—	400,000
Gerdau Açominas S.A.	Subsidiary	Financing Agreements	375,000	may/25	—	—	375,000
Gerdau Aços Longos S.A.	Subsidiary	Financing Agreements	375,000	may/25	—	—	375,000
Gerdau Aços Longos S.A.	Subsidiary	Financing Agreements	836	jan/25	—	760	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	10,949	jan/25	—	10,701	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	1,868	jan/25	—	1,825	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	3,096	jan/25	—	3,025	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	4,043	jan/25	—	3,951	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	624	jan/25	—	610	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	3,229	jan/25	—	3,156	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	4,873	jan/25	—	4,762	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	4,992	jan/25	—	9,576	—
Gerdau Aços Longos S.A.	Subsidiary	Commercial Contract	14,483	feb/25	—	2,608	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	2,467	feb/25	—	2,396	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	59,644	mar/25	—	44,519	63,024
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	35,451	mar/25	—	25,042	35,451
Gerdau Aços Longos S.A.	Subsidiary	Financing Agreements	400,000	nov/25	—	400,000	400,000
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	3,235	jan/26	3,497	—	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	2,492	jan/26	2,694	—	—
Gerdau Aços Longos S.A.	Subsidiary	Commercial Contract	1,372	jan/26	1,484	—	—
Gerdau Aços Longos S.A.	Subsidiary	Commercial Contract	10,670	jan/26	11,536	—	—
Gerdau Aços Longos S.A.	Subsidiary	Commercial Contract	2,004	jan/26	2,167	—	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	312	jan/26	337	—	—
Gerdau Aços Longos S.A.	Subsidiary	Commercial Contract	551	jan/26	563	—	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	7,109	jan/26	7,686	—	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	9,432	jan/26	10,198	—	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	2,594	jan/26	2,805	—	—
Gerdau Aços Longos S.A.	Subsidiary	Commercial Contract	446	feb/26	483	—	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	2,052	mar/26	2,219	—	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	993	mar/26	1,073	—	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	11,951	jan/27	11,680	11,680	—
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	69,156	may/27	390,000	—	—
Gerdau Trade Inc.	Subsidiary	Financing Agreements	2,056,535	oct/27	988,391	2,641,096	2,064,877
Gerdau Corsá S.A.P.I. de C.V.	Joint Venture	Financing Agreements	601,588	jun/28	243,023	610,245	648,322
GUSAP III LP.	Subsidiary	Financing Agreements	2,100,600	jan/30	—	3,083,765	2,410,967
Gerdau Aços Longos S.A. and Gerdau Açominas S.A.	Subsidiaries	Commercial Contract	75,854	dec/34	81,723	—	—
UFV Barro Alto V Geração de Energia SPE Ltda	Subsidiary	Financing Agreements	100,496	mar/35	100,496	—	—
UFV Barro Alto VI Geração de Energia SPE Ltda	Subsidiary	Financing Agreements	100,496	mar/35	100,413	—	—
UFV Barro Alto VII Geração de Energia SPE Ltda	Subsidiary	Financing Agreements	100,496	mar/35	100,580	—	—
Gerdau Trade Inc.	Subsidiary	Financing Agreements	3,547,115	jun/35	3,576,560	—	—
Gerdau Ameristeel US Inc.	Subsidiary	Financing Agreements	103,505	oct/37	280,622	315,807	246,906
Gerdau Aços Longos S.A.	Subsidiary	Financing Agreements	12,834	jun/38	8,967	12,216	12,216
Gerdau Açominas S.A.	Subsidiary	Financing Agreements	335,000	oct/41	217,118	—	—
GUSAP III LP.	Subsidiary	Financing Agreements	1,117,100	apr/44	2,646,891	2,978,763	2,328,873

c) Price and interest

Loan agreements between related parties are updated by fixed and/or market rates, such as *SOFR*, plus exchange rate variation, where applicable. Sales of products and purchases of inputs are made under terms and conditions agreed between the parties.

d) Key Management compensation

	2025	2024	2023
Cost of Salaries, variable compensation and benefits	37,422	40,396	36,964
Cost of contributions to management's defined contribution pension plans	2,017	1,952	1,986
Cost of long-term incentive plans	30,014	32,098	25,352
	<u>69,453</u>	<u>74,446</u>	<u>64,302</u>
Cost of social charges	15,344	16,361	17,077

At the end of the year, quantity of Restricted and Performance Shares with the key management were:

	2025	2024	2023
Available at beginning of the year	4,073,931	4,945,852	3,415,166
Granted	1,091,796	1,410,887	2,705,702
Exercised	(803,483)	(2,751,812)	(938,953)
Cancelled	—	(321,345)	(404,922)
Share Bonus	—	790,349	168,859
Base Adjustment	(64,382)	—	—
Available at the end of the year	<u>4,297,862</u>	<u>4,073,931</u>	<u>4,945,852</u>

Additional information on the long-term incentive plan are presented in Note 26.

e) Other information from related parties

Contributions to the assistance entities Fundação Gerdau, Instituto Gerdau and Fundação Ouro Branco, classified as related parties, amounted R\$ 160,433 (R\$ 206,344 on December 31, 2024). The defined benefit pension plans and the post-employment health care benefit plan are related parties of the Company and the details of the balances and contributions are presented in Note 21.

On December 31, 2025, Gerdau S.A. has financial investments in debentures issued by its subsidiaries Gerdau Aços Longos S.A. and Gerdau Açominas S.A., in the amount of R\$ 4,815 million (R\$2,288 million as of December 31, 2024), which generated financial income of R\$ 110,360 as of December 31, 2025 (R\$ 105,859 as of December 31, 2024).

NOTE 21 — EMPLOYEE BENEFITS

Total assets and liabilities of all types of employee benefits granted by the Company and its subsidiaries as of December 31, 2025 and 2024 are as follows:

	2025	2024
Plan assets - Defined contribution pension plan	9,328	9,716
Total assets	<u>9,328</u>	<u>9,716</u>
Actuarial liabilities - Defined benefit pension plan	190,790	303,925
Actuarial liabilities - Post-employment health care benefit	199,570	224,677
Retirement and termination benefit liabilities	14,319	16,790
Total liabilities	<u>404,679</u>	<u>545,392</u>
Current	594	186
Non-current	404,085	545,206

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a) Post-employment defined benefit pension plan

The Company's Canadian and US subsidiaries sponsor defined benefit plans (Canadian Plan and American Plan), collectively referred to as the North American Plans, that cover substantially all their employees and provide supplemental benefits to employees during retirement. The assumptions adopted for pension plans can have a significant effect on the amounts disclosed and recorded for these plans.

The Company and its subsidiaries in Brazil sponsor a defined benefit pension plan (Brazilian plans), managed by Gerdau - Sociedade de Previdência Privada (GPrev), a closed supplementary pension plan, which were settled in 2010 and include only participants who decided not to transfer the reserve to a new defined contribution plan and, therefore, opted to maintain the benefit settled in the defined benefit plan, which has been adjusted by the INPC (National Consumer Price Index).

The potential effects of changes to the North American Plans on the Consolidated Statement of Income are presented below:

	1% Increase	1% Decrease
Discount rate	(13,902)	12,981

The accumulated amount recognized in other Comprehensive Income for employee benefits is R\$ (487,421) as of December 31, 2025 (R\$ (539,300) as of December 31, 2024).

Defined Benefit Pension Plan

The current expenses of the defined benefit pension plans are as follows:

	2025	2024	2023
Cost of current service	33,793	49,339	46,176
Interest expense	154,048	213,267	204,604
Return on plan assets	(158,392)	(205,604)	(187,247)
Past service cost	5,888	7,164	—
Settlement	1,122	(24,625)	—
Interest cost on unrecoverable surplus	18,352	14,129	13,645
Net pension cost	<u>54,811</u>	<u>53,670</u>	<u>77,178</u>

The reconciliations of assets and liabilities of the plans are as follows:

	2025	2024
Present value of defined benefit obligation	(2,388,321)	(2,752,097)
Fair value of plan assets	2,628,213	2,871,304
Asset ceiling restrictions on recognition of net funded assets	(430,682)	(423,132)
Net	<u>(190,790)</u>	<u>(303,925)</u>
Defined benefit obligation	<u>(190,790)</u>	<u>(303,925)</u>

Changes in plan assets and actuarial liabilities were as follows:

	2025	2024	2023
Variation of the plan obligations			
Obligation at the beginning of the year	2,752,097	3,573,044	3,841,213
Cost of service	33,793	49,339	46,176
Interest expense	154,048	213,267	204,604
Payments of the benefits	(201,795)	(343,378)	(410,621)
Past service cost	5,888	7,164	—
Settlement	(122,560)	(1,346,899)	—
Actuarial remeasurements	(22,519)	(119,823)	117,644
Exchange Variance	(210,631)	719,383	(225,972)
Obligation at the end of the year	<u>2,388,321</u>	<u>2,752,097</u>	<u>3,573,044</u>

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	2025	2024	2023
Variation of the plan assets			
Fair value of the plan assets at the beginning of the year	2,871,304	3,383,887	3,499,475
Return of the plan assets	158,392	205,604	187,247
Contributions from sponsors	56,322	331,212	75,321
Settlement	(123,682)	(1,322,274)	—
Payments of benefits	(201,795)	(343,378)	(413,565)
Remeasurement	56,421	(10,050)	214,503
Exchange Variance	(188,749)	626,303	(179,094)
Fair value of plan assets at the end of the year	<u>2,628,213</u>	<u>2,871,304</u>	<u>3,383,887</u>

Amounts recognized as actuarial gains and losses in the Statement of Comprehensive Income are as follows:

	2025	2024	2023
Return of the plan assets	(56,421)	6,340	(214,503)
Actuarial Remeasurements	(22,519)	(119,823)	117,644
Restriction recognized in Other Comprehensive Income (Asset Ceiling)	(4,626)	70,212	(22,456)
Remeasurements recognized in Other Comprehensive Income	<u>(83,566)</u>	<u>(43,271)</u>	<u>(119,315)</u>

The historical actuarial remeasurements are as follows:

	2025	2024	2023	2022	2021
Present value of defined benefit obligation	(2,388,321)	(2,752,097)	(3,573,044)	(3,841,213)	(5,409,065)
Fair value of the plan assets	2,628,213	2,871,304	3,383,887	3,499,475	4,647,361
Surplus (Deficit)	<u>239,892</u>	<u>119,207</u>	<u>(189,157)</u>	<u>(341,738)</u>	<u>(761,704)</u>
Experience adjustments on plan liabilities (Gain)	(22,519)	(119,823)	117,644	(1,058,898)	(457,421)
Experience adjustments on plan assets (Gain)	(56,421)	6,340	(214,503)	791,672	(25,498)

Actuarial remeasurements are recognized in the period in which they occur and are recorded directly in comprehensive income.

The allocations for plan assets are presented below:

	2025	
	Brazilian Plans	North American Plans
Fixed income	99.7%	66.0%
Variable income	—	30.0%
Others	0.3%	4.0%
Total	<u>100%</u>	<u>100%</u>

	2024	
	Brazilian Plans	North American Plans
Fixed income	99.7%	58.3%
Variable income	—	36.8%
Others	0.3%	4.9%
Total	<u>100%</u>	<u>100%</u>

The investment strategy for the Brazilian Plan is based on a long-term macroeconomic scenario. This scenario assumes a reduction in Brazil's sovereign risk, moderate economic growth, stable levels of inflation, exchange rates and moderate interest rates.

The Canadian and American subsidiaries have an Investment Committee that defines the investment policy for the defined benefit plans. The primary investment objective is to ensure the security of benefits that were accrued under the plans, providing an adequately funded asset pool which is separated and independent of the Company. To reach this objective, the fund must invest in a manner that adheres to safeguards and diversification to which a prudent investor of pension funds would normally adhere. These subsidiaries retain specialized consultants that advice and support Investment Committee decisions and recommendations.

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The asset mix policy considers the principles of diversification and long-term investment goals, as well as liquidity requirements. To do this, the target allocation ranges from 29% to 36% in shares, from 60% to 70% in debt securities and from 0% to 7% in alternative securities, and for Brazilian Plan it is close to 100% in fixed income.

The tables below show a summary of the assumptions used to calculate the defined benefit plans in 2024 and 2023, respectively:

	2025	
	Brazilian Plan	North American Plan
Average discount rate	11.15%	4.75% to 5.42%
Rate of increase in compensation	Not applicable	Not applicable
Mortality table	AT-2000 per sex	RP-2012 and MP-2017&2021
Mortality table of disabled	AT-2000 per sex	Not applicable
Rate of rotation	Null	Based on age and/or the service

	2024	
	Brazilian Plan	North American Plan
Average discount rate	11.07%	4.58% to 5.62%
Rate of increase in compensation	Not applicable	3.00%
Mortality table	AT-2000 per sex	RP-2006 and MP-2024
Mortality table of disabled	AT-2000 per sex	RP-2006 and MP-2024
Rate of rotation	Null	Based on age and/or the service

b) Post-employment defined contribution pension plan

The Company and its subsidiaries in Brazil, in the United States and in Canada maintain a defined contribution plan to which contributions are made by the sponsor in proportion to the contributions made by its participating employees. The total cost of these plans was R\$ 235,888 in 2025 (R\$ 215,085 in 2024 and R\$196,027 in 2023).

c) Post-employment health care benefit plan

The North American plans include, in addition to pension benefits, specific health care benefits for employees who retire after a certain age and with a certain number of years of service. The Americans and Canadian subsidiaries have the right to change or eliminate these benefits, and the contributions are actuarially calculated.

The net periodic costs of post-employment health care benefits are as follows:

	2025	2024	2023
Current service cost	1,744	1,933	2,069
Interest expense	9,718	11,059	10,127
Net cost pension benefit	<u>11,462</u>	<u>12,992</u>	<u>12,196</u>

The funded status of the post-employment health benefits plans is as follows:

	2025	2024
Present value of obligations	<u>(199,570)</u>	<u>(224,677)</u>
Total net liabilities	<u>(199,570)</u>	<u>(224,677)</u>

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Changes in plan assets and actuarial liabilities were as follows:

	2025	2024	2023
Change in benefit obligation			
Benefit obligation at beginning of the year	224,677	196,445	224,180
Cost of service	1,744	1,933	2,069
Interest expense	9,718	11,059	10,127
Contributions from participants	792	1,125	1,096
Payment of benefits	(19,214)	(18,729)	(20,265)
Remeasurements	649	(9,457)	(7,232)
Exchange variations	(18,796)	42,301	(13,530)
Benefit obligation at the end of the year	<u>199,570</u>	<u>224,677</u>	<u>196,445</u>
	2025	2024	2023
Change in plan assets			
Contributions from sponsors	18,422	17,604	19,168
Contributions from participants	792	1,125	1,096
Payments of benefits	(19,214)	(18,729)	(20,264)
Fair value of plan assets at end of the year	<u>—</u>	<u>—</u>	<u>—</u>

The historical actuarial gains and losses of the plans are as follows:

	2025	2024	2023	2022	2021
Present value of defined benefit obligation	(199,570)	(224,677)	(196,445)	(224,180)	(318,181)
Deficit	(199,570)	(224,677)	(196,445)	(224,180)	(318,181)
Experience adjustments on plan liabilities	649	(9,457)	(7,232)	(61,524)	(36,938)

The amounts recognized as actuarial gains and losses in other comprehensive income are as follows:

	2025	2024	2023
Gains (Losses) on actuarial obligation	649	(9,457)	(7,232)
Actuarial losses recognized in Equity	649	(9,457)	(7,232)

The accounting assumptions adopted for post-employment health benefits are as follows:

	2025	2024
Average discount rate	4.75% - 5.42%	4.58% - 5.62%
Health treatment - rate assumed next year	4.28% - 7.90%	4.76% - 8.40%
Health treatment - Assumed rate of decline in the cost to achieve in the years of 2032 to 2041	3.31% - 9.20%	3.26% - 4.40%

The assumptions adopted for post-employment health benefits have a significant effect on the amounts disclosed and recorded for post-employment health benefits plans. The change of one-point percentage on discount rates would have the following effects:

	1% Increase	1% Decrease
Effect over total service costs and interest costs	(4,619)	4,530
Effect over benefit plan obligations	(45,422)	55,338

d) Other retirement and termination benefits

The benefits of this plan provide a compensation supplement up to retirement date, cost of living allowance, and other benefits as a result of termination and retirement of the employees. The Company estimates that the total obligation for these benefits was R\$ 14,319 as of December 31, 2025 (R\$ 16,790 as of December 31, 2024).

NOTE 22 — ENVIRONMENTAL LIABILITIES

The steel industry uses and generates substances that may damage the environment. The Company and its subsidiaries believe they are compliant with all the applicable environmental regulations in the countries where they operate. The Company’s management performs frequent analysis with the purpose of identifying potentially impacted areas and a liability is recorded based on the best estimate of costs for investigation, treatment and cleaning of potentially affected sites. The balances of the provisions are as follows:

	2025	2024
Provision for environmental liabilities	620,665	659,082
Current	382,800	245,429
Non-current	237,865	413,653

NOTE 23 — EQUITY

a) Capital

The Board of Directors may, without need to change the bylaws, issue new shares (authorized capital), including the capitalization of profits and reserves up to the authorized limit of 1,500,000,000 common shares and 3,000,000,000 Preferred Shares, all without nominal value. In the case of capital increase through subscription of new shares, the right of preference shall be exercised in up to 30 days, except in the case of a public offering, when the limit is not less than 10 days. Preferred shares do not have voting rights, cannot be redeemed, and participate on equal terms with common shares in the distribution of profits, in addition to having priority in the reimbursement of capital in the event of the Company’s liquidation.

Ownership of the shares is presented below:

Shareholders	Shareholders					
	2025					
	Common	%	Pref.	%	Total	%
Metalúrgica Gerdau S.A.*	702,952,615	97.9	—	0.0	702,952,615	35.1
Brazilian institutional investors	649,134	0.1	119,648,519	9.3	120,297,653	6.0
Foreign institutional investors	1,024,037	0.1	597,823,780	46.6	598,847,817	29.9
Other shareholders	12,738,033	1.8	540,307,773	42.1	553,045,806	27.7
Treasury stock	418,800	0.1	25,317,258	2.0	25,736,058	1.3
	<u>717,782,619</u>	<u>100.0</u>	<u>1,283,097,330</u>	<u>100.0</u>	<u>2,000,879,949</u>	<u>100.0</u>

Shareholders	Shareholders					
	2024					
	Common	%	Pref.	%	Total	%
Metalúrgica Gerdau S.A.*	702,952,615	97.6	—	0.0	702,952,615	33.8
Brazilian institutional investors	229,736	0.0	147,082,325	10.8	147,312,061	7.1
Foreign institutional investors	1,279,113	0.2	1,054,367,471	77.6	1,055,646,584	50.8
Other shareholders	14,402,355	2.0	120,979,866	8.9	135,382,221	6.5
Treasury stock	1,093,011	0.2	36,419,068	2.7	37,512,079	1.8
	<u>719,956,830</u>	<u>100.0</u>	<u>1,358,848,730</u>	<u>100.0</u>	<u>2,078,805,560</u>	<u>100.0</u>

Shareholders	Shareholders					
	2023					
	Common	%	Pref.	%	Total	%
Metalúrgica Gerdau S.A.*	585,793,846	97.5	—	0.0	585,793,846	33.3
Brazilian institutional investors	2,442,108	0.4	117,790,196	10.2	120,232,304	6.8
Foreign institutional investors	1,425,937	0.2	546,220,396	47.2	547,646,333	31.2
Other shareholders	10,864,551	1.9	484,985,375	41.9	495,849,926	28.3
Treasury stock	—	0.0	7,544,641	0.7	7,544,641	0.4
	<u>600,526,442</u>	<u>100.0</u>	<u>1,156,540,608</u>	<u>100.0</u>	<u>1,757,067,050</u>	<u>100.0</u>

* Metalúrgica Gerdau S.A. is the controlling shareholder and Indac – Ind. e Com. S.A. (holding of Gerdau’s family) is the ultimate controlling shareholder of the Company.

Reconciliations of common and preferred outstanding shares are presented below:

	2025		2024		2023	
	Common shares	Preferred shares	Common shares	Preferred shares	Common shares	Preferred shares
Balance at beginning of the year	719,956,830	1,358,848,730	600,526,442	1,156,540,608	571,929,945	1,101,467,245
Share Bonus	—	—	120,105,288	231,308,122	28,596,497	55,073,363
Cancellation of treasury stocks	(2,174,211)	(75,751,400)	(674,900)	(29,000,000)	—	—
Balance at the end of the year	717,782,619	1,283,097,330	719,956,830	1,358,848,730	600,526,442	1,156,540,608
(-) Treasury stocks	(418,800)	(25,317,258)	(1,093,011)	(36,419,068)	—	(7,544,641)
Number of shares outstanding	717,363,819	1,257,780,072	718,863,819	1,322,429,662	600,526,442	1,148,995,967

As a result of the share cancellations approved at the Board of Directors meetings held on January 20, 2025 (1,093,011 common shares and 25,000,000 preferred shares), April 28, 2025 (517,600 common shares and 24,000,000 preferred shares), July 31, 2025 (279,700 common shares and 14,101,400 preferred shares), and October 30, 2025 (283,900 common shares and 12,650,000 preferred shares), the Company's share capital is now divided into 717,782,619 common shares and 1,283,097,330 preferred shares, all without par value, equivalent to R\$ 24,347,290 (R\$ 24,273,225 net of share issuance costs).

b) Treasury stocks

Changes in treasury stocks are as follows:

	2025			
	Common shares	RS	Preferred shares	RS
Opening balance	1,093,011	20,214	36,419,068	714,064
Share buyback program - approved on July 31, 2024	—	—	6,843,700	121,110
Share buyback program - approved on January 20, 2025	1,500,000	23,476	63,000,000	1,024,728
Exercise of long-term incentive plan	—	—	(5,194,110)	(53,278)
Cancellation of treasury stocks	(2,174,211)	(36,730)	(75,751,400)	(1,293,517)
Closing balance	418,800	6,960	25,317,258	513,107

	2024			
	Common shares	RS	Preferred shares	RS
Opening balance	—	—	7,544,641	150,182
Share buyback program - approved on July 31, 2024	1,767,911	31,441	61,156,300	1,163,285
Exercise of long-term incentive plan	—	—	(4,946,961)	(62,005)
Cancellation of treasury stocks	(674,900)	(11,227)	(29,000,000)	(537,398)
Capital increase with share bonus	—	—	1,665,088	—
Closing balance	1,093,011	20,214	36,419,068	714,064

	2023			
	Common shares	RS	Preferred shares	RS
Opening balance	—	—	9,836,850	179,995
Exercise of long-term incentive plan	—	—	(2,674,136)	(29,813)
Capital increase with share bonus	—	—	381,927	—
Closing balance	—	—	7,544,641	150,182

These shares are held in treasury for subsequent cancellation, selling in the market or to be granted under the long-term incentive plan of the Company.

On November 5, 2024, the Company's Board of Directors approved the cancellation of 674,900 common shares and 29,000,000 preferred shares, with no par value, issued by the Company. Due to the cancellation of shares, the Company's capital was divided into 719,956,830 common shares and 1,358,848,730 preferred shares, with no par value. The cancellation of shares was recorded against Investments and working capital reserve.

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On January 20, 2025, the Company terminated its share buyback program, as disclosed in a material fact notice on July 31, 2024. During the term, 1,767,911 common shares (GGBR3) were acquired at an average price of R\$ 17.78 per share and 68,000,000 preferred shares (GGBR4) at an average price of R\$ 18.89 per share, corresponding to 100% of the Buyback Program.

On January 20, 2025, the Board of Directors approved a new share buyback program with the objective of: (i) maximizing long-term shareholder value generation through efficient management of the capital structure and meeting the long-term incentive programs of the Company and its subsidiaries; (ii) retention in treasury; (iii) cancellation; or (iv) subsequent sale on the market. The number of shares to be acquired was up to 63,000,000 preferred shares, representing approximately 5% of the outstanding preferred shares (GGBR4) and/or ADRs backed by preferred shares (GGB), and up to 1,500,000 common shares, representing approximately 10% of the outstanding common shares (GGBR3). On December 19, 2025, the Company terminated this share buyback program. During the term, 1,500,000 common shares (GGBR3) were acquired at an average price of R\$ 15.65 per share and 63,000,000 preferred shares (GGBR4 and/or ADRs backed by preferred shares (GGB)) were acquired at an average price of R\$ 16.27 per share, corresponding to 100% of this Buyback Program.

c) Capital reserves — consists of premium on issuance of shares.

d) Retained earnings

I) Legal reserves — under Brazilian Corporate Law, the Company must transfer 5% of the annual net income determined on its statutory books in accordance with Brazilian accounting practices to the legal reserve until this reserve equals 20% of the paid-in capital. The legal reserve can be utilized to increase capital or to absorb losses but cannot be used for dividend purposes.

II) Tax incentives reserve — under Brazilian Corporate Law, the Company may transfer to this account part of net income resulting from government benefits which can be excluded from the basis for dividend calculation. The tax incentives reserve recognized in Gerdau S.A. refers to incentives of state and federal nature, constituted in the subsidiaries Gerdau Açominas S.A. and Gerdau Aços Longos S.A.

III) Investments and working capital reserve — consists of earnings not distributed to shareholders and includes the reserves required by the Company's by-laws. The Board of Directors may propose to the shareholders the transfer of at least 5% of the profit for each year determined in its statutory books in accordance with accounting practices adopted in Brazil to this reserve. Amount can be allocated to the reserve only after the minimum dividend requirements have been met and its balance cannot exceed the amount of paid-in capital. This account also recognizes the difference between the average value of the treasury stock and the transactional value of the stock in the case of exercised stock options and assignment and transfer of shares. The reserve can be used to absorb losses, if necessary, for capitalization, for payment of dividends or for the repurchase of shares.

e) Operations with non-controlling interests — Corresponds to amounts recognized in equity from changes in non-controlling interests.

The effects of interest changes in subsidiaries for the years presented are composed of:

	December 31, 2025		
	Attributed to parent company's interest	Non-controlling interests	Total
(i) Other changes	—	(2,772)	(2,772)
Effects of interest changes in subsidiaries	—	(2,772)	(2,772)
	December 31, 2024		
	Attributed to parent company's interest	Non-controlling interests	Total
(i) Other changes	—	(4,306)	(4,306)
Effects of interest changes in subsidiaries	—	(4,306)	(4,306)
	December 31, 2023		
	Attributed to parent company's interest	Non-controlling interests	Total
(i) Other changes	—	(9,590)	(9,590)
Effects of interest changes in subsidiaries	—	(9,590)	(9,590)

(i) Other changes in subsidiaries without losing control, which may include among others, capital increases, other acquisitions of interests and dilutions of any nature.

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f) Other reserves - Include: gains and losses on available for sale securities, gains and losses on net investment hedge, gains and losses on derivatives accounted as cash flow hedge, cumulative translation adjustments and expenses recorded regarding the long term incentive plans.

g) Dividends and interest on capital - the shareholders have a right to receive a minimum annual mandatory dividend equal to 30% of adjusted net income as determined in its corporate records. The Company calculates interest on shareholders' capital in accordance with the terms established by Law 9249/95. The corresponding amount was recorded as a financial expense for tax purposes. For presentation purposes, this amount was recorded as dividends and did not affect net income.

	2025	2024	2023
Net income	1,387,020	4,566,317	7,501,565
Constitution of legal reserve	(69,351)	(228,316)	(318,142)
Constitution of the tax incentives reserve	—	—	(1,138,728)
Net income before dividends and interest on capital	1,317,669	4,338,001	6,044,695
Dividends and interest on equity based on income of the year	(1,034,958)	(1,460,635)	(2,466,503)
Dividend - adjustment in excess of the minimum statutory undistributed	(197,514)	(203,445)	(174,952)
Total dividends	(1,232,472)	(1,664,080)	(2,641,455)
Net income before constitution of investments and working capital reserve	85,197	2,673,921	3,403,240
Constitution of investments and working capital reserve	(85,197)	(2,673,921)	(3,403,240)

The excess of retained earnings in relation to the capital will be the subject of a proposal by the Company's management for capitalization to be submitted for deliberation by the Shareholders' Meeting.

The dividends for the years 2025, 2024 and 2023 are presented below:

Period	Nature	RS /share	Dividends and interest on capital in the years			
			Outstanding shares (thousands)	Credit	Payment	2025
1 st quarter	Dividends	0.12	2,009,042	5/8/2025	5/19/2025	241,085
2 nd quarter	Dividends	0.12	1,994,150	8/11/2025	8/18/2025	239,298
3 rd quarter	Dividends	0.28	1,980,625	11/10/2025	12/11/2025	554,575
4 th quarter	Dividends	0.10	1,975,144	3/10/2026	3/18/2026	197,514
Proposed Dividends						1,232,472
Credit per share (R\$)		0.62				

Period	Nature	RS /share	Dividends and interest on capital in the years			
			Outstanding shares (thousands)	Credit	Payment	2024
1 st quarter	Dividends	0.28	2,103,618	5/15/2024	5/27/2024	589,013
2 nd quarter	Dividends	0.12	2,104,147	8/9/2024	8/20/2024	252,498
3 rd quarter	Dividends	0.30	2,063,748	11/18/2024	12/16/2024	619,124
4 th quarter	Dividends	0.10	2,041,293	3/5/2023	3/14/2025	203,445
Proposed Dividends						1,664,080
Credit per share (R\$)		0.80				

Period	Nature	RS /share	Dividends and interest on capital in the years			
			Outstanding shares (thousands)	Credit	Payment	2023
1 st quarter	Interest	0.51	1,749,090	05/15/2023	05/29/2023	892,056
2 nd quarter	Dividends	0.43	1,749,522	08/18/2023	08/29/2023	752,172
3 rd quarter	Dividends	0.47	1,749,522	11/17/2023	12/13/2023	822,275
4 th quarter	Dividends	0.10	1,749,522	03/01/2024	03/12/2024	174,952
Proposed Interest and Dividends						2,641,455
Credit per share (R\$)		1.51				

NOTE 24 — EARNINGS PER SHARE (EPS)

The following tables reconcile net income to the amounts used to calculate basic and diluted earnings per share.

Basic

	2025		
	Common	Preferred	Total
	(in thousands, except share and per share data)		
Basic numerator			
Allocated net income available to common and preferred shareholders	497,038	889,982	1,387,020
Basic denominator			
Weighted-average outstanding shares, after deducting the average treasury shares (Refer to Note 23 for number of shares)	718,139,434	1,285,879,767	
Earnings per share (in R\$) — Basic	0.69	0.69	
	2024		
	Common	Preferred	Total
	(in thousands, except share and per share data)		
Basic numerator			
Allocated net income available to common and preferred shareholders	1,574,058	2,992,259	4,566,317
Basic denominator			
Weighted-average outstanding shares, after deducting the average treasury shares (Refer to Note 23 for number of shares)	720,527,899	1,369,712,176	
Earnings per share (in R\$) — Basic	2.18	2.18	
	2023		
	Common	Preferred	Total
	(in thousands, except share and per share data)		
Basic numerator			
Allocated net income available to common and preferred shareholders	2,576,016	4,925,549	7,501,565
Basic denominator			
Weighted-average outstanding shares, after deducting the average treasury shares (Refer to Note 23 for number of shares)	720,631,731	1,377,906,016	
Earnings per share (in R\$) — Basic	3.57	3.57	

Diluted

	2025	2024	2023
Diluted numerator			
Allocated net income available to Common and Preferred shareholders			
Net income allocated to preferred shareholders	889,982	2,992,259	4,925,549
Add:			
Adjustment to net income allocated to preferred shareholders in respect to the potential increase in number of preferred shares outstanding, as a result of long-term incentive plans of Gerdau.	2,152	6,853	13,627
	<u>892,134</u>	<u>2,999,112</u>	<u>4,939,176</u>
Net income allocated to common shareholders	497,038	1,574,058	2,576,016
Less:			
Adjustment to net income allocated to preferred shareholders in respect to the potential increase in number of preferred shares outstanding, as a result of long-term incentive plans of Gerdau.	(2,152)	(6,853)	(13,627)
	<u>494,886</u>	<u>1,567,205</u>	<u>2,562,389</u>
Diluted denominator			
Outstanding shares			
Common Shares	718,139,434	720,527,899	720,527,899
Preferred Shares			
Weighted-average number of preferred shares outstanding	1,285,879,767	1,369,712,176	1,377,906,016
Potential increase in number of preferred shares outstanding in respect of long-term incentive plan of Gerdau	8,713,373	9,139,396	11,159,835
Total	<u>1,294,593,140</u>	<u>1,378,851,572</u>	<u>1,389,065,851</u>
Earnings per share — Diluted (Common and Preferred Shares)	<u>0.69</u>	<u>2.18</u>	<u>3.56</u>

The Company does not have instruments that have not been included in the calculation of earnings per share because they are antidilutive.

NOTE 25 — NET SALES

The net sales revenues for the year are composed of:

	2025	2024	2023
Gross sales	77,417,799	74,816,043	76,845,604
Taxes on sales	(5,474,839)	(5,634,075)	(5,884,335)
Discounts	(2,084,428)	(2,155,312)	(2,044,822)
Net sales	<u>69,858,532</u>	<u>67,026,656</u>	<u>68,916,447</u>

NOTE 26 — LONG-TERM INCENTIVE PLANS

a) Quantity Summary of Restricted Shares and Performance Shares:

Balance on January 1, 2023	<u>10,812,887</u>
Granted	7,697,990
Share Bonus	664,433
Cancelled	(2,192,635)
Exercised	(2,674,136)
Balance on December 31, 2023	<u>14,308,539</u>
Granted	5,739,213
Share Bonus	2,910,064
Cancelled	(2,581,216)
Exercised	(4,093,375)
Balance on December 31, 2024	<u>16,283,225</u>
Granted	8,028,770
Cancelled	(1,320,055)
Exercised	(6,018,081)
Balance on December 31, 2025	<u>16,973,859</u>

The Company recognizes the cost of the long-term incentive plan through Restricted Shares and Performance Shares based on the fair value of the options granted on the grant date during the vesting period of each grant. The fair value of the options granted is equivalent to the fair value of the services provided to the Company, being the amount of R\$ 18.32 for the 2025 grant (R\$ 23.40 for the 2024 grant). The grace period for the year is 3 years for grants made as from 2017. The costs with long-term incentive plans recognized in the income statement on December 31, 2025 were R\$ 149,210 (R\$ 152,414 and R\$ 157,979 on December 31, 2024 and 2023, respectively).

As of December 31, 2025, the Company has a total of 25,317,258 preferred shares in treasury and, according to Note 23, these shares may be used for serving this plan.

NOTE 27 — SEGMENT REPORTING

The chief operating decision maker (“CODM”), responsible for making operational decisions, allocating resources, and evaluating performance include the Executive Board and the Board of Directors, which evaluate the performance of their business segments using Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization). The information presented to senior management, including the respective performance of each segment, is derived from records maintained in accordance with accounting practices, with some reallocations between segments.

Starting with the disclosure of the results of 2025, the Company began to disclose the information and results of its business segments as follows:

- Brazil Segment: includes the long, flat and special steel operations and the iron ore operation located in Brazil and joint ventures (note 3.2) and associates (note 3.3) companies located in Brazil.

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- North America Segment: includes the long and specialty steel operations located in Canada and the United States and the joint venture (note 3.2) located in Canada and Mexico;
- South America Segment: includes the operations in Argentina, Peru and Uruguay.

	Business Segments				
	2025				
	Brazil Operation	North America Operation	South America Operation	Eliminations and Adjustments	Consolidated
Net sales	29,687,978	35,787,268	5,561,450	(1,178,164)	69,858,532
Cost of sales	(27,807,111)	(30,299,734)	(4,964,009)	1,179,815	(61,891,039)
Gross profit	1,880,867	5,487,534	597,441	1,651	7,967,493
Selling, general and administrative expenses	(952,200)	(792,172)	(167,648)	(208,774)	(2,120,794)
Other operating income (expenses)	(61,631)	14,570	12,822	(194,261)	(228,500)
Depreciation and amortization	2,144,039	1,236,636	303,439	(529)	3,683,585
Adjusted EBITDA proportional to joint ventures and associate companies*	233,865	538,073	—	—	771,938
Tax credits/provisions recovery **	—	—	—	—	—
Adjusted EBITDA	3,244,940	6,484,641	746,054	(401,913)	10,073,722
*Adjusted EBITDA proportional to joint ventures and associate companies					
Operational income (Loss) before financial income (expenses) and taxes proportional to Joint Ventures and associate companies	34,747	375,842	—	—	410,589
Depreciation and amortization proportional to joint ventures and associate companies	199,118	162,231	—	—	361,349
Adjusted EBITDA proportional to joint ventures and associate companies	233,865	538,073	—	—	771,938
** Tax credits/provisions recovery: includes other non-recurring items adjusted in EBITDA.					
Supplemental information:					
Net sales between segments	1,178,164	—	—	—	1,178,164
Investments in associates and joint ventures	1,029,852	2,914,622	—	—	3,944,474
Total assets	35,798,486	35,468,282	4,943,445	5,477,962	81,688,175
Total liabilities	6,016,546	3,674,907	1,209,590	16,988,643	27,889,686

	Business Segments				
	2024				
	Brazil Operation	North America Operation	South America Operation	Eliminations and Adjustments	Consolidated
Net sales	30,217,819	31,931,433	5,758,695	(881,291)	67,026,656
Cost of sales	(26,319,344)	(27,434,949)	(4,930,715)	861,592	(57,823,416)
Gross profit	3,898,475	4,496,484	827,980	(19,699)	9,203,240
Selling, general and administrative expenses	(939,297)	(808,836)	(177,189)	(241,297)	(2,166,619)
Other operating income (expenses)	(145,527)	36,322	12,453	(595,824)	(692,576)
Depreciation and amortization	1,761,151	1,046,614	304,996	13,486	3,126,247
Adjusted EBITDA proportional to joint ventures and associate companies*	143,366	702,687	—	—	846,053
Tax credits/provisions recovery **	—	—	—	528,964	528,964
Adjusted EBITDA	4,718,168	5,473,271	968,240	(314,370)	10,845,309
*Adjusted EBITDA proportional to joint ventures and associate companies					
Operational income (Loss) before financial income (expenses) and taxes proportional to Joint Ventures and associate companies	90,423	543,584	—	—	634,007
Depreciation and amortization proportional to joint ventures and associate companies	52,943	159,103	—	—	212,046
Adjusted EBITDA proportional to joint ventures and associate companies	143,366	702,687	—	—	846,053
** Tax credits/provisions recovery: includes other non-recurring items adjusted in EBITDA.					
Supplemental information:					
Net sales between segments	881,291	—	—	—	881,291
Investments in associates and joint ventures	1,373,663	2,848,654	—	—	4,222,317
Total assets	32,692,029	39,788,415	5,921,448	8,412,601	86,814,493
Total liabilities	10,040,090	3,468,797	1,361,551	13,770,269	28,640,707

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	Business Segments				
	2023				
	Brazil Operation	North America Operation	South America Operation	Eliminations and Adjustments	Consolidated
Net sales	31,195,557	33,179,048	5,118,150	(576,309)	68,916,447
Cost of sales	(27,593,565)	(26,629,584)	(4,014,010)	653,167	(57,583,992)
Gross profit	3,601,992	6,549,465	1,104,140	76,858	11,332,455
Selling, general and administrative expenses	(986,448)	(793,236)	(137,203)	(290,749)	(2,207,636)
Other operating income (expenses)	(91,517)	1,592	34,604	566,351	511,030
Depreciation and amortization	1,899,158	899,407	195,030	53,617	3,047,212
Adjusted EBITDA proportional to joint ventures and associate companies*	60,073	1,048,941	409,813	—	1,518,827
Tax credits/provisions recovery **	—	—	—	(699,854)	(699,854)
Adjusted EBITDA	4,483,258	7,706,168	1,606,384	(293,777)	13,502,034
*Adjusted EBITDA proportional to joint ventures and associate companies					
Operational income (Loss) before financial income (expenses) and taxes proportional to Joint Ventures and associate companies	30,432	913,114	358,115	—	1,301,661
Depreciation and amortization proportional to joint ventures and associate companies	29,641	135,826	51,698	—	217,165
Adjusted EBITDA proportional to joint ventures and associate companies	60,073	1,048,941	409,813	—	1,518,827
** Tax credits/provisions recovery: includes other non-recurring items adjusted in EBITDA.					
Supplemental information:					
Net sales between segments	576,309	—	—	—	576,309
Investments in associates and joint ventures	1,092,043	2,766,406	—	—	3,858,449
Total assets	28,155,384	30,108,092	4,428,996	12,192,672	74,885,144
Total liabilities	10,996,480	3,510,503	1,373,802	9,765,496	25,646,281

	2025	2024	2023
Reconciliation of income before taxes to adjusted EBITDA for the year:			
Income before taxes	2,524,447	5,463,715	9,346,605
Financial result, net	1,214,621	2,023,487	1,106,122
Income before financial result and taxes	3,739,068	7,487,202	10,452,727
Depreciation and amortization	3,683,585	3,126,247	3,047,212
Results in operations with subsidiary and joint ventures	—	(808,367)	—
Impairment of financial assets	10,249	30,910	10,728
Recovery of Eletrobras Compulsory Loan	—	(100,860)	—
Impairment of assets	1,964,504	199,627	—
Equity in earnings of unconsolidated companies	(95,622)	(464,467)	(827,606)
Operational income (Loss) before financial income (expenses) and taxes proportional to Joint Ventures and associate companies	410,589	634,007	1,301,661
Depreciation and amortization proportional to joint ventures and associate companies	361,349	212,046	217,165
Tax credits/provisions recovery	—	528,964	(699,854)
Adjusted EBITDA	10,073,722	10,845,309	13,502,034

The main products by business segment are:

- Brazil Segment: rebar, bars (including special bar quality), wide flange beams, wires, plates, hot rolled plates, billets, blooms, slabs, wire rod and structural shapes.
- North America Segment: rebar, bars (including special bar quality), structural shapes, wide flange beams and billets.
- South America Segment: rebar, bars, wires, wide flange beams and billets.

The column of eliminations and adjustments includes the elimination of sales and intercompany loans between segments in the context of the Consolidated Financial Statements. This column also includes amounts that are not part of operational results of a specific segment, such as selling, general and administrative expenses of corporate employees, other operating income and expenses and the related income tax effects of these amounts.

The Company's geographic information with net sales classified according to the geographical region where the products were shipped is as follows:

	Brazil	North America	South America ⁽¹⁾	Geographic Area Consolidated
	2025	2025	2025	2025
Net sales	28,509,814	35,787,268	5,561,450	69,858,532
Non-current assets ⁽²⁾	24,280,744	24,042,986	2,188,056	50,511,786

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	Brazil 2024	North America 2024	South America ⁽¹⁾ 2024	Geographic Area Consolidated 2024
Net sales	29,336,528	31,931,433	5,758,695	67,026,656
Non-current assets ⁽²⁾	23,140,462	25,939,819	2,591,478	51,671,759

	Brazil 2023	North America 2023	South America ⁽¹⁾ 2023	Geographic Area Consolidated 2023
Net sales	30,619,249	5,118,150	33,179,048	68,916,447
Non-current assets ⁽²⁾	21,698,258	1,594,970	20,162,821	43,456,049

(1) Does not include operations of Brazil

(2) Does not include Deferred income taxes, Fair value of derivatives and Prepaid pension cost

IFRS requires the Company to disclose revenues from external customers for each product and service, or each group of similar products and services, unless the necessary information is not available and the cost to develop it would be excessive. Management does not consider this information useful for its decision-making process, because it would aggregate sales in different markets and in different currencies, subject to the effects of changes in exchange rates. Furthermore, the trends of steel consumption and the price dynamics of each product or group of products in different countries and different markets within these countries are poorly correlated and, as a result, the information would not be useful and would not serve to reach any conclusions about historical trends. Considering this scenario and considering that the information of revenue from external customers by product and service is not maintained by the Company on a consolidated basis and the cost to obtain this information would be excessive compared to the benefits of the information, the Company does not present revenue by product and service.

NOTE 28 — INSURANCE

Subsidiaries maintain insurance contracts with coverage determined by experts, taking into account the nature and degree of risk. The main insurance coverage contracted are:

Type	Scope	2025	2024
Assets	Inventories and property, plant and equipment items are insured against fire, electrical damage, explosion, machine breakage and overflow (leakage of material in fusion state).	120,594,209	135,983,517
Business Interruption	Net income plus fixed expenses	16,445,185	23,241,981
Civil Liability	Industrial operations	781,341	879,307

NOTE 29 — IMPAIRMENT OF ASSETS

The Company performs tests for impairment of assets, notably goodwill and other long-lived assets, based on projections of discounted cash flows, which take into account assumptions such as: cost of capital, growth rate and adjustments applied to flows in perpetuity, methodology for working capital determination, investment plans, and long-term economic-financial forecasts. The impairment test of these assets are assessed based on the analysis of facts or circumstances that may indicate the need to perform the impairment test and are performed at least annually in December, or whenever changes in events or circumstances indicate that the goodwill and other long-lived assets may be impaired.

To determine the recoverable amount of each cash generating unit, the Company uses the discounted cash flow method, using as basis, financial and economic projections for each one. The projections are prepared by taking into consideration observed changes in the economic scenario in the market where the Company operates, as well as assumptions with respect to future results and the historical profitability of each segment.

The Company maintains its monitoring of the steel market in order to identify any deterioration, significant drop in demand from steel consuming sectors (notably automotive and construction), stoppage of industrial plants or significant changes in the economy or financial market that result in increased perception of risk or reduction of liquidity and refinancing capacity.

29.1 Goodwill impairment test

The Company has three operating segments, which represents the lowest level in which goodwill is monitored by the Company. Goodwill balances by business segment are presented in Note 11.

In December 2025, the Company assessed the recoverability of goodwill in its business segments. The analyses carried out identified impairment losses in the Brazil segment in the amount of R\$ 1,964,504. Therefore, the Company wrote off the entire goodwill of this segment in the amount of R\$ 373,135, while the remaining portion of R\$ 1,591,369 was recognized in fixed assets, as described in note 29.2. No impairment losses were identified in 2024 and 2023.

The period for projecting the cash flows for the goodwill impairment test was five years. The assumptions used to determine the value in use based on the discounted cash flow method include analysis prepared in dollars, such as: projected cash flows based on management estimates for future cash flows, exchange rates, discount rates and growth rates. The cash flow projections already reflect a competitive scenario, as well as macroeconomic challenges in some geographies in which the Company operates. The perpetuity was calculated considering stable operating margins, levels of working capital and investments. The perpetuity growth rates considered in the fourth quarter of 2025 test were: a) North America: 3% (3% in December 2024); b) South America: 3% (3% in December 2024); and c) Brazil: 3% (3% in December 2024).

The post-tax discount rates used were determined taking into consideration market information available on the date of performing the impairment test. The Company adopted distinct rates for each business segment tested with the purpose of reflecting the differences among the markets in which each segment operates, as well as the risks associated to each of them. The post-tax discount rates used were: a) North America: 10.75% (10.50% in December 2024); b) South America: 13.25% (14.75% in December 2024); and c) Brazil 11.75% (11.75% in December 2024). As required by the accounting standard, the Company made a calculation to determine the discount rates, before income tax and social contribution (gross rate of tax effects) and this calculation resulted in the following discount rates for each segment: a) North America 13.46% (13.28% in December 2024); b) South America: 19.04% (22.14% in December 2024); and c) Brazil: 14.68% (15.16% in December 2024).

Discounted cash flows are compared to the book value of each segment and result in the recoverable amount that exceeded book value as shown below: a) North America: R\$ 9,584 million (R\$ 5,824 million in 2024); and b) South America: R\$ 913 million (R\$ 1,435 million in 2024). In the Brazil segment, the recoverable amount was below the carrying amount by R\$ 1,965 million (exceeded the carrying amount by R\$ 5,293 million in 2024).

The Company performed a sensitivity analysis in the assumptions of discount rate and perpetuity growth rate, due to the potential impact in the discounted cash flows.

An increase of 0.5 percentage points in the discount rate of each segment's cash flow would result in a recoverable amount that exceeded book value as shown below: a) North America: R\$ 7,465 million (R\$ 3,642 million in 2024); and b) South America: R\$ 724 million (R\$ 1,247 million in 2024). In the Brazil segment, the recoverable amount would be below the book value by R\$ 3,456 million (it would exceed the book value by R\$ 3,424 million in 2024).

On the other hand, a decrease of 0.5 percentage points in the perpetuity growth rate of the cash flow of each business segment would result in a recoverable amount that exceeded book value as shown below: a) North America: R\$ 8,046 million (R\$ 4,220 million in 2024) and b) South America: R\$ 790 million (R\$ 1,326 million in 2024). In the Brazil segment, the recoverable amount would be below the book value by R\$ 3,008 million (it would exceed the book value by R\$ 3,962 million in 2024).

It is important to note that significant events or changes in the outlook may lead to losses due to goodwill recoverability. A combination of the above-mentioned sensitivities in the cash flow of each segment would result in an impairment value exceeding the book value as shown below: North America: R\$ 6,130 million (R\$ 2,255 million in 2024); and b) South America: R\$ 614 million (R\$ 1,149 million in 2024). In the Brazil segment, the recoverable amount would be below the book value by R\$ 4,374 million (it would exceed the book value by R\$ 2,253 million in 2024).

29.2 Other assets Impairment test

In the fourth quarter of 2025, due to the revision of the Capex investment plan for its industrial plants, representing a significant reduction compared to recent years, the level of asset utilization at certain industrial plants in the Brazil segment, and the expectation of a deterioration in economic conditions to a greater extent than that contemplated in previous period scenarios, tests performed on other long-lived assets identified impairment losses in fixed assets of the Brazil segment amounting to R\$ 1,591,369 (R\$ 199,627 in 2024), resulting from recoverable value below the carrying amount.

These losses were determined based on the difference between the carrying amount of assets and its recoverable amount, which represents their value in use (the greater of the fair value less disposal expenses or their value in use). These losses were recorded as an expense, in the “Impairment of assets” line in the Consolidated Statements of Income. The post-tax discount rates used for this test are the same as presented in Note 29.1 of the goodwill impairment test.

The Company will maintain over the next year its constant monitoring of the steel market in order to identify any deterioration, significant drop in demand from steel consuming sectors (notably automotive and construction), stoppage of industrial plants or activities significant changes in the economy or financial market that result in increased perception of risk or reduction of liquidity and refinancing capacity. Although the projections made by the Company provide a more challenging scenario than that in recent years, the events mentioned above, if manifested in a greater intensity than that anticipated in the assumptions made by management, may lead the Company to revise its projections of value in use and eventually result in impairment losses.

NOTE 30 — EXPENSES BY NATURE

The Company opted to present its Consolidated Income Statement by function. As required by IAS 1, the expenses classified by nature are as follows:

	2025	2024	2023
Depreciation and amortization	(3,683,585)	(3,126,247)	(3,047,212)
Labor expenses	(9,088,978)	(8,371,519)	(7,653,352)
Raw material and consumption material	(44,537,863)	(41,984,956)	(42,523,164)
Freight	(4,580,612)	(4,340,694)	(4,360,264)
Other expenses/income, net	(4,324,048)	(2,180,505)	(1,707,334)
	<u>(66,215,086)</u>	<u>(60,003,921)</u>	<u>(59,291,326)</u>
Classified as:			
Cost of sales	(61,891,039)	(57,823,416)	(57,583,992)
Selling expenses	(782,351)	(762,560)	(716,195)
General and administrative expenses	(1,338,443)	(1,404,059)	(1,491,441)
Other operating income	164,476	306,426	1,033,506
Other operating expenses	(392,976)	(999,002)	(522,476)
Eletrobras compulsory loan recovery	—	100,860	—
Results in operations with joint ventures	—	808,367	—
Impairment of financial assets	(10,249)	(30,910)	(10,728)
Impairment of assets	(1,964,504)	(199,627)	—
	<u>(66,215,086)</u>	<u>(60,003,921)</u>	<u>(59,291,326)</u>

NOTE 31 — FINANCIAL INCOME

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Income from short-term investments	289,497	353,481	543,507
Interest income and other financial income	404,113	372,673	359,512
Financial Income	<u>693,610</u>	<u>726,154</u>	<u>903,019</u>
Interest on debt	(1,274,472)	(796,933)	(840,069)
Buyback of bonds	(82,676)	—	—
Monetary variation and other financial expenses	(716,224)	(711,406)	(556,720)
Financial Expenses	<u>(2,073,372)</u>	<u>(1,508,339)</u>	<u>(1,396,789)</u>
Adjustments due to hyperinflation in Argentina	(189,268)	(825,818)	(692,587)
Other exchange variations	400,035	(238,583)	(157,788)
Exchange Variation, net	210,767	(1,064,401)	(850,375)
Tax credits monetary update	—	—	253,002
Gains and losses on derivative financial instruments, net	(45,626)	(176,901)	(14,979)
Financial result, net	<u>(1,214,621)</u>	<u>(2,023,487)</u>	<u>(1,106,122)</u>

NOTE 32 – SUBSEQUENT EVENTS

I) On February 23, 2026, the Board of Directors of Gerdau S.A. unanimously approved the creation of a new share buyback program, with a maximum term of 18 months, beginning on February 24, 2026, aiming to acquire up to 55,000,000 preferred shares, representing approximately 4.4% of the outstanding preferred shares (GGBR4) and/or ADRs backed by preferred shares (GGB), and up to 1,441,120 common shares, representing approximately 10% of the outstanding common shares (GGBR3).

II) On February 23, 2026, the Board of Directors of Gerdau S.A. unanimously approved the cancellation of 418,800 common shares (GGBR3) and 7,700,000 preferred shares (GGBR4) issued by the company, without par value and without reducing the value of its share capital. Additionally, the shares were held in treasury. As a result of the approved share cancellation, the share capital of Gerdau S.A. is now divided into 717,363,819 common shares and 1,275,397,330 preferred shares, all without par value. The corresponding amendment to Article 4 of the Bylaws of Gerdau S.A., to reflect the new number of shares, will be deliberated at an Extraordinary General Meeting to be held.

BYLAWS OF GERDAU S.A.

GERDAU S.A.
CNPJ nº 33.611.500/0001-19.
NIRE Nº 35300520696
Public Held Company.

BYLAWS

CHAPTER I. HEADQUARTERS, PURPOSES AND DURATION

Art. 1. GERDAU S.A., with headquarters and jurisdiction in the City of São Paulo, State of São Paulo, at Avenida Doutora Ruth Cardoso, 8.501, 8th floor, *Conjunto 2*, Bairro Pinheiros, CEP 05425-070, will be ruled by these Bylaws and legislation applicable to corporations.

§ 1. As a result of the Company being admitted to the special listing segment of the B3 S.A. – Brasil, Bolsa, Balcão (“B3”) known as Corporate Governance - Level 1, the Company, its shareholders, members of the Board of Directors, Executive Board and Board of Auditors are subject to the provisions of the Corporate Governance - Level 1 Listing Rules of B3 (“Level 1 Listing Rules”).

§ 2. As the securities issued by the Company are admitted to trading on the Organized Markets managed by B3, the Company, its shareholders and managers must comply with the provisions set forth in the Rules for the Listing of Issuers and for Admission to the Trading of Securities, including the rules related to the withdrawal and exclusion of securities admitted to trading on the Organized Markets managed by B3.

Art. 2. The Company has the following purposes:

- a) holding interest in companies operating in the manufacture or trading of steel and/or metallurgical products, with plants integrated with ports or not, as well as other industrial companies and consortia, including activities of research, extraction, processing and trading of mineral resources, preparation, execution and management of foresting and reforestation projects, as well as trading, export and import of goods, transformation of forests into charcoal, transportation of goods from its industry and port operator activities, pursuant to the applicable legislation;
- b) industry and trade exploitation in steel products in general, laminates, drawn and iron and steel products, smelting of iron, steel and other metals, including through representation, import and exporting of goods related to its industrial and commercial activities, technical assistance and service provision; and
- c) trading and import of natural gas and other related activities, pursuant to the applicable legislation.

Art. 3. The Company shall exist for an indeterminate term and may open and maintain branch offices, subsidiaries, agencies and offices, in Brazil and abroad, and may hold interests in other entities.

CHAPTER II. SHARE CAPITAL

Art. 4. The capital is twenty-four billion, three hundred and forty-seven million, two hundred and ninety thousand and eight hundred reais (R\$24,347,290,800.00), divided into seven hundred eighteen million, three hundred forty-six thousand, two hundred nineteen (718,346,219) common shares and one billion, three hundred nine million, eight hundred forty-eight thousand, seven hundred thirty(1,309,848,730) Preferred Shares, with no par value.

§ 1. The Board of Directors may, independently from modifications to the Company’s Bylaws, decide to issue new shares, including the capitalization of profits and reserves, in accordance with the terms of these Bylaws, up to an authorized limit of 1,500,000,000 (one billion, five hundred million) ordinary shares and 3,000,000,000 (three billion) Preferred Shares.

§ 2. Within the limit of the authorized capital stock, the Board of Directors may, based on a plan approved by the General Shareholders' Meeting, grant stock options to its Directors, Executive Officers, employees or individuals rendering services to the Company or to companies under its control.

§ 3. Capital increases by the Company may consist of common or Preferred Shares or of shares of only one category, without maintaining proportions between each type or class of stock, while observing, with regard to the Preferred Shares, the maximum limit established by Law.

§ 4. Pre-emptive rights must be exercised within a period of 30 (thirty) days, except when an issue consists of shares or securities convertible into shares, whose placement is made through stock exchange or in a public offering, or an exchange of shares made in a public offer for acquisition of control, in which events the Board of Directors shall guarantee priority to shareholders for the subscription of securities for a period of no less than 10 (ten) days.

§ 5. Each common share shall carry one vote in the deliberations of the General Shareholders' Meeting.

§ 6. The Company's shares shall have, regardless of type or class, an identical share in its profits and identical rights in any public offer in case of transfer of control, with these shares being guaranteed a price equal to the value paid per common share forming part of the controlling stake. Preferred shares shall not carry voting rights and may not be redeemed, although they shall enjoy in addition to the rights mentioned above, the following priorities and advantages:

- (a) right to proportionally participate in the mandatory dividend of at least 30% (thirty percent) of the net income for the fiscal year, calculated in accordance with art. 19, §4; and
- (b) preference in the reimbursement of the capital up to the value of their ideal proportion of the paid-in capital, in the event of the Company's liquidation, with the ordinary shares being reimbursed up to their ideal proportion in the paid-in capital; the balance will be distributed on equal terms to all common and Preferred Shares.

§ 7. The Company's shares shall exist in book entry form.

§ 8. The shares will be held in a deposit account, in the name of their holders, with Banco BTG Pactual Serviços Financeiros S/A DTVM, without the issuance of certificates.

§ 9. The Company may charge for the cost of transfer of ownership of book entry shares, in accordance with the limits established by the Brazilian Securities Exchange Commission (Comissão de Valores Mobiliários).

§ 10. The Company may suspend share transfer services for periods not exceeding 15 (fifteen) days each, and a total of 90 (ninety) days in any given year.

CHAPTER III. MANAGEMENT

SECTION I. GENERAL REGULATIONS

Art. 5. The Board of Directors and the Executive Officers shall be responsible for the Administration of the Company.

§ 1. Each of the elected members of the Board of Directors or the Executive Officers shall take office by means of an entry recorded in the relevant register, independently of any guarantee.

§ 2. The remuneration of members of the Board of Directors and the Executive Officers shall be established by the General Shareholders' Meeting and may be approved on an individual or aggregate amount, being the responsibility of the Board of Directors in the latter case to decide on its distribution.

§ 3. The investiture of the members of the Board of Directors and Executive Officers is conditioned to the signature of the Adhesion Management Form ("Termo de Anuência dos Administradores"), based upon the terms of Level 1 Listing Rules, as well as the compliance with the applicable legal requirements.

§ 4. The positions of Chairman and Chief Executive Officer shall not be held by the same person.

SECTION II. BOARD OF DIRECTORS

Art. 6. The Board of Directors is a collegiate decision-making body composed of 3 (three) to 11 (eleven) effective members and up to 11 (eleven) alternates, at the discretion of the General Shareholders' Meeting that elects them, with the same members elected for a unified mandate of 1 (one) year, with reelection permitted.

§ 1. The General Shareholders' Meeting shall determine, prior to the election of the members of the Board of Directors, the number of effective and alternate members to be elected. These numbers may differ. If elected, the alternate members shall replace the effective members in the order established by the General Shareholders' Meeting that elects them. The alternate member that cumulatively exercises the position of Executive Officer shall be automatically prohibited from occupying this position during the period in which he/she replaces the effective member, if, on account of his/her simultaneous occupation of this position, he/she exceeds the legal limit for the accumulation of positions. In the event that a vacancy arises and there are no alternate members, the alternate shall be appointed by the remaining Board members and shall serve until the next General Shareholders' Meeting.

§ 2. The General Shareholders' Meeting shall appoint from among the elected Board members a Chairman and up to four (4) Vice Presidents, who shall replace the former in accordance with their respective order of nomination.

§ 3. The Board of Directors shall meet whenever the interests of the Company require and at least once every six (6) months, observing a minimum advance notice of twenty-four (24) hours for the first call of the meeting, except in cases of manifest urgency, with the responsibility for calling the meeting being incumbent on the Chairman of the Board or a majority of its members.

§ 4. The meetings of the Board of Directors shall be considered to have been convened at a first call in the presence of a majority of its members, and at a second call, with any number of its members present, being chaired by the Chairman or in his/her absence, by any other member of the Board of Directors. Decisions shall be taken by a majority vote among those present, with the Chairman or his/her replacement holding the casting vote and all members are entitled to vote in advance in written form. The decisions of these meetings shall be recorded as minutes in the relevant Company register.

§ 5. In addition to the attributions arising from the other provisions of these Bylaws or the Law, the Board of Directors shall be responsible for:

- (a) set the general guidance of the corporate businesses;
 - (b) assure integrity, ethical values and compliance with laws and regulatory norms to which the Company is subject;
 - (c) approve the Company's strategic planning as well as the respective execution plan;
 - (d) supervise risk management architecture development;
 - (e) approve expansion and investment plans considering risks involved and expected returns;
 - (f) define the Company's financial policies and capital structure, as well as approve the capital budget and individual decisions of relevant investments;
 - (g) define the policy that will guide relations with investors and capital markets;
 - (h) establish criteria for control of the Company's corporate performance;
 - (i) elect and dismiss the Company's Executive Officers, provide substitutes in case of vacancy, set their assignments and assess their performance;
 - (j) establish basic guidelines for executive action of Executive Officers and assure the strict compliance with them;
 - (k) set the Company's administrative structure, observing the Executive Officers' attribution of functions;
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- (l) guide and provide qualification and professional development to key executives, as well as take care of their succession plans;
 - (m) establish policies and practices for remuneration of human resources, including participation in profits or results;
 - (n) establish individual remuneration of the Company's administrators, in case the General Shareholders' Meeting has set an aggregate amount, and propose to the General Shareholders' Meeting deliberation on their participation in social profits, observing the provisions set forth in law and in the present Bylaws;
 - (o) approve relevant changes in the Company's organizational structure, necessary to support defined strategies;
 - (p) inspect the management of corporate business by Executive Officers and assure the strict compliance with decisions by the Company's organisms; examine, at any time, the Company's books and documents, request information on contracts signed or about to be signed, and any other acts;
 - (q) deliberate on the General Shareholders' Meeting Call;
 - (r) express opinion on the Administration report and Board of Executive Officers accounts;
 - (s) choose and dismiss independent auditors;
 - (t) authorize the Company to negotiate its own shares;
 - (u) authorize the issuance of negotiable instruments for public distribution, including debentures, under the terms of art. 59, §1 of Law N° 6.404 of December 15, 1976;
 - (v) within the limits of the authorized capital, deliberate on the issuance of debentures convertible into shares, under the terms of art. 59, § 2 of Law N° 6.404 of December 15, 1976;
 - (w) authorize payment of interests as equity remuneration, as well as its integration to the value of the fiscal year dividends;
 - (x) authorize participation in other entities, as well as the creation of consortia, joint ventures and strategic alliances in the country and abroad;
 - (y) set guidelines to be observed by the Company's representatives in any control group or shareholders meetings, or in General Shareholders' Meetings of affiliated or subsidiaries, or others that involve consortia, joint ventures or strategic alliances in which the Company participates;
 - (z) periodically set criteria for involved amount, duration, extension of effects and others for the practice of certain administrative acts by the Board of Executive Officers such as (i) authorize fund raising, undertaking loans and financing, including with the issuance of bonds and securities; granting of loans or other credits, including to employees and member of the corporate bodies; (ii) acquisition, transfer (even if fiduciary), encumbrance, rental or borrowing of any assets or rights; (iii) granting guarantees of any nature by the Company;
 - (aa) authorize the practice of the administration acts described in paragraph "z" above, while the criteria set forth therein are not established;
 - (ab) strengthen and watch for the Company's institutional image;
 - (ac) deliberate on the practice of any extraordinary management act not included in the General Shareholders' Meeting private competence.
 - (ad) to strengthen and safeguard the Company's institutional image;
 - (ae) to resolve on the performance of any extraordinary management act not included within the exclusive authority of the General Shareholders' Meeting;
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(af) to issue an opinion regarding public tender offers involving shares or other securities issued by the Company

§ 6. The Board of Directors may attribute to its Chairman or to any one of its Vice Presidents, or to any one of its members that it may appoint, responsibility for the systematic monitoring of the Company's business activities in such a way as to ensure the full attainment of the Company's objectives and the implementation of the decisions made by the Board of Directors.

§ 7. The Board may decide to create specific committees subordinated to itself, which shall include one (1) or more of its members, with or without the participation of Executive Officers, and may include Company employees or contracted third-parties with the aim of coordinating or orienting certain corporate processes or operations.

SECTION III. EXECUTIVE OFFICERS

Art. 7. The Executive Officers comprises:

- f) One (1) Chief Executive Officer;
- g) One (1) to ten (10) Executive Vice-Presidents; and
- h) One (1) to fifteen (15) Executive Officers, without specific designation.

§ 1. The Executive Officers, individuals resident in Brazil, whether shareholders of the Company or not, shall be elected by the Board of Directors for a one (1) year term of office.

§ 2. The Executive Officers shall ordinarily meet on occasions determined by themselves, and extraordinarily whenever necessary or convenient, when convened by the Chief Executive Officer, or any one of the Executive Vice-Presidents or by any two Executive Officers.

§ 3. The meetings of the Executive Officers shall be held with the attendance of a majority of their members at the first call. Decisions shall be taken by majority vote and recorded in minutes in the relevant Company register. The Chief Executive Officer will have, in addition to his vote, a casting vote at these meetings;

§ 4. An advance vote submitted in written form shall be permitted for the purposes of constituting a quorum, both for convening a meeting and for voting on decisions.

Art. 8. The Executive Officers shall carry out all acts necessary for the attainment of the Company's objectives, and shall take responsibility for the adequate implementation of decisions by the Company's corporate bodies.

§ 1. The Chief Executive Officer will be responsible for the general conduction of the businesses in accordance with the plans and programs approved by the Board of Directors, focusing on the strategical aim of the Company, on the follow-up of its results and on the report of results to the Board of Directors. In this capacity he will be the Company's representative before the public and will be supported by the Chairman of the Board of Directors as regards institutional relations and policies.

§ 2. The Chief Executive Officer will be responsible for the development and accomplishment of the objectives of the Company and will exert the operational coordination of the different businesses, seeking to maximize the synergism and results.

Art. 9. The Executive Officers are responsible, without detriment to individual functions, for preparing and submitting to approval by the Board of Directors:

- (a) strategical plan of the Company and its respective plan of execution, as well as its programs of expansion and investments;
 - (b) the Company's business portfolio;
-

- (c) proposals for significant amendments in the organizational structure of the Company that are necessary to support the strategies defined by the Board of Directors;
- (d) suggestions for professional development of key executives and their succession plans.

§ 1. It is also incumbent on the Executive Officers:

- (a) define and systematize processes and operations, approve policies, strategies and guidelines, assessing the respective performance of their holders, the level of excellence achieved and the management techniques employed;
- (b) execute the goals established by the Board of Directors, submitting to it the results obtained;
- (c) authorize the practice of reasonable free of charge acts for the benefit of employees or communities in which the Company participates, including donation of unserviceable assets, considering its social accountability;
- (d) follow and control the activities of the Company's affiliated and subsidiaries;
- (e) instruct the Company's representatives in control group and shareholders meetings and in General Shareholders' Meetings of affiliated and subsidiaries, according to guidelines set forth by the Board of Directors;
- (f) authorize the opening of affiliates, branches, agencies and offices;
- (g) promote interchange of experiences and maximum synergy across the Company's processes and operations;
- (h) disseminate the Company's values and culture to all functional levels;
- (i) watch for and be responsible for the Company's institutional image;
- (j) solve omitted cases, as long as they are not included in the General Shareholders' Meeting or Board of Directors competence.

§ 2. The Executive Officers will forward to the Board of Directors copies of their meetings' minutes and will provide the information that will make possible the assessment of the Company's activities performance.

§ 3. The Executive Officers can deliberate on the creation of auxiliary committees to be formed by one or more of its members, employees and contracted third-parties to promote the exchange of experiences and maximum synergy across the Company's operations, or in order to coordinate, guide, facilitate or support certain processes or operations.

Art. 10. The Executive Officers, except for exceptional cases authorized by the Board of Directors, will exercise their positions full time and will not endorse, provide guarantee or in any way guarantee third parties' debts.

Art. 11. The Executive Officers shall be responsible for representing the Company actively and passively in or outside court, observing relevant legal or statutory provisions and decisions taken by bodies of the Company.

Art. 12. As a general rule and except for cases that are the subject matter of subsequent paragraphs, the following undertakings by the Company shall be considered valid whenever it is represented by two (2) Executive Officers, or one (1) Executive Officer and one (1) attorney-in-fact, or by two (2) attorneys-in-fact, or by one (1) attorney-in-fact, duly appointed according to § 3 below and within the limits of their respective mandates.

§ 1. The practice of acts that these Bylaws stipulate that shall require the prior authorization by the Board of Directors or by the Executive Officers may only be undertaken once the above preliminary condition has been fulfilled.

§ 2. As per determined in the caput, the Company may also be represented by one (1) Executive Officer or one (1) attorney-in-fact, when the matter in question consists of issuing and negotiating, including the endorsing and discounting of bills relating to its sales, as well as the signing of correspondence that do not create liabilities for the Company and the practice of simple routine administrative acts.

§ 3 In appointing attorneys-in-fact, the following rules shall be observed:

- (a) all powers of attorney will be jointly granted by two (2) Executive Officers;
- (b) when the object of the mandate is an act that depends on the prior authorization of the Board of Directors or the Executive Officers, the granting of the power of attorney shall be expressly conditioned on obtaining this authorization;
- (c) except in cases of judicial or similar representation, in which an essential feature of the mandate is its exercise until the resolution of the issue or proceeding, all other powers of attorney shall be issued for a specified term not to exceed one year, and shall grant limited powers.

§ 4. Acts carried out that are contrary to the rules set forth in the preceding paragraphs shall be considered null and shall not create any obligations for the Company.

CHAPTER IV. BOARD OF AUDITORS.

Art. 13. The Board of Auditors will comprise at least three (3) and no more than five (5) effective members, and one of them shall be necessarily a financial expert; and with the same number of substitutes, whether shareholders or not, and will be installed and elected by the General Shareholders' Meeting.

§ 1. The Board of Auditors shall:

- (a) oversee acts of the Board of Directors and Executive Officers and ensure that they comply with their legal and statutory duties;
 - (b) express opinion on the management annual report, including in its opinion complementary information considered relevant or useful for the General Shareholders' Meeting deliberations;
 - (c) express opinion on the administration bodies proposals to be submitted to the General Shareholders' Meeting, related to change in the capital stock, issuance of debentures or subscription bonus, investment plans or capital budget, dividend distribution, transformation, incorporation, merger or spin-off;
 - (d) denounce, by any of its members, to the administration bodies and, in case these latter do not take measures necessary to protect the Company's interests, to the General Shareholders' Meeting, mistakes, frauds or crimes they find and suggest useful measures to the Company;
 - (e) call the ordinary General Shareholders' Meeting, if the administration bodies delay for more than 1 (one) month this call, and the extraordinary General Shareholders' Meeting whenever serious or urgent reasons occur, including in the meetings' agenda the subjects they consider necessary;
 - (f) analyze, at least quarterly, the balance sheet and other financial statements periodically prepared by the Company;
 - (g) examine financial statements of the fiscal year and express opinion on them;
 - (h) exercise the assignments, during liquidation, considering the special dispositions that regulate it;
 - (i) receive and verify complaints, denunciations or irregularities;
 - (j) express opinion on proposal of hiring or dismissing the external auditor;
 - (k) express opinion on any services to be rendered to the Company by the external auditor;
 - (l) express opinion on the works conducted by the external auditor;
 - (m) assist in the solution of divergences between administrators and auditors;
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(n) express opinion on accounting and audit internal controls.

§ 2. The Board of Auditors will function on a permanent basis.

§ 3. The Board of Auditors will establish, by majority vote, its internal rules.

§ 4. In case of vacancy of a member of the Board of Auditors elected by the Controlling Shareholder, the substitutes will be called, in the order of their election, as described in the minutes of the General Shareholders' Meeting that elected them, and, in case there is no substitute or the substitute resigns, the substitute will be appointed by the remaining board members, elected by the controlling shareholder, and will fulfill his/her term of office until the next General Shareholders' Meeting, which will elect the new substitute.

CHAPTER V. GENERAL SHAREHOLDERS' MEETING.

Art. 14. The General Shareholders' Meeting, duly called and installed in accordance with the law and this chapter, has powers to decide on all business activities relating to the object of the Company, as well as to make the decisions it considers appropriate to defend and for the development of the Company.

Art. 15. The General Shareholders' Meeting shall be installed by an Officer, or in his/her absence, by an attending shareholder, with shareholders chosen at the occasion to chair and act as secretary at the meeting.

§ 1. The Company may require, within a period established in the call notice, the depositing of proof of ownership of shares, issued by the financial institution acting as depositary for the same shares, as well as to suspend, for the same period, transfer and stock split services.

§ 2. Except for those cases in which the law determines a qualified quorum, the decisions of the General Shareholders' Meeting shall be taken by an absolute majority vote, excluding blank votes.

Art. 16. Minutes of the deliberations and proceedings of the General Shareholders' Meeting shall be recorded in the relevant register, together with the elements, indications, requirements and signatures, required by law.

Art. 17. The General Shareholders' Meeting shall be Ordinary or Extraordinary in accordance with the material under consideration. The Ordinary General Shareholders' Meeting and the Extraordinary General Shareholders' Meeting may be called cumulatively and held in the same place at the same date, time and documented in a single set of minutes.

Art. 18. The Ordinary General Shareholders' Meeting must take place within the period established in law and shall have as its object:

- (a) take administrators accounts, examine, discuss and vote the financial statements;
- (b) deliberate on the destination of the fiscal year net profit and dividend distribution;
- (c) elect members of the Board of Directors and, when applicable, the Board of Auditors;
- (d) approve the correction of the equity capital monetary expression.

CHAPTER VI. FISCAL YEAR.

Art. 19. The fiscal year begins on January 1 and ends on December 31 of each year.

§ 1. At the end of each fiscal year, the Executive Officers shall order the preparation, observing the relevant legal provisions, of the following financial statements:

- (a) balance sheet;
 - (b) statement of changes in stockholders' equity;
 - (c) income statement of the fiscal year in question;
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(d) statement of cash flows; and

(e) statement of added value.

§ 2. Together with the financial statements for the year, the Board of Directors shall submit to the Ordinary General Shareholders' Meeting a proposal for the destination of the net income for the year, in accordance with the provisions of these Bylaws and the Law.

§ 3. The Board of Directors may propose, and the Shareholders Meeting shall resolve, to deduct from the net income of the year a portion of at least five percent (5%) to build a Reserve of Investments and Working Capital, which shall comply with the following criteria:

- (a) its constitution will not affect the right of preferred shareholders to receive the minimum dividend to which they are entitled to, or affect the payment of mandatory dividends provided in §4 below;
- (b) its balance, together with the balance of other profit reserves, except for reserves for contingencies, tax incentives and unrealized profits, shall observe a maximum limit equal to the value of the Company's capital, under penalty of capitalization or distribution in cash of the excess;
- (c) the reserve is intended to assure investments in fixed assets, or additions to working capital, even through amortization of the Company's debts, regardless of profit retentions linked to capital budget, and its balance can be used for: (i) absorption of losses, whenever necessary; (ii) distribution of dividends, at any time; (iii) transactions involving the redemption, reimbursement or purchase of shares, authorized by law; (iv) incorporation to the capital stock, even upon granting bonus in new shares.

§ 4. Shareholders will have the right to receive, during at each fiscal year, as a dividend, a percentage of the net profit, obeying the mandatory minimum of 30% (thirty percent) of the net profit, adjusted as follows:

(a) addition of the following amounts: resulting from reversion, in the fiscal year, of previously formed contingency reserves; resulting from the realization in the fiscal year of profits that were previously transferred to the profits to be realized reserve; and resulting from realization, in the fiscal year, of increase in value of assets elements due to new assessments, recorded as re-assessment reserve;

(b) the subtraction of amounts assigned during the fiscal year for the constitution of the legal reserve, contingency reserves, the unrealized profit reserve and the tax incentive reserve.

§ 5. The mandatory dividend is formed by the preferred dividend and the dividend paid on account of pre-existing profits reserves or based on semi-annual balances or interim balances, unless otherwise defined by the General Shareholders' Meeting of by the Board of Directors.

§ 6. Executive officers are entitled to a share of the Company's profits, to be deliberated at the Shareholders Meeting, observing the legal limits. The payment of such profit sharing is conditioned upon the distribution of mandatory dividends to shareholders mentioned in paragraph 4 above. When a semiannual balance sheet is drawn up and used as basis for payment of interim dividends, in an amount at least equal to thirty percent (30%) of the net income of the period, calculated in accordance with paragraph 4 above, the members of management will be entitled to, as deliberated by the Board of Directors, a share of the semiannual profits, subject to further approval by the Shareholders Meeting.

§ 7. Whenever the mandatory dividend is paid using pre-existing profits reserves, portion of the fiscal year profit, corresponding to the dividend paid, will be appropriated to recompose the reserve used.

§ 8. The Board of Directors may declare dividends on account of pre-existing profits reserves, or on account of existing profits in the last annual, semi-annual or interim balance.

§ 9. The General Shareholders' Meeting may deliberate on the capitalization of reserves constituted in semi-annual or interim balance sheets.

§ 10. Dividends not claimed in 3 (three) years expire in favor of the Company.

§ 11. Preferred shares will acquire the right to vote if the Company, for three (3) consecutive fiscal years, fails to pay the minimum dividends to which they are entitled, right to which they will be entitled to until the first payment of dividends is made by the Company.

CHAPTER VII. LIQUIDATION

Art. 20. The Company will enter liquidation in the cases provided by law or by resolution of the General Shareholders' Meeting, which is responsible, in any circumstance, for establishing the method of liquidation, electing the liquidator and the members of the Board of Auditors, in the event the same is to function during the liquidation period, and setting their remuneration.

CERTIFICATION

I, **Gustavo Werneck da Cunha**, certify that:

1. I have reviewed this annual report on Form 20-F of Gerdau S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 13, 2026

/s/ Gustavo Werneck da Cunha
Gustavo Werneck da Cunha
Chief Executive Officer

CERTIFICATION

I, **Rafael Dorneles Japur**, certify that:

1. I have reviewed this annual report on Form 20-F of Gerdau S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the company's internal control over financial reporting.
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 13, 2026

/s/ Rafael Dorneles Japur

Rafael Dorneles Japur
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Gerdau S.A. (the "Company") on Form 20-F for the fiscal year ended December 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, **Gustavo Werneck da Cunha**, Chief Executive Officer, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gustavo Werneck da Cunha

Name: Gustavo Werneck da Cunha

Title: Chief Executive Officer

Date: March 13, 2026

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Gerdau S.A. (the "Company") on Form 20-F for the fiscal year ended December 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, **Rafael Dorneles Japur**, Chief Financial Officer, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Rafael Dorneles Japur

Name: Rafael Dorneles Japur

Title: Chief Financial Officer

Date: March 13, 2026

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-171217 and 333-179182) of Gerdau S.A. of our report dated March 13, 2026 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Auditores Independentes Ltda
Porto Alegre, Brazil
March 13, 2026
