



## 2Q21 EARNINGS RELEASE

**Public Information** - Belo Horizonte, July 30, 2021. 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 2021 (2Q21). The Company's operating and financial information, except when otherwise stated, is presented based on consolidated numbers in Brazilian Real, in accordance with IFRS (*International Financial Reporting Standards*). The comparisons made in this release take into account the first quarter of 2021 (1Q21), except stated otherwise. Statements contained in this release relating to 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.

### Highlights

- » **Steel sales** 1.32 million tons, the highest volume since the 3Q14;
- » **Domestic steel sales** 1.25 million tons, the highest volume since the 1Q14;
- » **Iron Ore Sales** 2.1 million tons;
- » **Net Revenue** R\$9.6 billion, a quarterly record;
- » **Adjusted EBITDA** of R\$5.1 billion, with a record in all Business Units;
- » **Net profit** of R\$4.5 billion, a quarterly record;
- » **Cash Position** of R\$6.1 billion.

Consolidated - R\$ million	2021	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Steel Sales Volume (000 t)	1,315	1,254	5%	608	116%	2,569	1,656	55%
Iron Ore Sales Volume (000 t)	2,054	1,949	5%	1,902	8%	4,003	4,115	-3%
Net Revenue	9,596	7,066	36%	2,425	296%	16,662	6,233	167%
Adjusted EBITDA	5,066	2,420	109%	192	2543%	7,485	761	884%
Adjusted EBITDA Margin	53%	34%	+ 19 p.p.	8%	+ 45 p.p.	45%	12%	+ 33 p.p.
Net Income or Loss	4,543	1,205	277%	(395)	-	5,748	(819)	-
Investments (CAPEX)	335	239	40%	193	74%	574	375	53%
Working Capital	6,936	4,898	42%	4,132	68%	6,936	4,132	68%
Cash and Cash Equivalents	6,053	4,601	32%	2,506	142%	6,053	2,506	142%
Net Debt	(220)	1,674	-	3,717	-	(220)	3,717	-
Net Debt/Adjusted EBITDA	-0.02x	0.33x	-0.35x	2.23x	-2.25x	-0.02x	2.23x	-2.25x

### Market Data - 06/30/21

<b>B3</b>	USIM5	R\$19.10/share
	USIM3	R\$19.75/share
<b>EUA/OTC:</b>	USNZY	US\$3.86/ADR
<b>LATIBEX:</b>	XUSI	€2.98/share
	XUSIO	€3.46/share

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## OPERATING AND ECONOMIC-FINANCIAL PERFORMANCE

### CONSOLIDATED OPERATING RESULTS

R\$ thousand	2Q21	1Q21	Δ	2Q20	Δ
<b>Net Revenues</b>	<b>9,596,269</b>	<b>7,065,832</b>	<b>36%</b>	<b>2,424,715</b>	<b>296%</b>
Domestic Market	7,462,175	5,474,316	36%	1,535,098	386%
Exports	2,134,094	1,591,516	34%	889,617	140%
<b>COGS</b>	<b>(5,953,981)</b>	<b>(4,602,450)</b>	<b>29%</b>	<b>(2,145,734)</b>	<b>177%</b>
<b>Gross Profit</b>	<b>3,642,288</b>	<b>2,463,382</b>	<b>48%</b>	<b>278,981</b>	<b>1206%</b>
<b>Gross Margin</b>	<b>38.0%</b>	<b>34.9%</b>	<b>+ 3.1 p.p.</b>	<b>11.5%</b>	<b>+ 26.4 p.p.</b>
<b>Operating Income and Expenses</b>	<b>1,127,368</b>	<b>(337,822)</b>	<b>-</b>	<b>(366,512)</b>	<b>-</b>
Selling Expenses	(119,757)	(98,709)	21%	(105,947)	13%
General and Administrative	(109,442)	(115,412)	-5%	(96,837)	13%
Other Operating Income and expenses	1,356,567	(123,701)	-	(163,728)	-
<b>EBIT</b>	<b>4,769,656</b>	<b>2,125,560</b>	<b>124%</b>	<b>(87,531)</b>	<b>-</b>
<b>EBIT Margin</b>	<b>49.7%</b>	<b>30.1%</b>	<b>+ 19.6 p.p.</b>	<b>-3.6%</b>	<b>+ 53.3 p.p.</b>
Equity in the results of investees	55,458	36,704	51%	45,494	-31%
Depreciation and Amortization	250,659	248,637	1%	250,243	-2%
<b>EBITDA (Instruction CVM 527)</b>	<b>5,075,773</b>	<b>2,410,901</b>	<b>111%</b>	<b>208,206</b>	<b>2338%</b>
<b>EBITDA Margin (Instruction CVM 527)</b>	<b>52.9%</b>	<b>34.1%</b>	<b>+ 18.8 p.p.</b>	<b>8.6%</b>	<b>+ 44.3 p.p.</b>
<b>Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA</b>	<b>5,065,644</b>	<b>2,419,761</b>	<b>109%</b>	<b>191,639</b>	<b>2543%</b>
<b>Adjusted EBITDA Margin</b>	<b>52.8%</b>	<b>34.2%</b>	<b>+ 18.5 p.p.</b>	<b>7.9%</b>	<b>+ 44.9 p.p.</b>
Main non-recurring items	1,532,605	31,530	4761%	(88,988)	-
<b>Adjusted EBITDA Excluding Non-Recurring Items</b>	<b>3,533,039</b>	<b>2,388,231</b>	<b>48%</b>	<b>280,627</b>	<b>1159%</b>
<b>Adjusted EBITDA Excluding Non-recurring Items Margin</b>	<b>36.8%</b>	<b>33.8%</b>	<b>+ 3.0 p.p.</b>	<b>11.6%</b>	<b>+ 25.2 p.p.</b>

### Net Revenue

**Net revenue** in 2Q21 reached R\$9.6 billion, an increase of 35.8% compared to the 1Q21 (R\$7.1 billion), representing the highest quarterly net revenue in the history of Usiminas, with an increase in net revenue in all business units, especially the Steel Unit (+R\$2.0 billion vs. 1Q21). The factors that led to these variations will be explained in the Business Unit sections of this release.

### Cost of Goods Sold - COGS

The **cost of goods sold (COGS)** in the 2Q21 totaled R\$6.0 billion, an increase of 29.4% in relation to 1Q21 (R\$4.6 billion), mainly due to the higher COGS in the Steel Unit (+R\$1.2 billion vs. 1Q21). The variations will be explained in the Business Unit section of this release.

### Gross profit

**Gross profit** was R\$3.6 billion in the 2Q21, a 47.9% increase compared to the 1Q21 (R\$2.5 billion).

### Operating Income and Expenses

**Selling expenses** in the 2Q21 were R\$120 million, 21.3% higher than the previous quarter (1Q21: R\$99 million), with higher prices and export volumes in the Mining Unit and higher port expenses in the Steel Unit.

In the 2Q21, **General and Administrative Expenses** totaled R\$109 million, 5.2% lower than the previous quarter (1Q21: R\$115 million), mainly in the Steel Unit.

**Other operating income (expenses)** totaled R\$1.4 billion in 2Q21, R\$1.5 billion higher than that recorded in 1Q21 (negative R\$124 million), mainly due the recognition of tax credits relating to the exclusion of ICMS from the PIS and COFINS calculation base in the 2Q21, as detailed in the section [Others](#) section of this document.

Thus, the **Operating income (expenses)** were R\$1.1 billion in the 2Q21 (1Q21: negative R\$338 million).

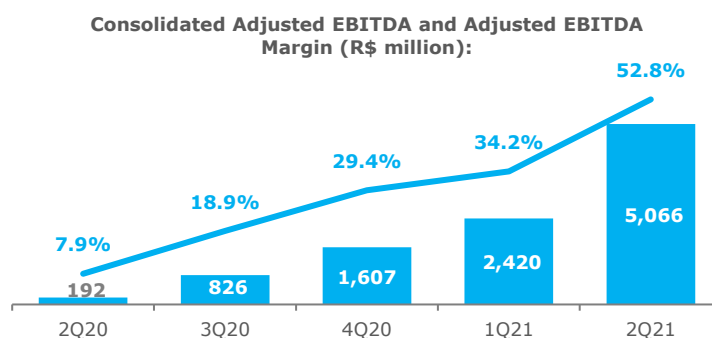
**Adjusted EBITDA** reached R\$5.1 billion in 2Q21, 109.3% higher than that recorded in 1Q21 (R\$2.4 billion), a record EBITDA. Adjusted EBITDA margin was 52.8% in the 2Q21, compared to a 34.2% margin in the 1Q21.

The **Main Non-Recurring Effects** in 2Q21 totaled R\$1.5 billion and are related to the exclusion of ICMS tax in the PIS and COFINS taxes calculation base. This event was recorded in Other Operating Income (Expenses). As a result, Usiminas recorded EBITDA excluding the non-recurring effects of R\$3.5 billion (1Q21: R\$2.4 billion).

## Adjusted EBITDA

Consolidated (R\$ thousand)	EBITDA Breakdown				
	2Q21	1Q21	2Q20	1H21	1H20
Net Income (Loss)	4,543,209	1,204,897	(395,061)	5,748,106	(819,041)
Income Tax / Social Contribution	1,614,171	581,626	71,568	2,195,797	(71,560)
Financial Result	(1,332,266)	375,741	281,456	(956,525)	1,139,087
Depreciation, Amortization and depletion	250,659	248,637	250,243	499,296	498,948
<b>EBITDA - Instruction CVM - 527</b>	<b>5,075,773</b>	<b>2,410,901</b>	<b>208,206</b>	<b>7,486,674</b>	<b>747,434</b>
(-) Equity in the Results of Associate and Jointly-controlled subsidiaries	(55,458)	(36,704)	(45,494)	(92,162)	(60,841)
(+) Jointly-controlled subsidiaries proportional EBITDA	45,329	45,564	28,927	90,893	73,987
(-) Impairment of Assets	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>5,065,644</b>	<b>2,419,761</b>	<b>191,639</b>	<b>7,485,405</b>	<b>760,580</b>
<b>Adjusted EBITDA Margin</b>	<b>52.8%</b>	<b>34.2%</b>	<b>7.9%</b>	<b>44.9%</b>	<b>12.2%</b>

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) the 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 Financial Result

R\$ thousand	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
<b>Net Currency Exchange Variation</b>	<b>482,893</b>	<b>(355,325)</b>	-	<b>(174,119)</b>	-	<b>127,568</b>	<b>(948,777)</b>	-
<b>Financial Income</b>	<b>992,561</b>	<b>76,040</b>	<b>1205%</b>	<b>68,329</b>	<b>1353%</b>	<b>1,068,601</b>	<b>126,083</b>	<b>748%</b>
Interest on Financial Asset and Monetary Effects	36,072	31,706	14%	24,413	48%	67,778	41,582	63%
Correction of PIS/COFINS tax credits	904,034	20,183	4379%	3,223	27949%	924,217	7,618	12032%
Monetary Effects on assets	6,627	4,170	59%	25,520	-74%	10,797	32,496	-67%
Reversal of interest on contingencies	16,218	4,867	233%	4,683	246%	21,085	14,247	48%
Other Financial Income	29,610	15,114	96%	10,490	182%	44,724	30,140	48%
<b>Financial Expenses</b>	<b>(143,188)</b>	<b>(96,456)</b>	<b>48%</b>	<b>(175,666)</b>	<b>-18%</b>	<b>(239,644)</b>	<b>(316,393)</b>	<b>-24%</b>
Interest and Monetary Effects over Financing and Taxes Payable in Installments	(65,716)	(76,445)	-14%	(86,862)	-24%	(142,161)	(176,560)	-19%
Monetary Effects on liabilities	(7,309)	(4,130)	77%	(25,947)	-72%	(11,439)	(29,979)	-62%
Financing Commission and Others	(5,629)	(7,232)	-22%	(3,424)	64%	(12,861)	(13,442)	-4%
Monetary Effects on contingencies	(20,088)	(2,608)	670%	(33,430)	-40%	(22,696)	(48,856)	-54%
Other Financial Expenses	(44,446)	(6,041)	636%	(26,003)	71%	(50,487)	(47,556)	6%
<b>FINANCIAL RESULT</b>	<b>1,332,266</b>	<b>(375,741)</b>	-	<b>(281,456)</b>	-	<b>956,525</b>	<b>(1,139,087)</b>	-
<b>+ Appreciation / - Depreciation of Exchange Rate (R\$/US\$)</b>	<b>12.2%</b>	<b>-9.6%</b>	<b>+ 21.8 p.p.</b>	<b>-5.3%</b>	<b>+ 17.5 p.p.</b>	<b>3.7%</b>	<b>-35.9%</b>	<b>+ 39.6 p.p.</b>

The **financial result** in the 2Q21 was R\$1.3 billion, compared to a negative R\$376 million in the 1Q21, mostly due to the monetary correction of tax credits related to the exclusion of ICMS from the PIS and COFINS calculation base, in the amount of R\$904 million and as a result of net currency exchange gains of R\$483 million, against a currency exchange loss of R\$355 million in the 1Q21.

## Net Profit (Loss)

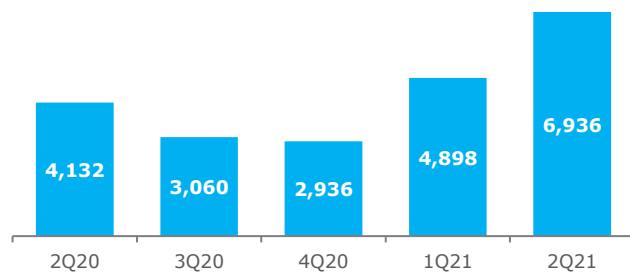
R\$ thousand	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
<b>EBIT</b>	<b>4,769,656</b>	<b>2,125,560</b>	<b>124%</b>	<b>(87,531)</b>	<b>-</b>	<b>6,895,216</b>	<b>187,645</b>	<b>3575%</b>
<b>EBIT Margin</b>	<b>49.7%</b>	<b>30.1%</b>	<b>+ 19.6 p.p.</b>	<b>-3.6%</b>	<b>+ 53.3 p.p.</b>	<b>41.4%</b>	<b>3.0%</b>	<b>+ 38.4 p.p.</b>
<b>Financial Result</b>	<b>1,332,266</b>	<b>(375,741)</b>	<b>-</b>	<b>(281,456)</b>	<b>-</b>	<b>956,525</b>	<b>(1,139,087)</b>	<b>-</b>
Equity in the results of investees	55,458	36,704	51%	45,494	22%	92,162	60,841	51%
<b>Operating Profit or Loss</b>	<b>6,157,380</b>	<b>1,786,523</b>	<b>245%</b>	<b>(323,493)</b>	<b>-</b>	<b>7,943,903</b>	<b>(890,601)</b>	<b>-</b>
Income Tax / Social Contribution	(1,614,171)	(581,626)	178%	(71,568)	2155%	(2,195,797)	71,560	-
<b>Net Income or Loss</b>	<b>4,543,209</b>	<b>1,204,897</b>	<b>277%</b>	<b>(395,061)</b>	<b>-</b>	<b>5,748,106</b>	<b>(819,041)</b>	<b>-</b>
<b>Net Margin</b>	<b>47.3%</b>	<b>17.1%</b>	<b>+ 30.3 p.p.</b>	<b>-16.3%</b>	<b>+ 63.6 p.p.</b>	<b>34.5%</b>	<b>-13.1%</b>	<b>+ 47.6 p.p.</b>

In 2Q21, the Company recorded **net income** of R\$4.5 billion, 277% higher than the net income reported in the previous quarter (1Q21: R\$1.2 billion), representing the highest quarterly net income of Usiminas, mainly due to the higher operating result, as well as the recognition of tax credits and net exchange gains in the quarter, against exchange losses in the 1Q21.

## Working capital

In the 1Q21, working capital totaled R\$6.9 billion, 41.6% higher than in the 1Q21 (R\$4.9 billion). The main variations are presented below:

- Increase of **Taxes Recoverable** by R\$1.7 billion, with the balance of tax credits related to the exclusion of ICMS from the PIS and COFINS calculation base;
- Increase of **Inventories** by R\$1.2 billion, due to the higher costs and volumes of raw materials and steel.

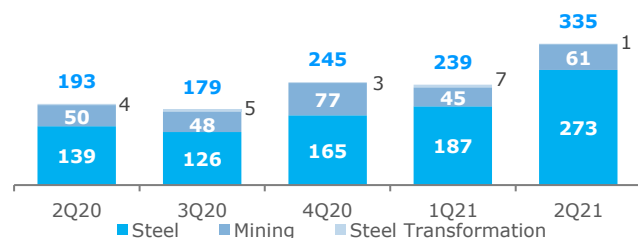


Partially offset by:

- Increase of **Taxes collectible** by R\$1.0 billion, thanks to the higher results obtained in the period.

## Investments (CAPEX)

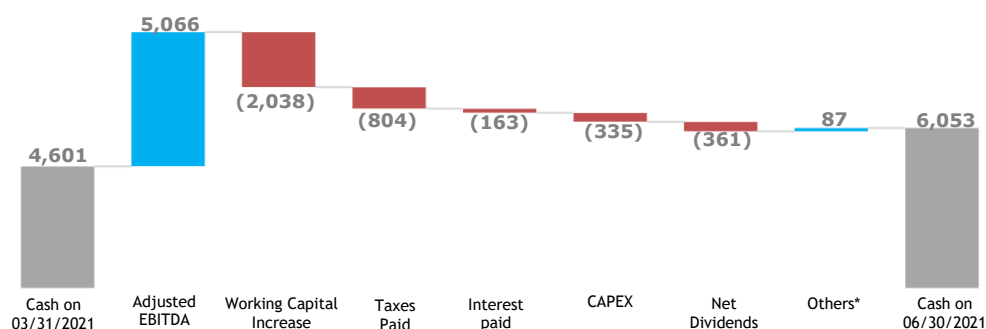
**CAPEX** in 2Q21 totaled R\$335 million, 40.5% higher than in 1Q21 (R\$239 million). The investments were mainly applied in *sustaining* CAPEX, safety and environment, of which 81.4% in the Steel Unit, 18.2% in the Mining Unit, and 0.4% in the Processing Unit.



## Cash and Financial Indebtedness

On 06/30/21, consolidated **Cash and Cash Equivalents** was R\$6.1 billion, 31.6% higher than the position on 03/31/21 (R\$4.6 billion), due to the strong **EBITDA** generation in the period.

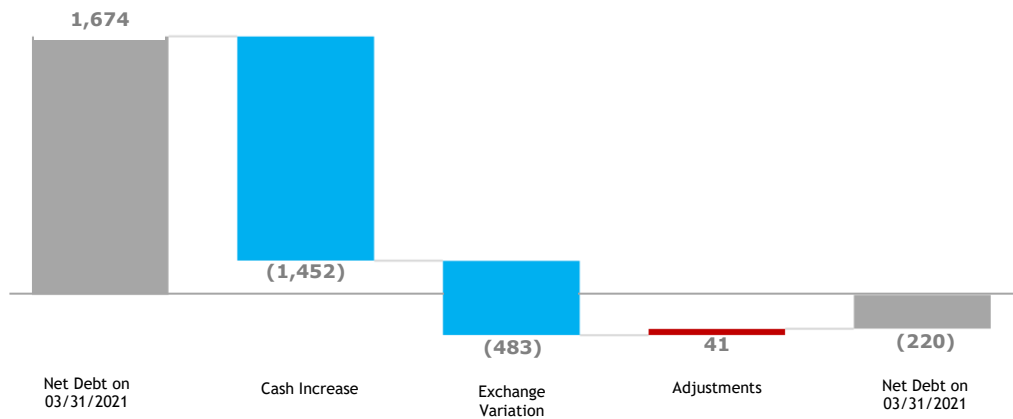
The graph below shows the evolution of cash in the quarter.



\*"Others" detailed in the Cash Flow in the annexes.

Consolidated **Gross debt** on 06/30/21 was R\$5.8 billion, 7.0% lower than the position on 03/31/21 (R\$6.3 billion), mainly due to the 12.2% appreciation of the Real against the Dollar.

On 06/30/21, the consolidated Cash and Cash Equivalents were higher than the consolidated Gross Debt by R\$220 million. On 03/31/21, the Company had a consolidated net debt of R\$1.7 billion. The variation between the periods is due to the increase in the Cash and Cash Equivalent position in the period and the exchange variation in the period, as shown below:



Debt composition by maturity on 06/30/21 was 2% in the short term and 98% in the long term, compared to 1% and 99%, respectively, on 03/31/21.

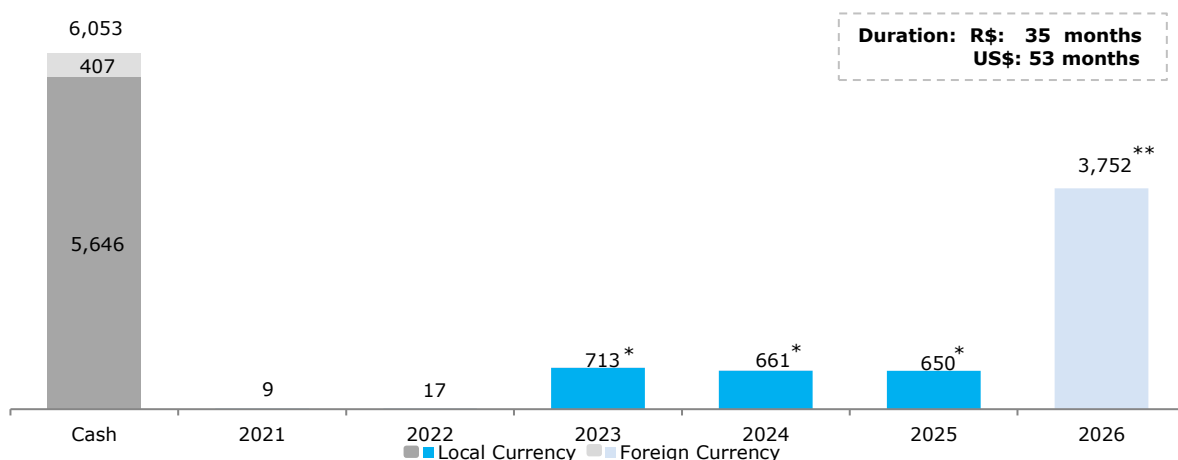
The **Net debt/EBITDA** ratio at the end of the 2Q21 was -0.02x (1Q21: 0.33X).

The table below shows consolidated debt figures:

R\$ thousand	30-jun-21			31-mar-21 TOTAL	Change Jun21/Mar21	30-jun-20 TOTAL	Change Jun21/Jun20	
	Short Term	Long Term	TOTAL					
<b>Local Currency</b>	<b>37,704</b>	<b>1,995,589</b>	<b>2,033,293</b>	<b>35%</b>	<b>2,009,053</b>	<b>1%</b>	<b>2,071,651</b>	<b>-2%</b>
CDI	25,664	1,987,400	2,013,064	-	1,986,766	1%	2,008,142	0%
Others	12,040	8,189	20,229	-	22,287	-9%	63,509	-68%
<b>Foreign Currency*</b>	<b>105,567</b>	<b>3,694,181</b>	<b>3,799,748</b>	<b>65%</b>	<b>4,266,071</b>	<b>-11%</b>	<b>4,152,046</b>	<b>-8%</b>
<b>Gross Debt</b>	<b>143,271</b>	<b>5,689,770</b>	<b>5,833,041</b>	<b>100%</b>	<b>6,275,124</b>	<b>-7%</b>	<b>6,223,697</b>	<b>-6%</b>
Cash and Cash Equivalents	-	-	<b>6,053,313</b>	-	<b>4,601,103</b>	<b>32%</b>	<b>2,506,214</b>	<b>142%</b>
<b>Net Debt</b>	-	-	<b>(220,272)</b>	-	<b>1,674,021</b>	-	<b>3,717,483</b>	-

(\*)100% of total foreign currency is US dollars denominated in the 2Q21

The graph below shows the cash position and the debt profile (principal only) in millions of Real on 06/30/21. The current cash position covers all debt.



\*: Debentures  
\*\*: Bonds

## 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	
	2Q21	1Q21	2Q21	1Q21	2Q21	1Q21	2Q21	1Q21	2Q21	1Q21
<b>Net Revenue</b>	<b>2,084</b>	<b>1,479</b>	<b>7,734</b>	<b>5,776</b>	<b>2,418</b>	<b>1,743</b>	<b>(2,639)</b>	<b>(1,932)</b>	<b>9,596</b>	<b>7,066</b>
Domestic Market	259	225	7,426	5,440	2,416	1,742	(2,639)	(1,932)	7,462	5,474
Exports	1,825	1,254	308	336	2	1	-	-	2,134	1,592
<b>COGS</b>	<b>(544)</b>	<b>(366)</b>	<b>(5,702)</b>	<b>(4,459)</b>	<b>(2,021)</b>	<b>(1,502)</b>	<b>2,313</b>	<b>1,725</b>	<b>(5,954)</b>	<b>(4,602)</b>
<b>Gross Profit or Loss</b>	<b>1,540</b>	<b>1,113</b>	<b>2,032</b>	<b>1,317</b>	<b>396</b>	<b>240</b>	<b>(326)</b>	<b>(207)</b>	<b>3,642</b>	<b>2,463</b>
<b>Operating Income and Expenses</b>	<b>(91)</b>	<b>(73)</b>	<b>1,190</b>	<b>(269)</b>	<b>27</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>1,127</b>	<b>(338)</b>
Selling	(66)	(51)	(36)	(29)	(18)	(19)	-	-	(120)	(99)
General and Administrative	(8)	(8)	(93)	(96)	(14)	(14)	6	2	(109)	(115)
Other Operating Income and expenses, Net	(18)	(15)	1,319	(144)	59	34	(3)	1	1,357	(124)
<b>EBIT</b>	<b>1,449</b>	<b>1,040</b>	<b>3,222</b>	<b>1,049</b>	<b>423</b>	<b>241</b>	<b>(324)</b>	<b>(204)</b>	<b>4,770</b>	<b>2,126</b>
<b>Depreciation and amortization</b>	<b>40</b>	<b>39</b>	<b>213</b>	<b>212</b>	<b>6</b>	<b>7</b>	<b>(8)</b>	<b>(8)</b>	<b>251</b>	<b>249</b>
<b>Equity in the results of investees</b>	<b>26</b>	<b>12</b>	<b>599</b>	<b>481</b>	<b>-</b>	<b>-</b>	<b>(570)</b>	<b>(456)</b>	<b>55</b>	<b>37</b>
<b>EBITDA (Instruction CVM 527)</b>	<b>1,515</b>	<b>1,090</b>	<b>4,034</b>	<b>1,741</b>	<b>429</b>	<b>248</b>	<b>(902)</b>	<b>(668)</b>	<b>5,076</b>	<b>2,411</b>
<b>EBITDA Margin</b>	<b>72.7%</b>	<b>73.7%</b>	<b>52.2%</b>	<b>30.1%</b>	<b>17.8%</b>	<b>14.2%</b>	<b>34.2%</b>	<b>34.6%</b>	<b>52.9%</b>	<b>34.1%</b>
<b>Adjusted EBITDA</b>	<b>1,489</b>	<b>1,079</b>	<b>3,436</b>	<b>1,261</b>	<b>429</b>	<b>248</b>	<b>(289)</b>	<b>(168)</b>	<b>5,066</b>	<b>2,420</b>
<b>Adj.EBITDA Margin</b>	<b>71.5%</b>	<b>73.0%</b>	<b>44.4%</b>	<b>21.8%</b>	<b>17.8%</b>	<b>14.2%</b>	<b>10.9%</b>	<b>8.7%</b>	<b>52.8%</b>	<b>34.2%</b>

\*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	
	1H21	1H20	1H21	1H20	1H21	1H20	1H21	1H20	1H21	1H20
<b>Net Revenue</b>	<b>3,563</b>	<b>1,327</b>	<b>13,510</b>	<b>5,163</b>	<b>4,160</b>	<b>1,400</b>	<b>(4,571)</b>	<b>(1,657)</b>	<b>16,662</b>	<b>6,233</b>
Domestic Market	484	297	12,866	4,462	4,158	1,398	(4,571)	(1,657)	12,936	4,500
Exports	3,079	1,030	644	701	2	1	-	-	3,726	1,733
<b>COGS</b>	<b>(910)</b>	<b>(662)</b>	<b>(10,161)</b>	<b>(5,002)</b>	<b>(3,524)</b>	<b>(1,340)</b>	<b>4,038</b>	<b>1,562</b>	<b>(10,556)</b>	<b>(5,441)</b>
<b>Gross Profit (Loss)</b>	<b>2,653</b>	<b>667</b>	<b>3,349</b>	<b>162</b>	<b>636</b>	<b>59</b>	<b>(533)</b>	<b>(95)</b>	<b>6,106</b>	<b>792</b>
<b>Operating Income (Expenses)</b>	<b>(165)</b>	<b>(145)</b>	<b>921</b>	<b>(402)</b>	<b>27</b>	<b>(60)</b>	<b>6</b>	<b>3</b>	<b>790</b>	<b>(604)</b>
Selling	(117)	(89)	(65)	(92)	(37)	(25)	-	-	(218)	(206)
General and Administrative	(16)	(12)	(189)	(175)	(28)	(25)	8	7	(225)	(206)
Other Operating Income (expenses), Net	(32)	(44)	1,174	(135)	93	(10)	(2)	(4)	1,233	(192)
<b>EBIT</b>	<b>2,489</b>	<b>521</b>	<b>4,271</b>	<b>(241)</b>	<b>664</b>	<b>(1)</b>	<b>(528)</b>	<b>(93)</b>	<b>6,895</b>	<b>188</b>
<b>Depreciation and amortization</b>	<b>79</b>	<b>71</b>	<b>424</b>	<b>429</b>	<b>13</b>	<b>14</b>	<b>(16)</b>	<b>(16)</b>	<b>499</b>	<b>499</b>
<b>Equity in the results of investees</b>	<b>38</b>	<b>10</b>	<b>1,080</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>(1,026)</b>	<b>(222)</b>	<b>92</b>	<b>61</b>
<b>EBITDA (Instruction CVM 527)</b>	<b>2,605</b>	<b>603</b>	<b>5,775</b>	<b>461</b>	<b>677</b>	<b>14</b>	<b>(1,570)</b>	<b>(330)</b>	<b>7,487</b>	<b>747</b>
<b>EBITDA Margin</b>	<b>73.1%</b>	<b>45.5%</b>	<b>42.7%</b>	<b>8.9%</b>	<b>16.3%</b>	<b>1.0%</b>	<b>34.3%</b>	<b>19.9%</b>	<b>44.9%</b>	<b>12.0%</b>
<b>Adjusted EBITDA</b>	<b>2,569</b>	<b>595</b>	<b>4,697</b>	<b>190</b>	<b>677</b>	<b>14</b>	<b>(457)</b>	<b>(38)</b>	<b>7,485</b>	<b>761</b>
<b>Adj.EBITDA Margin</b>	<b>72.1%</b>	<b>44.8%</b>	<b>34.8%</b>	<b>3.7%</b>	<b>16.3%</b>	<b>1.0%</b>	<b>10.0%</b>	<b>2.3%</b>	<b>44.9%</b>	<b>12.2%</b>

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

## Business Unit - Mining

### Operating and Sales Performance - Mining

In 2Q21 the **production volume** was 2.2 million tons, a 9.9% increase compared to 1Q21 (2.0 million tons), mainly due to higher operating performance and the resumption of production levels, after a scheduled maintenance stoppage, in the previous quarter, in one of the processing plants. In addition, at the end of June/21, there was the return of *Mina Leste*, which had been idle since 2017, whose license was obtained in April/21.

**Sales volume** reached 2.1 million tons in 2Q21, 5.4% higher than in 1Q21 (1.9 million tons).

The production and sales volumes are shown below:

Thousand tons	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
<b>Production</b>	<b>2,179</b>	<b>1,983</b>	<b>10%</b>	<b>2,015</b>	<b>8%</b>	<b>4,162</b>	<b>4,174</b>	<b>0%</b>
<b>Total Sales</b>	<b>2,054</b>	<b>1,949</b>	<b>5%</b>	<b>1,902</b>	<b>8%</b>	<b>4,003</b>	<b>4,115</b>	<b>-3%</b>
Exports	1,661	1,530	9%	1,346	23%	3,191	2,782	15%
Domestic Market - Usiminas	320	357	-10%	432	-26%	677	1,036	-35%
Domestic Market - Third Parties	73	62	18%	124	-41%	135	297	-55%

Highlight for the increase in export volume, which reached 1.7 million tons in the quarter, with the shipment of 10 vessels, compared to 9 vessels in the previous quarter.

Distribution by commercial condition in the 2Q21 was 61% of exports in the CFR modality (*Cost and freight*) and 39% FOB (*Free On Board*), compared to 66% and 34% in the 1Q21, respectively.

## Comments on the Results - Mining

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### Change in the exposure of CFEM tax (Financial Compensation for Exploration of Mineral Resources) in the financial statements

As of the 2Q21, the Company has displayed the amount of CFEM in the group of COGS accounts (previously deducted from gross revenue), thus improving its exposure in the financial statements. The accumulated year-to-date effect of CFEM will affect 2Q21, without changes in the figures already released for 1Q21. This reclassification increases the value of net revenue and COGS, decreasing the percentage EBITDA margin over sales. All other indicators remain unchanged including the absolute value of EBITDA and the Company's Profit.

**Net Revenue** in the 2Q21 totaled R\$2.1 billion, 40.9% higher than that recorded in the previous quarter (R\$1.5 billion). This increase results mainly from the price increase of iron ore and the higher volume sold in the quarter, as well as the reclassification of CFEM (accumulated amount of R\$107 million for the semester).

**Total cash cost per ton** of production was R\$89.7/t (US\$17.0/t) in the 2Q21 against R\$87.5/t (US\$16.0/t) in the 1Q21. Excluding expenses with temporarily inactive processing plants, *cash cost* was R\$88.1/t (US\$16.7/t) in the 2Q21, against R\$86.2/t (US\$15.7/t) in the 1Q21, an increase of 2.3% between the periods, mainly due to higher prices of raw materials and inputs for production.

**Cost of goods sold - COGS** in 2Q21 was R\$543.6 million, 48.6% up over the previous quarter (R\$365.9 million), due to the increased sales volume in the period, the increase in the prices of maritime and land freight and the reclassification of CFEM to COGS, increasing it by R\$107 million.

In unit terms, COGS/t in 2Q21 was R\$264.6/t against R\$187.8/t in 1Q21, a 40.9% increase between the periods, for the reasons mentioned above. Excluding the effect of CFEM on COGS, the unit value was R\$212.7/t in 2Q21, an increase of 13.3% between the periods.

**Sales Expenses** totaled R\$65.6 million in the 2Q21, a 28.6% increase in relation to the previous quarter (1Q21: R\$51.1 million), due to the higher export volume.

**General and Administrative Expenses** totaled R\$8.1 million, up 7.1% against the previous quarter (1Q21: R\$7.5 million).

**Other Operating Income (Expenses)** presented a negative result of R\$17.6 million, against a negative result of R\$14.7 million in the previous quarter. The previous quarter (1Q21) benefited from the recognition of the PIS/COFINS credit arising from the exclusion of ICMS from its calculation base, in the amount of R\$9.8 million, which did not happen in 2Q21.

**Adjusted EBITDA** reached R\$1.5 billion in the 2Q21, with *Mineração Usiminas* reaching a new historic high in EBITDA in a quarter, representing an increase of 38.0% compared to the 1Q21 (R\$1.1 billion). Adjusted EBITDA margin was 71.5% in 2Q21 against 73.0% in 1Q21. Excluding the effect of the CFEM reclassification mentioned above, the 2Q21 EBITDA margin was 75.3%.

## Investments (CAPEX)

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**CAPEX** totaled R\$60.9 million in the 2Q21, compared to R\$44.6 million recorded in the 1Q21, a 36.6% increase. The Company continues with the construction of its dewatering plant (*dry stacking*) this being your main investment. Other projects focused on safety and maintenance of the Company's activities (*sustaining*) complete the amount invested in the period.

## Business Unit - Steel

### Production - Ipatinga and Cubatão Plants

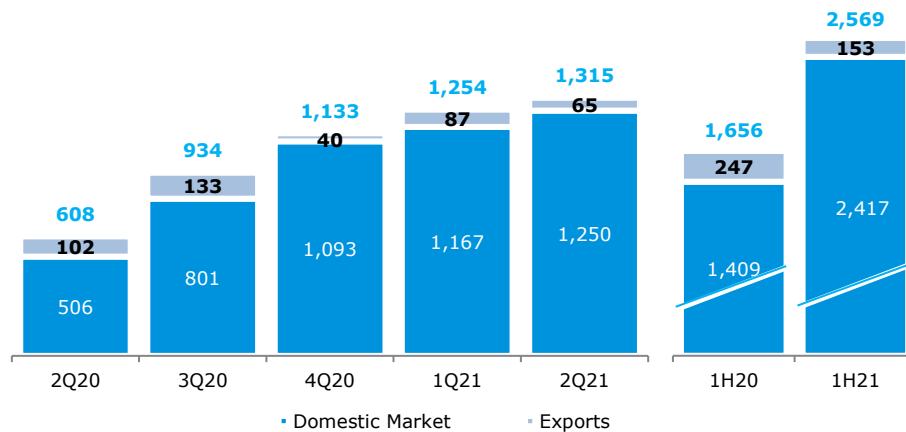
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**Crude steel production** at the Ipatinga plant was 751 thousand tons in the 2Q21, 3.7% lower than in the 1Q21 (780 thousand tons). **Total Rolled Steel production** at the Ipatinga and Cubatão plants totaled 1,324 thousand tons in the 2Q21, a 2.5% increase in relation to the previous quarter (1Q21; 1,292 thousand tons). In the 2Q21, 652 thousand tons of **purchased slabs** were processed (1Q21: 670 thousand tons).

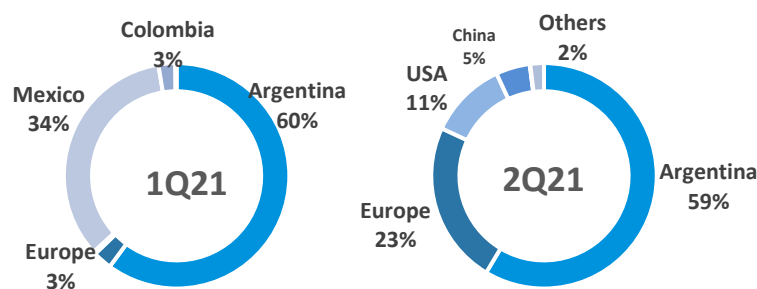
Thousand tons	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Total Crude Steel	751	780	-4%	533	41%	1,531	1,304	17%
Purchased Slab Processed	652	670	-3%	116	462%	1,321	484	173%
Total Rolled Steel	1,324	1,292	2%	676	96%	2,616	1,751	49%

## Sales

In 2Q21, the **total sales** totaled 1,315 thousand tons of steel, an increase of 4.9% compared to 1Q21 (1,254 thousand tons), representing the highest quarterly sales volume of the Steel Unit since 3Q14, with sales growth for industrial and distribution customers. In the **domestic market**, sales were 1,250 thousand tons in the 2Q21, the highest quarterly volume since the 1Q14, a 7.2% increase in relation to the 1Q21 (1,167 thousand tons). **Exports** in the 2Q21 were 65 thousand tons, 25.5% lower than in the 1Q21 (87 thousand tons), as a result of Usiminas' efforts to meet the demand of its local customers. The sales volume was 95% destined for the domestic market and 5% for exports. The quarterly evolution is shown in the chart below (in thousands of tons):



Main export destinations:



Sales to the Domestic Market were distributed in the following segments:

	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Auto Industry	31.5%	35.5%	- 4 p.p.	22.8%	+ 9 p.p.	33.4%	31.6%	+ 2 p.p.
Distribution	34.9%	32.9%	+ 2 p.p.	38.6%	- 4 p.p.	34.0%	34.2%	- 0 p.p.
Industry	33.6%	31.5%	+ 2 p.p.	38.6%	- 5 p.p.	32.6%	34.2%	- 2 p.p.



## Comments on the Results - Steel

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In the 2Q21, **Net Revenue** of the Steel Unit was R\$7.7 billion, increasing 33.9% compared to 1Q21 (R\$5.8 billion) due to the higher sales volume of 4.9% and net revenue/ton sold of R\$5,881/t, 27.7% higher than the previous quarter (1Q21: R\$4,606/t), reflecting higher prices in all product lines.

**Cash cost per ton** was R\$3,827/t in the 2Q21, 21.4% higher than in the 1Q21 (R\$3,152/t). Among the main variations in cost in the period, we highlight higher costs with purchased slabs, ores and coal.

**Cost of Goods Sold - COGS** - was R\$5.7 billion in the 2Q21, 27.9% higher than the 1Q21 (R\$4.5 billion), given the higher cost of raw materials and the higher volume of steel sold in the period. COGS per ton was R\$4,335/t in the 2Q21, a 21.9% increase compared to 1Q21 (R\$3,556/t), following the evolution of the production cost in the period.

**Selling expenses** totaled R\$36 million in 2Q21, 26.0% higher than in 1Q21 (R\$29 million), due to higher port expenses at the Steel Unit.

**General and Administrative Expenses** totaled R\$93 million, 2.8% lower than in the 1Q21 (R\$96 million).

**Other operating income (expenses)** were R\$1.3 billion in 2Q21, R\$1.5 billion higher than in 1Q21 (negative R\$144 million), with the recognition of tax credits related to the exclusion of ICMS from the PIS and COFINS taxes calculation base in the 2Q21.

Thus, **Adjusted EBITDA** reached R\$3.4 billion in the 2Q21, 172.4% higher than in the 1Q21 (R\$1.3 billion), representing a record for the Steel Unit. Adjusted EBITDA margin was 44.4% in the 2Q21, compared to a 21.8% margin in the 1Q21. Excluding the effects of tax credits, Adjusted EBITDA was R\$2.0 billion, 60.3% higher than the previous quarter and an EBITDA margin of 26.1%, record for the Unit.

## Investments (CAPEX)

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CAPEX totaled R\$273 million in the 2Q21, a 46.0% increase compared to the 1Q21 (R\$187 million), with investments mainly in sustaining CAPEX, environment, health and safety.

## Business Unit - Steel Processing

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### Comments on the Results - *Soluções Usiminas*

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**Net Revenue** in the 2Q21 totaled R\$2.4 billion, a 38.7% increase over the 1Q21 (R\$1.7 billion), the highest net revenue in the history of *Soluções Usiminas*, due to the higher sales volume of 6.3%, also record for the Unit, and higher prices practiced. Sales of the Distribution, Services/JIT and Tubes of the business unit accounted for 32.6%, 62.5% and 4.9% of the volume, respectively, sold in the 2Q21.

In the 2Q21, the **Cost of Goods Sold** was R\$2.0 billion, a 34.5% increase over the 1Q21 (R\$1.5 billion), due to higher raw materials costs and higher sales volume in the period. COGS/t was R\$5,341/t in the 2Q21, a 26.6% increase compared to the 1Q21 (R\$4,219/t), due to higher raw material costs in the period.

**Operating income (expenses)** were positive by R\$27 million in 2Q21, R\$26 million higher compared to 1Q21 (positive R\$1 million), mainly due to the favorable judgment of the suit to exclude ICMS from the PIS/COFINS calculation base, in the net amount of R\$118.8 million, compared to the recognition of R\$32 million in 1Q21. These gains were partially offset by the provision for credit losses of difficult-to-recover ICMS credits in the amount of R\$38.3 million.

**Adjusted EBITDA** in the 2Q21 it was R\$429 million, 73.3% higher than in the previous quarter (1Q21: 248 million), with *Soluções Usiminas* reaching its historic maximum EBITDA in one quarter. Adjusted EBITDA margin was 17.8% in the 2Q21 (4Q20: 14.2%). Disregarding the R\$119 million non-recurring effect mentioned above, this results in an EBITDA of R\$310 million, (1Q21: R\$216 million), the highest EBITDA in the Unit's history.

## Equity in the Result

Equity income in associates and jointly controlled companies totaled R\$55 million in the 2Q21, compared to R\$37 million in the previous quarter.

## ESG Agenda - Sustainability Themes

Usiminas remains focused on the development and advancement of its sustainability strategy. In the 2Q21, the Company further developed its actions in line with the EGS agenda and continued to fight the COVID-19 pandemic.

Among the advances in the quarter, we highlight the launch and disclosure of the **Sustainability Standard**. The standard, approved by the Company's Executive Board, establishes the principles and guidelines for the performance of the Usiminas Companies, aiming to fulfill their commitment to sustainable development. With 3 main blocks, the document addresses the commitments in the "Environment", "Society and Stakeholders" and "Governance and Financial Sustainability" dimensions. During the second half of 2021, all Company employees will undergo training on the standard.

Also, in line with the Company's commitment to transparency, in May, Usiminas launched its **Sustainability Site** and in the month of June it released its **2020 Sustainability Report**. The report was prepared in accordance with the GRI Standards methodology, and, in response to a broader spectrum of stakeholders, Usiminas began, albeit in a preliminary manner, to incorporate some of the requirements of the standards. *Sustainability Accounting Standards Board (SASB)* and *Task Force on Climate-related Financial Disclosures (TCFD)* in the report. To make the document even more transparent, the Company sought external expert opinion of the report by a consultant specialized in business sustainability.

Regarding the approved and disclosed goals, the progress achieved in the 2Q21 are shown below:

Subject	Indicator	Goal	Status	Comments
Diversity and Inclusion	Index of women in the company's Industrial area	10% of women in the company's Industrial area by 2022;	●	On 06/30/21, the percentage of women under the Industrial VP totaled 3.6%. This development is in line with the plan.
Workplace safety	Recorded accident frequency rate	Zero Accident Target. Lost Time Accident frequency rate less than 0.3 in 2021;	●	On 06/30/21, the Lost Time Accident frequency rate was 0.56. The Company is taking several preventive actions to reverse this result.
CO2 / Energy	Carbon Emission	Conducting GHG emission inventories in 2021 with independent certification;	●	The target was fully achieved. The Company completes its emissions inventory with independent certification in the 2Q21.
		Participation in the CDP (Carbon Disclosure Project) and disclosure of the inventory through the GHG Protocol;	●	The Company responded to CDP's "Climate Change" module on 07/28/21, and disclosure through the GHG Protocol is scheduled for 3Q21
Dams	Dam Safety	Migration of the traditional waste disposal method to filtering in the 2Q21;	●	Change in schedule due to project adjustments. New forecast for completion in 2H21, with investments of around R\$200 million.
		Decharacterization of the Central dam in the 1Q22, certified by the proper authorities;	●	85% physical progress on the project, surpassing the plan.

● Following the schedule      ● Delayed in relation to planning.      ● Not achieved on time.

Aiming to increase the engagement of internal and external publics regarding the goals officially assumed by the Company, during the 2Q21, Usiminas carried out communication campaigns on its social networks.

Other highlights achieved in the quarter are listed below:

### CO<sub>2</sub> emissions

Usiminas completed the inventory of its 2020 CO<sub>2</sub> emissions in the 2Q21. This process had the support of a specialized company and independent certification. Also in the quarter, the Company adhered to the GHG Protocol and responded to the "Climate Change" module of the CDP (Carbon Disclosure Project) on 07/28/21. Disclosure through the GHG Protocol is scheduled for 3Q21. The results obtained with the completion of the inventory will support the Company's strategy to combat climate change.

### SDG



## Innovation

In July, Usiminas announced the winning teams of the 20/21 cycle of its internal program to encourage innovation, InovaÁí Ideias. In all, there were more than 1,100 ideas submitted, by Usiminas employees and the São Francisco Xavier Foundation. 59 proposals made it to the practical stage and 30 were awarded. In total, the 59 ideas tested in practice indicated a potential financial gain of R\$95 million annually, managed to reduce the level of 82 operational risks mapped, generated two patent applications already requested and another two still under evaluation. For every R\$1 invested in the program, there is an estimated R\$ 61 in potential earnings.



Launched in 2019, the program seeks to encourage innovation among employees to solve bottlenecks or to improve activities and processes, whether directly linked to production or in support areas such as sales or the supply chain. In the first edition of the program, 343 ideas were registered, with a potential annual financial gain of R\$ 24 million and a reduction in the level of 26 operational risks.

In addition to actions with employees, Usiminas has also invested in open innovation. The company recently joined the Innovation Latam platform, which brings together around 20 thousand Brazilian and Latin American startups, launching five challenges focused on People Management. Usiminas is also one of the godmother industries of Fiemg Lab 4.0, considered the largest startup acceleration program for industry in Brazil.

## Weps Award

Usiminas received an honorable mention in its first participation in the WEPs Brazil 2021 award – Empresas Empowering Women. The award aims to encourage and recognize companies that promote a culture of gender equality and the empowerment of women in Brazil. The initiative is promoted by the WEPS Platform, UN Women and Global Compact (Principles of Female Empowerment). In the 2021 edition, the Weps Brasil Award received entries from 159 companies.



## Covid-19

Since the beginning of the pandemic, the Company has implemented several measures to combat COVID-19, such as the adoption of a home office system, travel restrictions, adjustments to its operations, intensification of measures to clean jobs, and adjustments in shifts to reduce the number of people in the production plants. The company continues with the strategic testing program, allowing the identification of cases and mapping of potential contacts.

In the quarter, oxygen donations to the Municipal Hospital of Ipatinga stand out, contributing to the increase in the number of beds in the municipal network and the loan of oxygen cylinders.

In May, *Mineração Usiminas* (Musa) made a donation of R\$300,000 to Hospital Manoel Gonçalves de Sousa Moreira, in Itaúna. The transfer of the amount was intended for the purchase of hospital supplies and equipment.



## Capital markets

Usiminas Performance Summary - B3 (USIM5)

	2Q21	1Q21	Δ	2Q20	Δ
<b>Number of Deals</b>	<b>1,868,209</b>	<b>1,863,025</b>	<b>0%</b>	<b>1,311,492</b>	<b>42%</b>
Daily Average	30,132	31,050	-3%	21,153	42%
<b>Traded - thousand shares</b>	<b>1,264,436</b>	<b>1,323,657</b>	<b>-4%</b>	<b>1,254,902</b>	<b>1%</b>
Daily Average	20,394	22,061	-8%	20,240	1%
<b>Financial Volume - R\$ million</b>	<b>25,949</b>	<b>20,944</b>	<b>24%</b>	<b>10,573</b>	<b>145%</b>
Daily Average	419	349	20%	171	145%
<b>Maximum</b>	<b>24.36</b>	<b>18.90</b>	<b>29%</b>	<b>11.53</b>	<b>111%</b>
<b>Minimum</b>	<b>16.56</b>	<b>12.81</b>	<b>29%</b>	<b>3.78</b>	<b>338%</b>
<b>Closing</b>	<b>19.10</b>	<b>17.10</b>	<b>12%</b>	<b>4.92</b>	<b>288%</b>
<b>Market Capitalization - R\$ million</b>	<b>23,934</b>	<b>21,428</b>	<b>12%</b>	<b>6,165</b>	<b>288%</b>

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

	2Q21	1Q21	Δ	2Q20	Δ
Preferred stocks (USIM5) - B3	R\$19.10	R\$17.10	12%	R\$7.27	163%
Common stocks (USIM3) - B3	R\$19.75	R\$17.89	10%	R\$8.09	144%
ADR (USNZY) - OTC	\$3.86	\$3.01	28%	\$1.31	195%
Preferred stocks (XUSI) - LATIBEX	€ 2.98	€ 2.40	24%	€ 1.19	150%
Common stocks (XUSIO) - LATIBEX	€ 3.46	€ 2.80	24%	€ 1.25	177%

## Other

Due to the decision taken by the Federal Supreme Court on 05/13/21, to define the exclusion of ICMS from the PIS and COFINS calculation base, as well as to determine that the value of ICMS to be excluded is that highlighted in the invoice, the Company recognized in its 2Q21 results the amount of R\$2,513 million. Of the total, R\$1,609 million were registered in **Other Operating Income - Credit of tax - Inclusion of ICMS in the base calculation of PIS and COFINS**. Also, a provision for credit losses of difficult-to-recover ICMS credits in the amount of R\$77 million in the Steel Processing Unit, recorded in **Other Operating Income - Provision for tax credit (ICMS)**. As a result, the net effect on the Company's Consolidated Adjusted EBITDA was R\$1,533 million. The remaining R\$904 million related to the monetary restatement of tax credits were recorded in **Financial Revenue - Correction of PIS/COFINS tax credits**, not impacting the Company's Consolidated EBITDA. The remaining balance of tax credits is recorded in the Company's balance sheet, in the account of **Taxes Recoverable** in the Company's Assets, impacting its working capital.

### 2Q21 Video conference of Results - Date 07/30/2021

In Portuguese - Simultaneous Translation into English

Brasília time: at 11:00 am

New York time: at 10:00 am

Live via Zoom

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### INVESTOR RELATIONS - USIMINAS

Leonardo Karam Rosa	<a href="mailto:leonardo.rosa@usiminas.com">leonardo.rosa@usiminas.com</a>	31 3499-8550
Felipe Gabriel Pinheiro Rodrigues	<a href="mailto:f.gabriel@usiminas.com">f.gabriel@usiminas.com</a>	31 3499-8710
João Victor Tofani Ferreira	<a href="mailto:joao.vferreira@usiminas.com">joao.vferreira@usiminas.com</a>	31 3499-8148

## Attachments (Excel tables available in the Modeling Guide)

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

Assets	30-Jun-21	31-Mar-21	30-Jun-20
<b>Current Assets</b>	<b>18,234,043</b>	<b>13,678,033</b>	<b>9,437,248</b>
Cash and Cash Equivalents	6,053,313	4,601,103	2,506,214
Trade Accounts Receivable	3,654,969	3,231,783	1,848,288
Taxes Recoverable	2,236,831	533,960	684,922
Inventories	6,029,160	4,850,314	3,945,562
Advances to suppliers	2,445	199,829	1,777
Accounts Receiv - Eletrobras	-	-	305,848
Other Securities Receivables	257,325	261,044	144,637
<b>Non-Current Assets</b>	<b>18,223,451</b>	<b>18,187,236</b>	<b>17,415,642</b>
<b>Long-Term Receivable</b>	<b>4,218,293</b>	<b>4,334,320</b>	<b>4,195,841</b>
Deferred Taxes	2,851,127	2,938,218	3,038,934
Deposits at Law	512,848	544,628	562,216
Taxes Recoverable	62,909	177,231	154,997
Financial Instruments	-	-	7,429
Accounts Receiv - Gasometer	332,191	295,387	193,886
Others	459,218	378,856	238,379
<b>Equity Investments</b>	<b>1,143,820</b>	<b>1,091,514</b>	<b>1,096,651</b>
<b>Investment Property</b>	<b>164,194</b>	<b>164,219</b>	<b>100,827</b>
<b>Property, Plant and Equipment</b>	<b>11,103,073</b>	<b>10,997,265</b>	<b>11,298,978</b>
<b>Intangible</b>	<b>1,594,071</b>	<b>1,599,918</b>	<b>723,345</b>
<b>Total Assets</b>	<b>36,457,494</b>	<b>31,865,269</b>	<b>26,852,890</b>

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

Liabilities and Shareholders' Equity	30-Jun-21	31-Mar-21	30-Jun-20
<b>Current Liabilities</b>	<b>5,377,667</b>	<b>4,509,443</b>	<b>3,002,048</b>
Loans and Financing and Taxes Payable in Installments	143,271	65,157	158,156
Suppliers, Subcontractors and Freight	2,177,726	2,137,223	1,078,259
Wages and Social Charges	225,589	193,981	256,837
Taxes and Taxes Payables	1,643,118	642,217	199,386
Accounts Payable Forfeiting	763,231	820,738	939,679
Dividends Payable	678	276,536	8,630
Customers Advances	176,235	152,468	59,533
Others	247,819	221,123	301,568
<b>Long-Term Liabilities</b>	<b>8,599,084</b>	<b>9,346,595</b>	<b>8,631,718</b>
Loans and Financing and Taxes Payable in Installments	5,689,770	6,209,967	6,065,541
Actuarial Liability	1,560,006	1,522,646	1,266,115
Provision for Legal Liabilities	736,906	772,920	746,427
Environmental Protection Provision	237,516	233,882	237,968
Others	374,886	607,180	315,667
<b>Shareholders' Equity</b>	<b>22,480,743</b>	<b>18,009,231</b>	<b>15,219,124</b>
Capital	13,200,295	13,200,295	13,200,295
Reserves & Revenues from Fiscal Year	6,706,112	2,565,089	371,954
Non-controlling shareholders participation	2,574,336	2,243,847	1,646,875
<b>Total Liabilities and Shareholders' Equity</b>	<b>36,457,494</b>	<b>31,865,269</b>	<b>26,852,890</b>

**Income Statement - Consolidated | IFRS**

R\$ thousand	2Q21	1Q21	Δ	2Q20	Δ
<b>Net Revenues</b>	<b>9,596,269</b>	<b>7,065,832</b>	<b>36%</b>	<b>2,424,715</b>	<b>296%</b>
Domestic Market	7,462,175	5,474,316	36%	1,535,098	386%
Exports	2,134,094	1,591,516	34%	889,617	140%
<b>COGS</b>	<b>(5,953,981)</b>	<b>(4,602,450)</b>	<b>29%</b>	<b>(2,145,734)</b>	<b>177%</b>
<b>Gross Profit</b>	<b>3,642,288</b>	<b>2,463,382</b>	<b>48%</b>	<b>278,981</b>	<b>1206%</b>
<b>Gross Margin</b>	<b>38.0%</b>	<b>34.9%</b>	<b>+ 3.1 p.p.</b>	<b>11.5%</b>	<b>+ 26.4 p.p.</b>
<b>Operating Income and Expenses</b>	<b>1,127,368</b>	<b>(337,822)</b>	<b>-</b>	<b>(366,512)</b>	<b>-</b>
Selling Expenses	(119,757)	(98,709)	21%	(105,947)	13%
Provision for Doubtful Accounts	(1,038)	(2,902)	-64%	(21,461)	-95%
Other Selling Expenses	(118,719)	(95,807)	24%	(84,486)	41%
General and Administrative	(109,442)	(115,412)	-5%	(96,837)	13%
Other Operating Income and expenses	1,356,567	(123,701)	<b>-</b>	(163,728)	<b>-</b>
Inventories Adjustments	(32,249)	(55,001)	-41%	(1,231)	2520%
Credit of tax - Inclusion of ICMS in the base calculation of PIS and COFINS	1,609,163	42,639	3674%	3,064	52418%
Idleness expenses (includes depreciation)	(76,326)	(70,444)	8%	(91,518)	-17%
Legal charges	(5,410)	(11,006)	-51%	(5,603)	-3%
Provision for tax credit (ICMS)	(146,168)	(12,086)	1109%	(12,850)	1037%
Provision for onerous contracts	-	-	<b>-</b>	(16,306)	<b>-</b>
Provision for restructuring process - Usiminas Mecânica	-	-	<b>-</b>	(19,029)	<b>-</b>
Provision for contingencies	(21,862)	(12,603)	73%	(24,378)	-10%
Recovery of insurance claims expenses	36,804	33,310	10%	44,737	-18%
Result of the non-operating asset sale/write-off	53,000	16,783	216%	6,233	750%
Other Operating Income and Expenses, Net	(60,385)	(55,293)	9%	(46,847)	29%
<b>EBIT</b>	<b>4,769,656</b>	<b>2,125,560</b>	<b>124%</b>	<b>(87,531)</b>	<b>-</b>
<b>EBIT Margin</b>	<b>49.7%</b>	<b>30.1%</b>	<b>+ 19.6 p.p.</b>	<b>-3.6%</b>	<b>+ 53.3 p.p.</b>
<b>Financial Result</b>	<b>1,332,266</b>	<b>(375,741)</b>	<b>-</b>	<b>(281,456)</b>	<b>-</b>
Financial Income	992,561	76,040	1205%	68,329	1353%
Financial Expenses	(143,188)	(96,456)	48%	(175,666)	-18%
Net foreign exchange gain and losses	482,893	(355,325)	<b>-</b>	(174,119)	<b>-</b>
Equity in the results of investees	55,458	36,704	51%	45,494	22%
<b>Operating Profit or Loss</b>	<b>6,157,380</b>	<b>1,786,523</b>	<b>245%</b>	<b>(323,493)</b>	<b>-</b>
Income Tax / Social Contribution	(1,614,171)	(581,626)	178%	(71,568)	2155%
<b>Net Income or Loss</b>	<b>4,543,209</b>	<b>1,204,897</b>	<b>277%</b>	<b>(395,061)</b>	<b>-</b>
<b>Net Margin</b>	<b>47.3%</b>	<b>17.1%</b>	<b>+ 30.3 p.p.</b>	<b>-16.3%</b>	<b>+ 63.6 p.p.</b>
Attributable:					
<b>Shareholders</b>	<b>4,168,048</b>	<b>931,795</b>	<b>347%</b>	<b>(466,882)</b>	<b>-</b>
<b>Minority Shareholders</b>	<b>375,161</b>	<b>273,102</b>	<b>37%</b>	<b>71,821</b>	<b>422%</b>
<b>EBITDA (Instruction CVM 527)</b>	<b>5,075,773</b>	<b>2,410,901</b>	<b>111%</b>	<b>208,206</b>	<b>2338%</b>
<b>EBITDA Margin (Instruction CVM 527)</b>	<b>52.9%</b>	<b>34.1%</b>	<b>+ 18.8 p.p.</b>	<b>8.6%</b>	<b>+ 44.3 p.p.</b>
<b>Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA</b>	<b>5,065,644</b>	<b>2,419,761</b>	<b>109%</b>	<b>191,639</b>	<b>2543%</b>
<b>Adjusted EBITDA Margin</b>	<b>52.8%</b>	<b>34.2%</b>	<b>+ 18.5 p.p.</b>	<b>7.9%</b>	<b>+ 44.9 p.p.</b>
Depreciation and Amortization	250,659	248,637	1%	250,243	0%

**Income Statement - Consolidated | IFRS**

	R\$ thousand	1H21	1H20	Δ
<b>Net Revenues</b>		<b>16,662,101</b>	<b>6,232,570</b>	<b>167%</b>
Domestic Market		12,936,491	4,500,007	187%
Exports		3,725,610	1,732,563	115%
<b>COGS</b>		<b>(10,556,431)</b>	<b>(5,440,736)</b>	<b>94%</b>
<b>Gross Profit</b>		<b>6,105,670</b>	<b>791,834</b>	<b>671%</b>
	<b>Gross Margin</b>	<b>36.6%</b>	<b>12.7%</b>	<b>+ 23.9 p.p.</b>
<b>Operating Income (Expenses)</b>		<b>789,546</b>	<b>(604,189)</b>	<b>-</b>
Selling Expenses		(218,466)	(205,754)	6%
Provision for Doubtful Accounts		(3,940)	(23,287)	-83%
Other Selling Expenses		(214,526)	(182,467)	18%
General and Administrative		(224,854)	(206,214)	9%
Other Operating Income (Expenses)		1,232,866	(192,221)	-
Inventory Adjustments		(87,250)	(1,454)	5901%
Credit of tax - Inclusion of ICMS in the base calculation of PIS and COFINS		1,651,802	7,177	22915%
Idleness expenses (includes depreciation)		(146,770)	(150,083)	-2%
Legal charges		(16,416)	(9,535)	72%
Provision of tax credits (ICMS)		(158,254)	(21,890)	623%
Provision for onerous contracts		-	(16,306)	-
Provision for restructuring process - Usiminas Mecânica		-	(19,029)	-
Provision for contingencies		(34,465)	28,013	-
Recovery of insurance claims expenses		70,114	68,836	2%
Result of the non operating asset sale/write-off		69,783	7,101	883%
Other Operating Income (Expenses), Net		(115,678)	(85,051)	36%
<b>EBIT</b>		<b>6,895,216</b>	<b>187,645</b>	<b>3575%</b>
	<b>EBIT Margin</b>	<b>41.4%</b>	<b>3.0%</b>	<b>+ 38.4 p.p.</b>
<b>Financial Result</b>		<b>956,525</b>	<b>(1,139,087)</b>	<b>-</b>
Financial Income		1,068,601	126,083	748%
Financial Expenses		(239,644)	(316,393)	-24%
Net foreign exchange gain and losses		127,568	(948,777)	-
Equity in the results of investees		92,162	60,841	51%
<b>Operating Profit (Loss)</b>		<b>7,943,903</b>	<b>(890,601)</b>	<b>-</b>
Income Tax / Social Contribution		(2,195,797)	71,560	-
<b>Net Income (Loss)</b>		<b>5,748,106</b>	<b>(819,041)</b>	<b>-</b>
	<b>Net Margin</b>	<b>34.5%</b>	<b>-13.1%</b>	<b>+ 47.6 p.p.</b>
Attributable:				
<b>Shareholders</b>		<b>5,099,843</b>	<b>(943,449)</b>	<b>-</b>
<b>Minority Shareholders</b>		<b>648,263</b>	<b>124,408</b>	<b>421%</b>
<b>EBITDA (Instruction CVM 527)</b>		<b>7,486,674</b>	<b>747,434</b>	<b>902%</b>
	<b>EBITDA Margin (Instruction CVM 527)</b>	<b>44.9%</b>	<b>12.0%</b>	<b>+ 32.9 p.p.</b>
<b>Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA</b>		<b>7,485,405</b>	<b>760,580</b>	<b>884%</b>
	<b>Adjusted EBITDA Margin</b>	<b>44.9%</b>	<b>12.2%</b>	<b>+ 32.7 p.p.</b>
Depreciation and Amortization		499,296	498,948	0%

**Cash Flow - Consolidated | IFRS**

<b>Cash Flow - Consolidated   IFRS</b>	<b>2Q21</b>	<b>1Q21</b>	<b>2Q20</b>
<b>Operating Activities Cash Flow</b>			
Net Income or Loss in the Period	4,543,209	1,204,897	(395,061)
Financial Expenses and Monetary Var. / Net Exchge Var.	(1,281,785)	287,538	234,991
Interest Expenses	54,212	69,571	88,540
Depreciation and Amortization	250,659	248,637	250,243
Losses/(gains) on Sale of Property, Plant and Equipment	(53,000)	(16,783)	(6,233)
Equity in the Results of Subsidiaries/Associated Companies	(55,458)	(36,704)	(45,494)
Difered Income Tax and Social Contribution	87,091	(23,882)	(45,913)
Constitution (reversal) of Provisions	200,304	396,617	183,131
Actuarial Gains and losses	24,355	24,352	21,535
<b>Total</b>	<b>3,769,587</b>	<b>2,154,243</b>	<b>285,739</b>
<b>(Increase)/Decrease of Assets</b>			
Accounts Receivables Customer	(368,020)	(911,799)	508,472
Inventories	(1,157,806)	(900,390)	(199,142)
Recovery of Taxes	73,799	(94,275)	(67,996)
Judicial Deposits	26,146	(3,097)	(1,319)
Others	22,291	(205,573)	(23,080)
<b>Total</b>	<b>(1,403,590)</b>	<b>(2,115,134)</b>	<b>216,935</b>
<b>Increase /(Decrease) of Liabilities</b>			
Suppliers, Contractors and Freights	40,503	219,533	(432,704)
Amounts Owed to Affiliated Companies	2,802	2,711	-
Customers Advances	23,767	12,790	(8,371)
Tax Payable	252,613	252,468	93,625
Securities Payable Forfaiting	(57,507)	(59,973)	223,348
Actuarial Liability Payments	(14,116)	(8,396)	(11,030)
Others	(237,749)	190,660	64,598
<b>Total</b>	<b>10,313</b>	<b>609,793</b>	<b>(70,534)</b>
<b>Cash Generated from Operating Activities</b>	<b>2,376,310</b>	<b>648,902</b>	<b>432,140</b>
Interest Paid	(418)	(162,357)	(4,694)
Income Tax and Social Contribution	(310,614)	(493,107)	(49,227)
<b>Net Cash Generated from Operating Activities</b>	<b>2,065,278</b>	<b>(6,562)</b>	<b>378,219</b>
<b>Investments activities cash flow</b>			
Marketable Securities	(1,708,584)	1,010,097	(256,521)
Fixed Asset Acquisition	(330,799)	(229,952)	(188,135)
Fixed Asset Sale Receipt	53,668	50,379	18,916
Dividends Received	3,160	4,592	1,909
Purchase of Intangible Assets	(4,384)	(8,665)	(4,738)
<b>Net Cash Employed on Investments Activities</b>	<b>(1,986,939)</b>	<b>826,451</b>	<b>(428,569)</b>
<b>Financial Activities Cash Flow</b>			
Payment of Loans, Financ. & Debent.	(1,923)	(1,943)	(6,651)
Swap Operations Liquidations	-	-	(9,309)
Dividends and Interest on Capital	(320,640)	(48,192)	(59,418)
<b>Net Cash Generated from (Employed on) Financial Activities</b>	<b>(322,563)</b>	<b>(50,135)</b>	<b>(75,378)</b>
<b>Exchange Variation on Cash and Cash Equivalents</b>	<b>(12,150)</b>	<b>(26,658)</b>	<b>1,955</b>
<b>Net Increase (Decrease) of Cash and Cash Equivalents</b>	<b>(256,374)</b>	<b>743,096</b>	<b>(123,773)</b>
Cash and Cash Equivalents at the Beginning of the Period	4,004,384	3,261,288	1,802,526
Cash and Cash Equivalents at the End of The Period	3,748,010	4,004,384	1,678,753
<b>RECONCILIATION WITH BALANCE SHEET</b>			
Cash and Cash Equivalents at the Beginning of the Period	4,004,384	3,261,288	1,802,526
Marketable Securities at the Beginning of the Period	596,719	1,606,816	570,940
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>4,601,103</b>	<b>4,868,104</b>	<b>2,373,466</b>
Net Increase (Decrease) of Cash and Cash Equivalentes	(256,374)	743,096	(123,773)
Net Increase (Decrease) of Marketable Securities	1,708,584	(1,010,097)	256,521
Cash and Cash Equivalents at the End of the Period	3,748,010	4,004,384	1,678,753
Marketable Securities at the End of the Period	2,305,303	596,719	827,461
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>6,053,313</b>	<b>4,601,103</b>	<b>2,506,214</b>



**Cash Flow - Consolidated | IFRS**  
R\$ thousand

	1H21	1H20
<b>Operating Activities Cash Flow</b>		
Net Income (Loss) in the Period	5,748,106	(819,041)
Financial Expenses and Monetary Var. / Net Exchge Var.	(994,247)	1,108,480
Interest Expenses	123,783	170,757
Depreciation and Amortization	499,296	498,948
Losses/(gains) on sale of property, plant and equipment	(69,783)	(7,101)
Equity in the Results of Subsidiaries/Associated Companies	(92,162)	(60,841)
Difered Income Tax and Social Contribution	63,209	(254,699)
Constitution (reversal) of Provisions	596,921	193,169
Actuarial Gains and losses	48,707	43,055
<b>Total</b>	<b>5,923,830</b>	<b>872,727</b>
<b>Increase/Decrease of Assets</b>		
Accounts Receivables Customer	(1,279,819)	187,148
Inventories	(2,058,196)	(137,369)
Recovery of Taxes	(20,476)	(106,977)
Judicial Deposits	23,049	(19,711)
Accounts Receiv. Affiliated Companies	-	1,651
Others	(183,282)	(116,712)
<b>Total</b>	<b>(3,518,724)</b>	<b>(191,970)</b>
<b>Increase / (Decrease) of Liabilities</b>		
Suppliers, contractors and freights	260,036	(440,011)
Amounts Owed to Affiliated Companies	5,513	(14,184)
Customers Advances	36,557	1,776
Tax Payable	505,081	218,627
Securities Payable Forfaiting	(117,480)	325,876
Actuarial Liability payments	(22,512)	(16,772)
Actuarial Liability Received - PB1	-	393,933
Others	(47,089)	93,875
<b>Total</b>	<b>620,106</b>	<b>563,120</b>
<b>Cash Generated from Operating Activities</b>	<b>3,025,212</b>	<b>1,243,877</b>
Interest Paid	(162,775)	(157,253)
Income Tax and Social Contribution	(803,721)	(91,087)
<b>Net Cash Generated from Operating Activities</b>	<b>2,058,716</b>	<b>995,537</b>
<b>Investments activities cash flow</b>		
Marketable Securities	(698,487)	(159,286)
Fixed asset acquisition	(560,751)	(363,956)
Fixed asset sale receipt	104,047	19,797
Dividends Received	7,752	4,002
Purchase of Intangible Assets	(13,049)	(11,383)
<b>Net Cash Employed on Investments Activities</b>	<b>(1,160,488)</b>	<b>(510,826)</b>
<b>Financial Activities Cash Flow</b>		
Payment of Loans, Financ. & Debent.	(3,866)	(10,042)
Swap	-	(9,309)
Dividends and Interest on Capital	(368,832)	(59,423)
<b>Net Cash Generated from (Employed on) Financial Activities</b>	<b>(372,698)</b>	<b>(78,774)</b>
<b>Exchange Variation on Cash and Cash Equivalents</b>	<b>(38,808)</b>	<b>19,850</b>
<b>Net Increase (Decrease) of Cash and Cash Equivalents</b>	<b>486,722</b>	<b>425,787</b>
Cash and Cash Equivalents at the Beginning of the Period	3,261,288	1,252,966
Cash and Cash Equivalents at the End of The Period	3,748,010	1,678,753
<b>RECONCILIATION WITH BALANCE SHEET</b>		
Cash and cash equivalents at the beginning of the period	3,261,288	1,252,966
Marketable securities at the beginning of the period	1,606,816	668,175
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,868,104</b>	<b>1,921,141</b>
Net increase (decrease) of cash and cash equivalentes	486,722	425,787
Net increase (decrease) of marketable securities	698,487	159,286
Cash and cash equivalents at the end of the period	3,748,010	1,678,753
Marketable securities at the end of the period	2,305,303	827,461
<b>Cash and cash equivalents at the end of the period</b>	<b>6,053,313</b>	<b>2,506,214</b>