



Around R\$2.7 billion are been invested in the revamp of Blast Furnace 3 at the Ipatinga Plant (MG). More than 9,000 temporary jobs were generated. Focus on the perpetuity of Usiminas and the sustainability of our operations.

EARNINGS RELEASE 2023

2Q23 HIGHLIGHTS

- » Steel sales 972 thousand tons;
- » Iron ore sales 2.4 million tons;
- » Adjusted EBITDA R\$366 million;
- » Net profit R\$287 million;
- » Cash Position R\$4.9 billion.
- » Net debt R\$965 million.

Market data 06/30/2023

B3	USIM5	R\$7.07/stock
	USIM3	R\$7.29/stock
EUA/OTC	USNZY	US\$1.57/ADR
LATIBEX	XUSI	€1.39/stock
	XUSIO	€1.39/stock

Consolidated - R\$ million	2Q23	1Q23	Δ	2Q22	Δ	1H23	1H22	Δ
Steel Sales Volume (000 t)	972	1,035	-6%	1,088	-11%	2,007	2,223	-10%
Iron Ore Sales Volume (000 t)	2,398	1,883	27%	2,389	0%	4,281	4,000	7%
Net Revenue	6,887	7,255	-5%	8,531	-19%	14,143	16,376	-14%
Adjusted EBITDA	366	783	-53%	1,930	-81%	1,149	3,490	-67%
Adjusted EBITDA Margin	5%	11%	- 5 p.p.	23%	- 17 p.p.	8%	21%	- 13 p.p.
Net Income or Loss	287	544	-47%	1,060	-73%	831	2,323	-64%
Investments (CAPEX)	879	580	51%	428	105%	1,459	713	105%
Working Capital	9,444	9,845	-4%	10,031	-6%	9,444	10,031	-6%
Cash and Cash Equivalents	4,941	5,837	-15%	5,597	-12%	4,941	5,597	-12%
Net Debt	965	284	240%	455	112%	965	455	112%
Net Debt/Adjusted EBITDA	0.38x	0.07x	0.31x	0.05x	0.33x	0.38x	0.05x	0.33x

For Immediate Release - Belo Horizonte, July 28, 2023. Usinas Siderurgicas de Minas Gerais SA - Usiminas (B3: USIM3, USIM5 and USIM6; OTC: USDMY and USNZY; Latibex: XUSIO and XUSI) today announces the second quarter results of fiscal year 2023 (2Q23). The Company's operating and financial information, except when otherwise stated, is presented based on consolidated numbers in Brazilian Real, in accordance with the IFRS (International Financial Reporting Standards). The comparisons made in this release take into account the first quarter of 2023 (1Q23), except stated otherwise. Statements contained in this release regarding business prospects, projections of operating and financial results and references to the Company's growth potential are mere forecasts, based on Management's expectations regarding its future performance. These expectations are highly dependent on market behavior, the economic situation in Brazil, the industry and international markets, and are therefore subject to change.

Operating and Economic-Financial Performance

Consolidated Operating Results

	R\$ thousand	2Q23	1Q23	Δ	2Q22	Δ
Net Revenues		6,887,396	7,255,249	-5%	8,531,460	-19%
Domestic Market		5,625,511	6,063,131	-7%	6,885,773	-18%
Exports		1,261,885	1,192,118	6%	1,645,687	-23%
COGS		(6,304,931)	(6,370,461)	-1%	(6,344,153)	-1%
Gross Profit		582,465	884,788	-34%	2,187,307	-73%
	Gross Margin	8.5%	12.2%	-3.7 p.p.	25.6%	-17.2 p.p.
Operating Income and Expenses		(514,146)	(389,388)	32%	(526,502)	-2%
Selling Expenses		(155,479)	(108,638)	43%	(193,078)	-19%
General and Administrative		(148,267)	(139,664)	6%	(147,129)	1%
Other Operating Income and expenses		(210,400)	(141,086)	49%	(186,295)	13%
EBIT		68,319	495,400	-86%	1,660,805	-96%
	EBIT Margin	1.0%	6.8%	-5.8 p.p.	19.5%	-18.5 p.p.
Equity in the results of investees		62,138	45,047	38%	56,033	11%
Depreciation and Amortization		262,314	248,670	5%	220,482	19%
EBITDA (Instruction CVM 527)		392,771	789,117	-50%	1,937,320	-80%
	EBITDA Margin (Instruction CVM 527)	5.7%	10.9%	-5.2 p.p.	22.7%	-17.0 p.p.
Adjusted EBITDA		366,359	782,761	-53%	1,929,894	-81%
(-) Equity in the Results of Associate and Jointly-controlled subsidiaries		(62,138)	(45,047)	38%	(56,033)	-20%
(+) Jointly-controlled subsidiaries proportional EBITDA		41,940	38,691	8%	48,607	-20%
	Adjusted EBITDA Margin	5.3%	10.8%	-5.5 p.p.	22.6%	-17.3 p.p.
Main non-recurring items		-	-	-	-	-
Adjusted EBITDA Excluding Non-Recurring Items		366,359	782,761	-53%	1,929,894	-81%
	Adjusted EBITDA Excluding Non-recurring Items Margin	5.3%	10.8%	-5.5 p.p.	22.6%	-17.3 p.p.

Net Revenue

Net Revenue in the 2Q23 reached R\$6.9 billion, 5.1% lower than the 1Q23 (R\$7.3 billion), with the main variation in the Steel Business Unit. The factors that led to these variations will be explained in the Business Unit Section of this Release.

Cost of Goods Sold - COGS

Cost of goods sold (COGS) in the 2Q23 totaled R\$6.3 billion, a 1.0% decrease compared to the 1Q23 (R\$6.4 billion), with a decrease in the Steel Units, partially offset by an increase in the Mining Unit. Variations will be explained in the Business Unit Section of this Release.

Gross profit

Gross profit was R\$582 million in 2Q23, 34.2% lower than in the 1Q23 (R\$885 million).

Operating Income and Expenses

Sales expenses in the 2Q23 were R\$155 million, 43.1% higher than the previous quarter (1Q23: R\$109 million), with higher sales expenses in the Mining Unit.

In the 2Q23, **General and Administrative Expenses** totaled R\$148 million, 6.2% higher than the previous quarter (1Q23: R\$140 million), mainly with higher expenses in the Steel Unit.

Other operating income (expenses) totaled negative R\$210 million in 2Q23, expenses 49.1% higher than the previous quarter (1Q23: negative R\$141 million), mainly due to higher expenses with idle equipment at the Steel Unit.

Thus, **Operating income (expenses)** were a negative R\$514 million in the 2Q23 against negative R\$389 billion in the 1Q23.

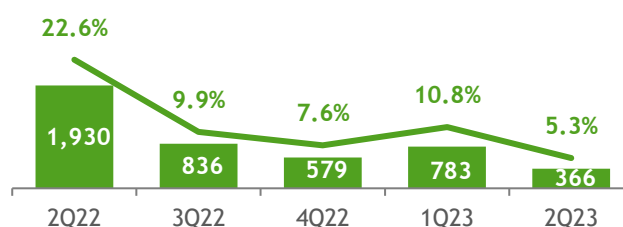
Adjusted EBITDA reached R\$366 million in the 2Q23, 53.2% lower than that accounted in the 1Q23 (R\$783 million). Adjusted EBITDA margin was 5.3% in the 2Q23, compared to a 10.8% margin in the previous quarter.

Adjusted EBITDA

Consolidated (R\$ thousand)	2Q23	1Q23	2Q22	1H23	1H22
Net Income (Loss)	287,357	544,076	1,059,930	831,433	2,323,099
Income Tax / Social Contribution	48,572	189,815	408,842	238,387	977,662
Financial Result	(205,472)	(193,444)	248,066	(398,916)	(253,642)
Depreciation, Amortization and depletion	262,314	248,670	220,482	510,984	443,232
EBITDA - Instruction CVM - 527	392,771	789,117	1,937,320	1,181,888	3,490,351
(-) Equity in the Results of Associate and Jointly-controlled subsidiaries	(62,138)	(45,047)	(56,033)	(107,185)	(91,041)
(+) Jointly-controlled subsidiaries proportional EBITDA	41,940	38,691	48,607	80,631	90,504
(-) Impairment of Assets	(6,214)	-	-	(6,214)	-
Adjusted EBITDA	366,359	782,761	1,929,894	1,149,120	3,489,814
Adjusted EBITDA Margin	5.3%	10.8%	22.6%	8.1%	21.3%

Adjusted EBITDA is calculated based on the net profit (loss) for the year, reversing: (a) income tax and social contribution; (b) the financial result; (c) depreciation, amortization and depletion; (d) participation in the results of jointly controlled and associated companies; (e) impairment of assets; and including a proportional EBITDA of 70% of Unigal and other jointly controlled companies.

Consolidated Adjusted EBITDA and Adjusted EBITDA Margin (R\$ million):



Consolidated Financial Result

R\$ thousand	2Q23	1Q23	Δ	2Q22	Δ	1H23	1H22	Δ
Financial Income	295,276	302,175	-2%	290,443	2%	597,451	529,913	13%
Financial Expenses	(261,505)	(189,464)	38%	(231,542)	13%	(450,969)	(403,296)	12%
Net Currency Exchange Variation	171,701	80,733	113%	(306,967)	-	252,434	127,025	99%
Exchange variation on assets	(81,341)	(51,008)	59%	251,396	-	-	-	-
Exchange variation on liabilities	253,042	131,741	92%	(558,363)	-	-	-	-
FINANCIAL RESULT	205,472	193,444	6%	(248,066)	-	398,916	253,642	57%
+ Appreciation / - Depreciation of Exchange Rate (R\$/US\$)	-5.4%	2.6%	+ 2.5 p.p.	-10.6%	+ 15.7 p.p.	7.6%	6.1%	+ 1.5 p.p.

The Financial Result for 2Q23 was R\$205 million, 6.2% higher than the result presented in the previous quarter (1Q23: R\$193 million), with net foreign exchange gains recorded in the period partially offset by higher interest expenses in the quarter.

Net Income (Loss)

R\$ thousand	2Q23	1Q23	Δ	2Q22	Δ	1H23	1H22	Δ
EBIT	68,319	495,400	-86%	1,660,805	-96%	563,719	2,956,078	-81%
EBIT Margin	1.0%	6.8%	- 5.8 p.p.	19.5%	- 18.5 p.p.	4.0%	18.1%	- 14.1 p.p.
Financial Result	205,472	193,444	6%	(248,066)	-	398,916	253,642	57%
Equity in the results of investees	62,138	45,047	38%	56,033	11%	107,185	91,041	18%
Operating Profit or Loss	335,929	733,891	-54%	1,468,772	-77%	1,069,820	3,300,761	-68%
Income Tax / Social Contribution	(48,572)	(189,815)	-74%	(408,842)	-88%	(238,387)	(977,662)	-76%
Net Income or Loss	287,357	544,076	-47%	1,059,930	-73%	831,433	2,323,099	-64%
Net Margin	4.2%	7.5%	- 3.3 p.p.	12.4%	- 8.3 p.p.	5.9%	14.2%	- 8.3 p.p.

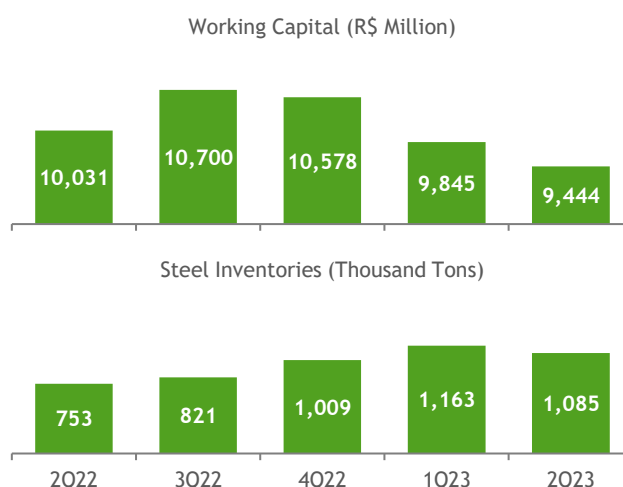
In the 2Q23, the Company recorded net profit of R\$287 million, 47.2% lower than the net profit presented in the previous quarter (1Q23: R\$544 million), mainly affected by the lower operating result accounted in the 1Q23.

Working capital

In the 2Q23, working capital was R\$9.4 billion, 4.1% lower than in the 1Q23 (R\$9.8 billion).

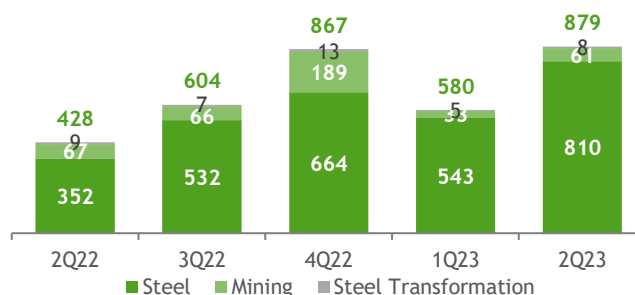
The main variations are:

- Reduction of **Inventories** by R\$238 million, mainly due to the reduction in slabs inventories. At the end of 2Q23, Usiminas had 332 thousand tons of slabs to supply production during the stoppage of Blast Furnace 3.
- Reduction in **Accounts Receivable** by R\$ 122 million, with a reduction in the average collection period and net revenue in the period.



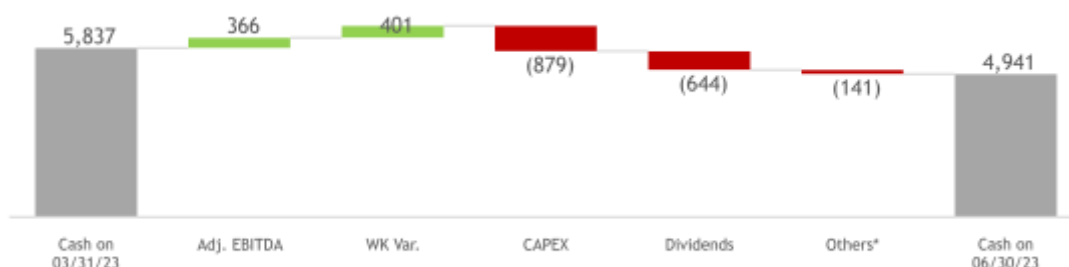
Investments (CAPEX)

In the 2Q23, CAPEX totaled R\$879 million, 51.4% higher than the 1Q23 (R\$580 million), of which 92.2% was in the Steel Unit, 7.0% in the Mining Unit, and 0.9% in the Steel Processing Unit.



Cash and Financial Indebtedness

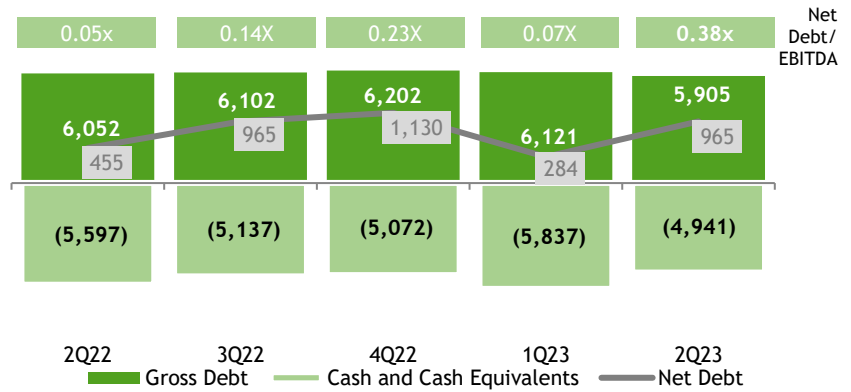
Consolidated Cash and Cash Equivalents on 06/30/23 was R\$4.9 billion, 15.4% lower compared to the position on 03/31/23 (R\$5.8 billion), due to the payment of dividends of R\$644 million and CAPEX of R\$879 million, partially offset by the reduction in working capital of R\$401 million and by the EBITDA in the quarter, as shown below:



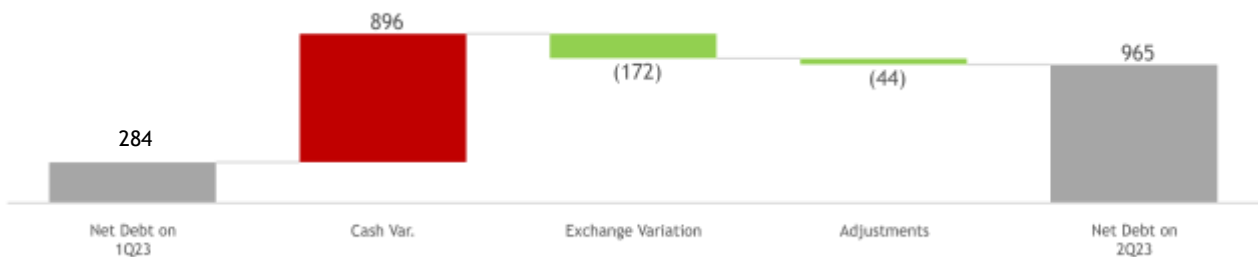
* "Others" detailed in the Cash Flow.

Consolidated Debt (R\$ million)

On 06/30/23, consolidated **Gross debt** was R\$5.9 billion, 3.5% lower than the gross debt on 03/31/23 (R\$6.1 billion), with the effect of the appreciation of the Real against the Dollar in the period of 5.1%.



On 06/30/23, **net debt** was R\$965 million, 239.6% higher than the net debt in the previous quarter (03/31/23: R\$284 million). The variation between the periods is mainly due to the decrease in the aforementioned Cash position, partially offset by the effect of exchange rate variation on the Company's debt, as shown below (in R\$ million).



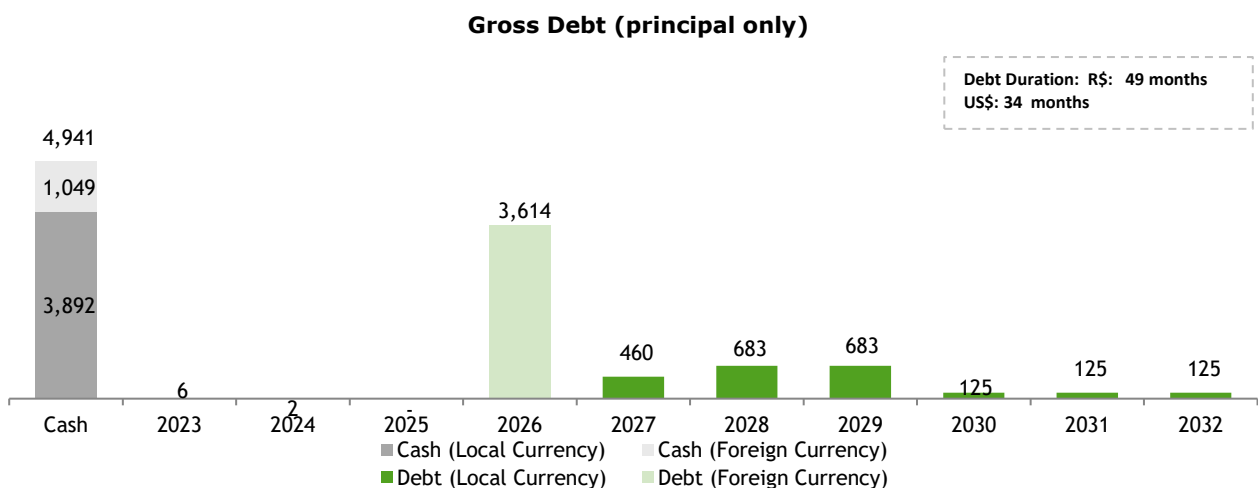
Debt composition by maturity on 06/30/23 was 2% in the short term and 98% in the long term, compared to 3% and 97% on 03/31/23, respectively.

The chart below shows consolidated debt data:

R\$ thousand	30-jun-23			31-mar-23 TOTAL	Change Mar22/Dec21	30-jun-22		Change Mar22/Mar21
	Short Term	Long Term	TOTAL			TOTAL	TOTAL	
Local Currency	31,115	2,192,716	2,223,831	38%	2,300,300	-3%	2,059,041	8%
CDI	23,891	2,192,026	2,215,917	-	2,291,631	-3%	2,046,146	8%
Others	7,224	690	7,914	-	8,669	-9%	12,895	-39%
Foreign Currency*	101,739	3,579,919	3,681,658	62%	3,820,613	-4%	3,993,105	-8%
Gross Debt	132,854	5,772,635	5,905,489	100%	6,120,913	-4%	6,052,146	-2%
Cash and Cash Equivalents	-	-	4,940,641	-	5,836,793	-15%	5,596,689	-12%
Net Debt	-	-	964,848	-	284,120	240%	455,457	112%
Gross Debt (Principal Only)	-	-	5,822,306	-	6,018,958	-3%	5,939,567	-2%

(*)100% of total foreign currency is US dollars denominated in the 2Q22

The graph below shows the cash position and the debt profile (principal only) in millions of Reais on 06/30/23.



The following table details the issues that comprise the Company's debt:

Issue	Series	Value (Millions)	Rate	Maturity
Bonds	-	USD 750	5.875%	2026
8th Issue of Debentures	1 st Series	BRL 300	CDI + 1.50%	2027
	2 nd Series	BRL 400	CDI + 1.70%	2028 and 2029
9th Issue of Debentures	1 st Series	BRL 160	CDI + 1.45%	2027
	2 nd Series	BRL 966	CDI + 1.65%	2028 and 2029
	3 rd Series	BRL 374	CDI + 1.95%	2030, 2031 and 2032

Operational Performance of the Business Units

Intercompany transactions are on an arm's length basis (market prices and conditions), and sales between Business Units are carried out as sales between independent parties.

Income Statement per Business Units - Non Audited - Quarterly

R\$ million	Mining		Steel*		Steel Processing		Adjustment		Consolidated	
	2Q23	1Q23	2Q23	1Q23	2Q23	1Q23	2Q23	1Q23	2Q23	1Q23
Net Revenue	905	784	5,976	6,390	2,100	2,134	(2,093)	(2,052)	6,887	7,255
Domestic Market	140	212	5,484	5,773	2,095	2,131	(2,093)	(2,052)	5,626	6,063
Exports	765	572	493	617	5	3	-	-	1,262	1,192
COGS	(685)	(493)	(5,651)	(5,875)	(2,070)	(2,054)	2,102	2,051	(6,305)	(6,370)
Gross Profit or Loss	220	291	325	516	30	80	8	(2)	582	885
Operating Income and Expenses	(151)	(106)	(321)	(258)	(38)	(25)	(4)	(1)	(514)	(389)
Selling	(116)	(65)	(29)	(39)	(12)	(5)	1	-	(155)	(109)
General and Administrative	(13)	(12)	(120)	(114)	(20)	(19)	4	5	(148)	(140)
Other Operating Income and expenses, Net	(23)	(30)	(172)	(104)	(6)	(2)	(9)	(6)	(210)	(141)
EBIT	68	185	4	258	(9)	55	4	(2)	68	495
Depreciation and amortization	77	68	185	179	10	10	(10)	(9)	262	249
Equity in the results of investees	36	19	119	206	-	-	(93)	(179)	62	45
EBITDA (Instruction CVM 527)	182	271	308	643	2	65	(99)	(190)	393	789
EBITDA Margin	20.1%	34.6%	5.2%	10.1%	0.1%	3.1%	4.7%	9.3%	5.7%	10.9%
Adjusted EBITDA	147	254	184	438	2	65	34	25	366	783
Adj. EBITDA Margin	16.2%	32.4%	3.1%	6.9%	0.1%	3.1%	-1.6%	-1.2%	5.3%	10.8%

*Consolidated 70% of Unigal and 100% of Usiminas Mecânica

Income Statement per Business Units - Non Audited - Accumulated

R\$ million	Mining		Steel*		Steel Processing		Adjustment		Consolidated	
	1H23	1H22	1H23	1H22	1H23	1H22	1H23	1H22	1H23	1H22
Net Revenue	1,688	1,972	12,367	14,675	4,234	4,552	(4,146)	(4,824)	14,143	16,376
Domestic Market	352	568	11,256	12,418	4,226	4,546	(4,146)	(4,824)	11,689	12,708
Exports	1,336	1,405	1,110	2,257	8	6	-	-	2,454	3,668
COGS	(1,178)	(1,062)	(11,526)	(11,964)	(4,124)	(4,153)	4,152	4,705	(12,675)	(12,474)
Gross Profit (Loss)	510	910	841	2,712	110	400	6	(119)	1,467	3,903
Operating Income (Expenses)	(257)	(284)	(579)	(592)	(63)	(77)	(5)	7	(904)	(946)
Selling	(180)	(200)	(68)	(134)	(17)	(30)	1	-	(264)	(364)
General and Administrative	(24)	(21)	(234)	(230)	(39)	(36)	9	9	(288)	(278)
Other Operating Income (expenses), Net	(53)	(63)	(277)	(228)	(7)	(12)	(14)	(2)	(351)	(305)
EBIT	253	626	262	2,120	47	322	2	(112)	564	2,956
Depreciation and amortization	146	103	364	344	20	14	(19)	(17)	511	443
Equity in the results of investees	55	40	325	521	-	-	(273)	(470)	107	91
EBITDA (Instruction CVM 527)	454	768	951	2,985	67	336	(289)	(599)	1,182	3,490
EBITDA Margin	26.9%	38.9%	7.7%	20.3%	1.6%	7.4%	7.0%	12.4%	8.4%	21.3%
Adjusted EBITDA	401	730	622	2,466	67	336	60	(42)	1,149	3,490
Adj. EBITDA Margin	23.7%	37.0%	5.0%	16.8%	1.6%	7.4%	-1.4%	0.9%	8.1%	21.3%

*Consolidated 70% of Unigal and 100% of Usiminas Mecânica

Business Unit - Mining

Operational and Sales Performance

In the 2Q23 production volume reached 2.3 million tons, which represents an increase of 26.8% compared to the 1Q23 (1.8 million tons), demonstrating recovery after the effects of heavy rains and preventive maintenance that occurred in the first quarter of the year.

Sales volume reached 2.4 million tons in the 2Q23, 27.3% higher than the 1Q23 (1.9 million tons), following the production volume increase of the period.



Production and sales volumes are shown below:

Thousand tons	2Q23	1Q23	Δ	2Q22	Δ	1H23	1H22	Δ
Production	2,309	1,821	27%	2,342	-1%	4,130	4,074	1%
Total Sales	2,398	1,883	27%	2,389	0%	4,281	4,000	7%
Exports	1,895	1,238	53%	1,614	17%	3,133	2,615	20%
Domestic Market - Usiminas	248	497	-50%	595	-58%	745	1,057	-30%
Domestic Market - Third Parties	256	148	73%	180	42%	404	328	23%

The types of ore sold by market are shown below:

	Domestic Market	Exports	Total
Granulated	38%	0%	8%
Sinter Feed	59%	91%	85%
Pellet Feed/ Concentrate	3%	9%	8%
% of total sales	21%	79%	100%

The greater product availability allowed for an increase in export sales in the 2Q23, which totaled 1.9 million tons, equivalent to eleven shipments, four more than in the 1Q23.

In the 2Q23, **export distribution** was 83% including ocean freight (CFR) and 17% without ocean freight, against 54% and 46% in the 1Q23, respectively.

Comments on the Results - Mining

Net income totaled R\$905 million in the 2Q23, 15.5% greater over the 1Q23 (R\$784 million). This increase occurred as a result of the combination of higher sales volume and a higher proportion of sales with ocean freight, being partially offset by lower iron ore prices and the significant appreciation of 4.8%, in average, of the Real against the Dollar in the quarter.

In the 2Q23, the average reference spot price of 62% Fe iron ore CFR China was US\$111/t, which represented an 11.6% decrease compared to the previous quarter (US\$126/t).

Total production cash cost, without idle capacity was R\$107.7/t or US\$21.8/t in the 2Q23 against R\$127.2/t (US\$24.5/t) in the 1Q23, a 15.4% decrease between periods, favored by the greater dilution of fixed costs due to higher volumes and lower costs with preventive maintenance in the plants occurred in the previous quarter.

Cost of goods sold (COGS) in the 2Q23 was R\$685 million, 39.0% higher against the 1Q23 (R\$493 million), due to the growth in sales volume in the period and higher sales in the ocean freight modality.

In unit terms, the COGS/ton in the 2Q23 (R\$285.7/t), increased by 9.1% compared to the 1Q23 (R\$261.8/t), due to the greater share of sales with ocean freight, increase in freight cost (ocean and land), partially offset by lower production costs.

Sales Expenses totaled R\$116 million in the 2Q23, a 79.1% increase compared to the previous quarter (1Q23: R\$65 million), as a result of higher expenses with port services, mainly due to the higher volume of exports sold in the period.

General and Administrative Expenses totaled R\$13 million in the 1Q23, up 5.3% in relation to the amounts presented in the previous quarter (1Q23: R\$12 million).

Other Operating Income (Expenses) was a negative R\$23 million in the 2Q23, against a negative R\$30 million in the 1Q23, expenses 21.9% higher between quarters.

Adjusted EBITDA reached R\$147 million in 2Q23, a 42.1% decrease compared to the 1Q23 (R\$254 million). Adjusted EBITDA margin was 16.2% in the 2Q23 (1Q23: 32.4%).

Investments (CAPEX)

CAPEX totaled R\$61 million in the 2Q23, against R\$33 million recorded in the 1Q23, an 84.5% increase in investments over the previous quarter.

Business Unit - Steel

Operational and Sales Performance

Crude steel production at the Ipatinga plant was 416 thousand tons in the 2Q23, 42.0% lower in relation to the 1Q23 (717 thousand tons), due to the revamping of Blast Furnace 3, started in Abril. **Rolled steel production** at the Ipatinga and Cubatão mills totaled 988 Kt in the 2Q23, a 1.8% increase over the previous quarter (1Q23: 971 kt). In the 2Q23, 586 kt of **purchased slabs** were processed (1Q23: 489 kt).



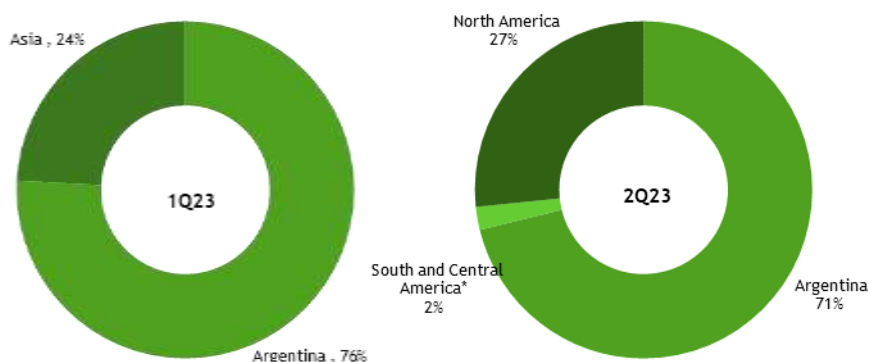
Thousand tons	2Q23	1Q23	Δ	2Q22	Δ	1H23	1H22	Δ
Total Crude Steel	416	717	-42%	671	-38%	1,133	1,348	-16%
Purchased Slab Processed	586	489	20%	482	21%	1,075	933	15%
Total Rolled Steel	988	971	2%	1,072	-8%	1,959	2,163	-9%
Sales Volume	972	1,035	-6%	1,088	-11%	2,007	2,223	-10%
Domestic Market	902	934	-3%	948	-5%	1,836	1,815	1%
Exports	70	101	-31%	141	-50%	171	408	-58%

In the 2Q23, the **total sales volume** amounted to 972 thousand tons of steel, 6.0% lower over the 1Q23 (1,035 Mt), in line with the guidance provided by the Company for the period. In the **domestic market**, sales were 902 kt in the 2Q23, a 3.3% decrease in relation to the 1Q23, (934 kt). **Exports** in the 2Q23 were 70 kt, 31.0% lower than the 1Q23 (101 thousand tons). Sales volume was 93% for the domestic market and 7% for exports (compared to 90% and 10% in 2Q23).

Domestic Market Sales were distributed in the following segments:

	2Q23	1Q23	Δ	2Q22	Δ	1H23	1H22	Δ
Auto Industry	36.0%	34.5%	+ 1 p.p.	36.0%	+ 0 p.p.	35.3%	37.0%	- 2 p.p.
Distribution	29.1%	25.8%	+ 3 p.p.	28.9%	+ 0 p.p.	27.4%	29.1%	- 2 p.p.
Industry	34.9%	39.7%	- 5 p.p.	35.1%	- 0 p.p.	37.3%	33.9%	+ 3 p.p.

Main export destinations:

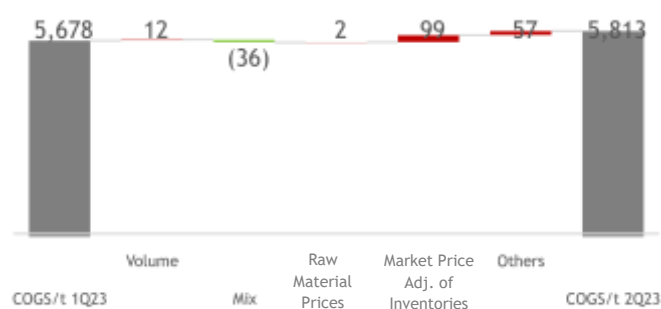


Comments on the Results - Steel

In 2Q23, **Net Revenue** from the Steel Unit was R\$6.0 billion, 6.5% lower than that recorded in 1Q23 (R\$6.4 billion), mainly due to lower volumes recorded in the quarter by 6.0%. Net revenue/ton sold was R\$6,147/t, marginally lower than the previous quarter (1Q23: R\$6,177/t). In the period, there was a 1.7% drop in net revenue/ton sold in the Domestic Market, offset by a 15.6% increase in net revenue/ton sold in the Export Market.

Cash cost per ton was R\$5,231/t in the 2Q23, 12.3% higher than in the 1Q23 (R\$4,656/t). The main variations were: the higher price of the slabs purchased and consumed and the higher cost of the slabs produced, due to lower production volume.

Cost of goods sold per ton was R\$5,813/t in the 2Q23. COGS/ton was 2.4% higher than the previous quarter (1Q23: R\$5,678/t). This variation is explained mainly by adjustments to the market value of inventories made in the quarter, as shown in the chart on the side. Thus, Cost of Goods Sold in the 2Q23 was R\$5.7 billion, 3.8% lower than the COGS of the previous quarter (1Q23: R\$5.9 billion).

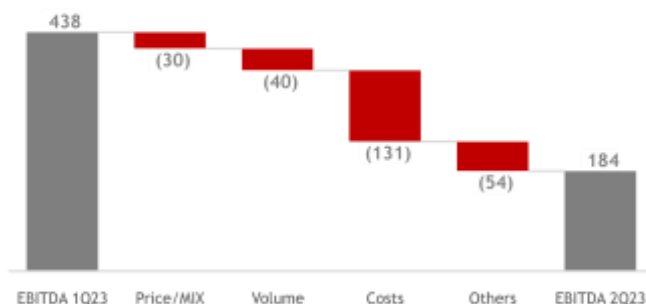


Sales expenses totaled R\$29 million in the 2Q23, 27.5% lower than in the 1Q23 (R\$39 million), mainly with lower expenses with distribution and commissions in the period.

General and Administrative Expenses totaled R\$120 million in the 2Q23, 5.2% higher than in the 1Q23 (R\$114 million), with higher expenses with maintenance, development and IT licenses.

Other operating income (expenses) were negative R\$172 million in the 2Q23, expenses 65.1% higher than the 1Q23 (negative R\$104 million), mainly with higher idle equipment expenses of R\$54 million, reflecting the stoppage of Blast Furnace 3 at the Ipatinga Plant.

Thus, the **Adjusted EBITDA** reached R\$184 million in the 2Q23, 58.1% lower than that accounted in the 1Q23 (R\$438 million). Adjusted EBITDA margin was 3.1% in the 2Q23, against 6.9% in the 1Q23.



Investments (CAPEX)

CAPEX in 2Q23 totaled R\$810 million, 49.3% higher than in 1Q23 (R\$543 million). In this quarter, R\$382 million were used to revamp Blast Furnace 3. The works are in progress, with a expectation of return in September.



Business Unit - Steel Processing

Comments on the Results - *Soluções Usiminas*

Net Revenue in the 2Q23 totaled R\$2.1 billion, R\$34 million lower than in the 1Q23 (R\$2.134 billion), due to lower prices practiced. Sales of the Distribution, Services/JIT and

Tubes segments accounted for 27.1%, 67.8% and 5.1% of the volume sold in the 2Q23, respectively.

Cost of goods sold was R\$2.070 billion in the 2Q23, R\$17 million higher than in the 1Q23 (R\$2.054 billion). COGS/t was R\$6,812/t in 2Q23, a 1.7% decrease compared to the 1Q23 (R\$6,931/t), with lower raw materials costs.

Operating income (expenses) were negative R\$38 million in the 2Q23, R\$13 million higher compared to 1Q23 (negative R\$25 million), mainly due to reversals of provisions for bad debts.

Adjusted EBITDA in the 2Q23 was R\$2 million, R\$63 million lower than accounted in the previous quarter (1Q23: R\$65 million). Adjusted EBITDA margin was 0.1% in the 2Q23 (1Q23: 3.1%).

Equity in the Result

In the 2Q23, equity income was R\$62 million, 37.9% higher than that recorded in the 1Q23.

ESG Agenda - Sustainability Topics

Material Theme	Goal	SDG	Comments
People management	Objective of Zero Accidents, in compliance with the Strategic Safety Plan, with focus on achieving a Safety Index of 1.0;	3 and 8	● The Safety index obtained a result above the established reference. The Company is adopting several preventive actions to revert this result;
People management	Reach 18% of women in leadership positions by 2023;	5	● Deviation generated by the removal of employees on maternity leave
Climate changes	Conducting a GHG inventory at Soluções Usiminas by 09/30/2023;	13	● Done. The inventory was completed on 06/30/2023.
Climate changes	Adhesion of Mineração Usiminas to the Brazilian GHG Protocol Program;	13	● Evolution in line with plan
Relationship with Stakeholders	Improvement of the General Customer Satisfaction Index;	12	● Evolution in line with plan
Relationship with Stakeholders	Sustainability in the supply chain, strengthening relationships and reducing risks at 75% of strategic suppliers;	12	● Evolution in line with plan
Relationship with Stakeholders	Strengthening relationships with formal and community leaders in Vale do Aço and Baixada Santista	17	● Evolution in line with plan
Management of natural resources and environmental impacts	Donation of 100% of the steel aggregate generated in 2023 to the Caminhos do Vale program	12	● Evolution in line with plan

● In line with planning

● Late in relation to planning

2022 Sustainability Report



In April, Usiminas disclosed its main communication channels [Sustainability Report 2022 Base Year](#). The document presents details of the Company's operations and performance in the Company's main work fronts in the Environmental, Economic, Governance and Social pillars. For the current cycle, in line with our Diversity and Inclusion Program, the Company has launched an inclusive and accessible version of the Sustainability Report. In addition to bringing the main highlights of the document in a simplified way, the new format allows the content to be translated into Libras.



Learn more at (Portuguese only): http://bit.ly/Relatório_Sustentabilidade_2022

Decommissioning of the Samambaia Dam

At Mineração Usiminas, work began in June to de-commission the Company's last tailings dam, which, despite having been built using the downstream raising method, has already been deactivated and has not received materials since 2021. This action consolidates MUSA's operations without dams and which are increasingly modern, safe and sustainable.



Learn more at (Portuguese Only): https://bit.ly/MUSA_Samambaia

4th week of Diversity and Inclusion



On the social front, the 4th Diversity and Inclusion week of the Company was held in May, which brought relevant discussions on the subject within the group's companies.



Learn more at (Portuguese only): https://bit.ly/4_semana_diversidade

Capital markets

	2Q23	1Q23	Δ	2Q22	Δ
Number of Deals	798,187	970,914	-18%	1,288,773	-38%
Daily Average	13,085	15,411	-15%	20,787	-37%
Traded - thousand shares	724,927	931,876	-22%	1,161,545	-38%
Daily Average	11,884	14,792	-20%	18,735	-37%
Financial Volume - R\$ million	5,329	6,913	-23%	12,867	-59%
Daily Average	87	110	-20%	208	-58%
Maximum	8.04	8.67	-7%	14.20	-43%
Minimum	6.84	6.53	5%	8.42	-19%
Closing	7.07	7.29	-3%	8.65	-18%
Market Capitalization - R\$ million	8,859	9,135	-3%	10,839	-18%

Usiminas shares are traded on the Brazilian market, with preferred and common shares on the B3, and also in the United States, on the over-the-counter market (OTC - over-the-counter), as well as in Europe, on the LATIBEX Section - Madrid Stock Exchange. Below, the performance of the Company's shares in the respective markets:

	2Q23	1Q23	Δ	2Q22	Δ
Preferred stocks (USIM5) - B3	R\$7.07	R\$7.29	-38%	R\$8.65	-55%
Common stocks (USIM3) - B3	R\$7.29	R\$7.97	-37%	R\$8.21	-58%
ADR (USNZY) - OTC	\$1.57	\$1.49	-42%	\$1.72	-55%
Preferred stocks (XUSI) - LATIBEX	€ 1.39	€ 1.36	-40%	€ 1.62	-46%
Common stocks (XUSIO) - LATIBEX	€ 1.39	€ 1.51	-39%	€ 1.58	-54%

2Q23 Live Event on the Resultados

July 28, 2023 (Friday)

12:00 noon, Brasília | 11:00am New York

[Click here to register for the Zoom event](#)

Replay in both languages will be available on the Investor Relations website: www.usiminas.com/ri



Investor Relations - USIMINAS

Leonardo Karam Rosa	leonardo.rosa@usiminas.com	+55 31 3499-8550
Felipe Gabriel Pinheiro Rodrigues	f.gabriel@usiminas.com	+55 31 3499-8710
João Victor Tofani Ferreira	joao.vferreira@usiminas.com	+55 31 3499-8178

Attachments (Excel tables available in the IR site in the Modeling Guide)

Balance Sheet - Assets - Consolidated | IFRS - R\$ thousand

Assets	30-jun-23	31-mar-23	30-jun-22
Current Assets	18,956,289	20,216,136	21,527,074
Cash and Cash Equivalents	4,940,641	5,836,793	5,596,689
Trade Accounts Receivable	3,416,772	3,538,479	4,059,324
Taxes Recoverable	743,899	782,337	1,171,431
Inventories	9,627,099	9,864,655	9,918,009
Advances to suppliers	4,957	1,329	442,230
Other Securities Receivables	222,921	192,543	339,391
Non-Current Assets	20,782,437	19,987,624	19,753,527
Long-Term Receivable	5,534,528	5,440,894	5,277,235
Deferred Taxes	2,377,417	2,328,349	2,627,274
Deposits at Law	532,516	525,778	496,459
Taxes Recoverable	1,737,645	1,717,387	1,303,161
Accounts Receiv - Gasometer	356,119	353,732	352,230
Others	530,831	515,648	498,111
Equity Investments	1,311,296	1,253,005	1,221,980
Investment Property	150,465	141,425	159,047
Property, Plant and Equipment	11,825,539	11,176,254	11,446,841
Intangible	1,960,609	1,976,046	1,648,424
Total Assets	39,738,726	40,203,760	41,280,601

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated | IFRS - R\$ thousand

Liabilities and Shareholders' Equity	30-jun-23	31-mar-23	30-jun-22
Current Liabilities	4,774,478	5,180,871	6,135,616
Loans and Financing and Taxes Payable in Installments	132,854	154,633	174,984
Suppliers, Subcontractors and Freight	2,446,597	2,415,618	4,048,784
Wages and Social Charges	315,983	259,752	262,326
Taxes and Taxes Payables	273,725	301,174	316,430
Accounts Payable Forfeiting	1,215,858	1,233,989	895,461
Dividends Payable	69,810	470,580	117,326
Customers Advances	49,134	52,731	93,483
Others	270,517	292,394	226,822
Long-Term Liabilities	8,664,601	8,572,437	8,695,556
Loans and Financing and Taxes Payable in Installments	5,772,635	5,966,280	5,877,162
Actuarial Liability	1,144,569	961,182	1,192,758
Provision for Legal Liabilities	962,527	868,162	905,487
Environmental Protection Provision	289,327	286,619	222,712
Others	495,543	490,194	497,437
Shareholders' Equity	26,299,647	26,450,452	26,449,429
Capital	13,200,295	13,200,295	13,200,295
Reserves & Revenues from Fiscal Year	10,509,523	10,442,549	10,588,334
Non-controlling shareholders participation	2,589,829	2,807,608	2,660,800
Total Liabilities and Shareholders' Equity	39,738,726	40,203,760	41,280,601

Income Statement - Consolidated		IFRS			
R\$ thousand	2Q23	1Q23	Δ	2Q22	Δ
Net Revenues	6,887,396	7,255,249	-5%	8,531,460	-19%
Domestic Market	5,625,511	6,063,131	-7%	6,885,773	-18%
Exports	1,261,885	1,192,118	6%	1,645,687	-23%
COGS	(6,304,931)	(6,370,461)	-1%	(6,344,153)	-1%
Gross Profit	582,465	884,788	-34%	2,187,307	-73%
Gross Margin	8.5%	12.2%	- 3.7 p.p.	25.6%	- 17.2 p.p.
Operating Income and Expenses	(514,146)	(389,388)	32%	(526,502)	-2%
Selling Expenses	(155,479)	(108,638)	43%	(193,078)	-19%
General and Administrative	(148,267)	(139,664)	6%	(147,129)	1%
Other Operating Income and expenses	(210,400)	(141,086)	49%	(186,295)	13%
Inventories Adjustments	709	2,088	-66%	(73,080)	-
Legal charges	(10,719)	(16,293)	-34%	(6,792)	58%
Expenses with Idle Equipments (includes depreciation)	(72,137)	(18,432)	291%	(56,914)	27%
Retirement plans and health benefits	(24,464)	(24,468)	(0)	(27,816)	-12%
Provision for tax credit (ICMS)	(17,533)	(10,864)	61%	(15,519)	13%
Provision for contingencies	(49,262)	(33,427)	47%	(17,058)	189%
Result of the non-operating asset sale/write-off	3,827	(45)	-	31,477	-88%
Other Operating Income and Expenses, Net	(40,821)	(39,645)	3%	(20,593)	98%
EBIT	68,319	495,400	-86%	1,660,805	-96%
EBIT Margin	1.0%	6.8%	- 5.8 p.p.	19.5%	- 18.5 p.p.
Financial Result	205,472	193,444	6%	(248,066)	-
Financial Income	295,276	302,175	-2%	290,443	2%
Financial Expenses	(261,505)	(189,464)	38%	(231,542)	13%
Net foreign exchange gain and losses	171,701	80,733	113%	(306,967)	-
Equity in the results of investees	62,138	45,047	38%	56,033	11%
Operating Profit or Loss	335,929	733,891	-54%	1,468,772	-77%
Income Tax / Social Contribution	(48,572)	(189,815)	-74%	(408,842)	-88%
Net Income or Loss	287,357	544,076	-47%	1,059,930	-73%
Net Margin	4.2%	7.5%	- 3.3 p.p.	12.4%	- 8.3 p.p.
Attributable:					
Shareholders	254,219	474,132	-46%	889,268	-71%
Minority Shareholders	33,138	69,944	-53%	170,662	-81%
EBITDA (Instruction CVM 527)	392,771	789,117	-50%	1,937,320	-80%
EBITDA Margin (Instruction CVM 527)	5.7%	10.9%	- 5.2 p.p.	22.7%	- 17.0 p.p.
Adjusted EBITDA - Jointly-controlled subsidiaries proportional	366,359	782,761	-53%	1,929,894	-81%
Adjusted EBITDA Margin	5.3%	10.8%	- 5.5 p.p.	22.6%	- 17.3 p.p.
Depreciation and Amortization	262,314	248,670	5%	220,482	19%

Income Statement - Consolidated		IFRS		
R\$ thousand	1H23	1H22	Δ	
Net Revenues	14,142,645	16,376,108	-14%	
Domestic Market	11,688,642	12,708,127	-8%	
Exports	2,454,003	3,667,981	-33%	
COGS	(12,675,392)	(12,473,551)	2%	
Gross Profit	1,467,253	3,902,557	-62%	
Gross Margin	10.4%	23.8%	- 13.5 p.p.	
Operating Income and Expenses	(903,534)	(946,479)	-5%	
Selling Expenses	(264,117)	(364,195)	-27%	
General and Administrative	(287,931)	(277,609)	4%	
Other Operating Income and expenses	(351,486)	(304,675)	15%	
Inventories Adjustments	2,797	(77,615)	-	
Legal charges	(27,012)	(12,154)	122%	
Expenses with Idle Equipments (includes depreciation)	(90,569)	(103,666)	-13%	
Retirement plans and health benefits	(48,932)	(55,632)	-12%	
Provision for tax credit (ICMS)	(28,397)	(27,460)	3%	
Provision for contingencies	(82,689)	(28,254)	193%	
Result of the non-operating asset sale/write-off	3,782	39,660	-90%	
Other Operating Income and Expenses, Net	(80,466)	(39,554)	103%	
EBIT	563,719	2,956,078	-81%	
EBIT Margin	4.0%	18.1%	- 14.1 p.p.	
Financial Result	398,916	253,642	57%	
Financial Income	597,451	529,913	13%	
Financial Expenses	(450,969)	(403,296)	12%	
Net foreign exchange gain and losses	252,434	127,025	99%	
Equity in the results of investees	107,185	91,041	18%	
Operating Profit or Loss	1,069,820	3,300,761	-68%	
Income Tax / Social Contribution	(238,387)	(977,662)	-76%	
Net Income or Loss	831,433	2,323,099	-64%	
Net Margin	5.9%	14.2%	- 8.3 p.p.	
Attributable:				
Shareholders	728,351	2,080,682	-65%	
Minority Shareholders	103,082	242,417	-57%	
EBITDA (Instruction CVM 527)	1,181,888	3,490,351	-66%	
EBITDA Margin (Instruction CVM 527)	8.4%	21.3%	- 13.0 p.p.	
Adjusted EBITDA - Jointly-controlled subsidiaries proportional	1,149,120	3,489,814	-67%	
Adjusted EBITDA Margin	8.1%	21.3%	- 13.2 p.p.	
Depreciation and Amortization	510,984	443,232	15%	

Cash Flow - Consolidated | IFRS

R\$ thousand	2Q23	1Q23	2Q22
Operating Activities Cash Flow			
Net Income (Loss) in the Period	287,357	544,076	1,059,930
Financial Expenses and Monetary Var. / Net Exchge Var.	(84,721)	(37,047)	310,512
Interest Expenses	117,156	66,992	90,662
Depreciation and Amortization	262,314	248,670	220,482
Losses/(gains) on Sale of Property, Plant and Equipment	(3,827)	45	(31,477)
Equity in the Results of Subsidiaries/Associated Companies	(62,138)	(45,047)	(56,033)
<i>Impairment of Assets</i>	(6,214)	-	-
<i>Income tax and social contribution in tax year</i>	96,928	132,540	342,532
Difered Income Tax and Social Contribution	(48,356)	57,275	66,310
Constitution (reversal) of Provisions	32,118	(115,107)	206,553
Actuarial Gains and losses	24,467	24,468	27,816
Derivative financial instruments	(136,167)	(306)	(21,976)
Total	478,917	876,559	2,215,311
(Increase)/Decrease of Assets			
Accounts Receivables Customer	218,118	84,949	(402,875)
Inventories	211,367	178,962	(2,469,821)
Recovery of Taxes	(77,517)	(8,128)	(180,797)
Judicial Deposits	(6,416)	(6,150)	(3,653)
Advances to suppliers	(3,628)	622,052	(310,747)
Accounts Receiv. Affiliated Companies	-	-	-
Others	(58,581)	21,583	(144,432)
Total	283,343	893,268	(3,512,325)
Increase / (Decrease) of Liabilities			
Suppliers, Contractors and Freights	(5,276)	(453,559)	1,292,155
Amounts Owed to Affiliated Companies	1,587	(26,077)	2,235
Customers Advances	(3,597)	(56,082)	(60,573)
Tax Payable	17,408	244,917	131,963
Securities Payable Forfaiting	(18,131)	298,614	332,094
Actuarial Liability Payments	(27,430)	(14,026)	(39,880)
Others	35,186	(153,690)	66,449
Total	(253)	(159,903)	1,724,443
Cash Generated from Operating Activities	762,007	1,609,924	427,429
Interest Paid	(161,444)	(121,618)	(19,138)
Income Tax and Social Contribution	(46,296)	(124,053)	(54,981)
Settlement of Derivative Financial Instrument Transactions	119,552	-	(21,307)
Net Cash Generated from Operating Activities	673,819	1,364,253	332,003
Investments activities cash flow			
Marketable Securities	70,796	895,151	77,701
Fixed Asset Acquisition	(871,693)	(575,609)	(418,760)
Fixed Asset Sale Receipt	8,224	-	38,643
Additions to / Payments of Intangible Assets	-	-	-
Dividends Received	3,849	3,378	4,525
Purchase of Software	(7,192)	(4,857)	(9,397)
Net Cash Employed on Investments Activities	(796,016)	318,063	(307,288)
Financial Activities Cash Flow			
Inflow of Loans, Financing and Debentures	-	-	700,000
Payment of Loans, Financ. & Debent.	(830)	(823)	(701,761)
Lease Liabilities	(12,113)	(12,056)	(12,600)
Dividends and Interest on Capital	(651,198)	(19)	(1,044,286)
Net Cash Generated from (Employed on) Financial Activities	(664,141)	(12,898)	(1,058,647)
Exchange Variation on Cash and Cash Equivalents	(39,018)	(9,835)	104,193
Net Increase (Decrease) of Cash and Cash Equivalents	(825,356)	1,659,583	(929,739)
Cash and Cash Equivalents at the Beginning of the Period	4,575,630	2,916,047	5,450,262
Cash and Cash Equivalents at the End of The Period	3,750,274	4,575,630	4,520,523
RECONCILIATION WITH BALANCE SHEET			
Cash and Cash Equivalents at the Beginning of the Period	4,575,630	2,916,047	5,450,262
Marketable Securities at the Beginning of the Period	1,261,163	2,156,314	1,153,867
Cash and Cash Equivalents at the Beginning of the Period	5,836,793	5,072,361	6,604,129
Net Increase (Decrease) of Cash and Cash Equivalentes	(825,356)	1,659,583	(929,739)
Net Increase (Decrease) of Marketable Securities	(70,796)	(895,151)	(77,701)
Cash and Cash Equivalents at the End of the Period	3,750,274	4,575,630	4,520,523
Marketable Securities at the End of the Period	1,190,367	1,261,163	1,076,166
Cash and Cash Equivalents at the End of the Period	4,940,641	5,836,793	5,596,689

Cash Flow - Consolidated | IFRS
R\$ thousand

	2H23	2H22
Operating Activities Cash Flow		
Net Income (Loss) in the Period	831,433	2,323,099
Financial Expenses and Monetary Var. / Net Exchge Var.	(121,768)	(177,461)
Interest Expenses	184,148	151,386
Depreciation and Amortization	510,984	443,232
Losses/(gains) on sale of property, plant and equipment	(3,782)	(39,660)
Equity in the Results of Subsidiaries/Associated Companies	(107,185)	(91,041)
Impairment of Assets	(6,214)	-
Income tax and social contribution in tax year	229,468	626,254
Difered Income Tax and Social Contribution	8,919	351,408
Constitution (reversal) of Provisions	(82,989)	323,908
Actuarial Gains and losses	48,935	55,632
Derivative financial instruments	(136,473)	82,973
Total	1,355,476	4,049,730
Increase/Decrease of Assets		
Accounts Receivables Customer	303,067	(689,248)
Inventories	390,329	(2,496,651)
Recovery of Taxes	(85,645)	(173,011)
Judicial Deposits	(12,566)	(9,208)
Advances to suppliers	618,424	(439,766)
Others	(36,998)	(139,090)
Total	1,176,611	(3,946,974)
Increase / (Decrease) of Liabilities		
Suppliers, contractors and freights	(458,835)	1,375,189
Amounts Owed to Affiliated Companies	(24,490)	(23,215)
Customers Advances	(59,679)	(60,784)
Tax Payable	262,325	291,326
Securities Payable Derived from Suppliers	280,483	180,156
Actuarial Liability payments	(41,456)	(50,501)
Others	(118,504)	(68,983)
Total	(160,156)	1,643,188
Cash Generated from Operating Activities	2,371,931	1,745,944
Interest Paid	(283,062)	(255,343)
Income Tax and Social Contribution	(170,349)	(1,036,275)
Settlement of Derivative Financial Instrument Transactions	119,552	(119,574)
Net Cash Generated from Operating Activities	2,038,072	334,752
Investments activities cash flow		
Marketable Securities	965,947	(393,634)
Fixed asset acquisition	(1,447,302)	(701,735)
Fixed asset sale receipt	8,224	47,391
Dividends Received	7,227	7,475
Software Purchase	(12,049)	(11,369)
Net Cash Employed on Investments Activities	(477,953)	(1,051,872)
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	-	700,000
Payment of Loans, Financ. & Debent.	(1,653)	(703,530)
Lease Liabilities	(24,169)	(23,918)
Dividends and Interest on Capital	(651,217)	(1,044,295)
Net Cash Generated from (Employed on) Financial Activities	(677,039)	(1,071,743)
Exchange Variation on Cash and Cash Equivalents	(48,853)	(31,631)
Net Increase (Decrease) of Cash and Cash Equivalents	834,227	(1,820,494)
Cash and Cash Equivalents at the Beginning of the Period	2,916,047	6,341,017
Cash and Cash Equivalents at the End of The Period	3,750,274	4,520,523
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	2,916,047	6,341,017
Marketable securities at the beginning of the period	2,156,314	682,532
Cash and cash equivalents at the beginning of the period	5,072,361	7,023,549
Net increase (decrease) of cash and cash equivalents	834,227	(1,820,494)
Net increase (decrease) of marketable securities	(965,947)	393,634
Cash and cash equivalents at the end of the period	3,750,274	4,520,523
Marketable securities at the end of the period	1,190,367	1,076,166
Cash and cash equivalents at the end of the period	4,940,641	5,596,689