

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

FORM 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF  
THE SECURITIES EXCHANGE ACT OF 1934
- OR  
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2023
- OR  
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934
- OR  
SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-14732

**COMPANHIA SIDERÚRGICA NACIONAL**  
*(Exact name of registrant as specified in its charter)*

**NATIONAL STEEL COMPANY**  
*(Translation of registrant's name into English)*

**THE FEDERATIVE REPUBLIC OF BRAZIL**  
*(Jurisdiction of incorporation or organization)*

Antonio Marco Campos Rabello, Chief Financial and Investor Relations Officer  
Phone: +55 11 3049-7585 Fax: +55 11 3049-7212  
invrel@csn.com.br  
Av. Brigadeiro Faria Lima, 3400 - 20th floor  
04538-132, São Paulo, SP, Brazil  
*(Address of principal executive offices)*

Securities registered or to be registered pursuant to Section 12(b) of the Act.

| <u>Title of each class</u>   | <u>Trading symbol</u> | <u>Name of each exchange on which registered</u> |
|--|-----------------------|--|
| Common Shares without Par Value  | *                     | NYSE   |
| American Depositary Shares (as evidenced by American Depositary Receipts), each representing one share of Common Stock | SID                   | NYSE   |

\* Not for trading purposes, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the U.S. Securities and Exchange Commission.

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

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

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2023:  
1,326,093,947 Common Shares without Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
 Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  
 Yes  No

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

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

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

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

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

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

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

Yes  No

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

Yes  No

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

Yes  No

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

U.S. GAAP

International Financial Reporting Standards as issued by the International  
Accounting Standards Board

Other

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

Item 17  Item 18

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

Yes  No

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## INTRODUCTION

Unless otherwise specified, all references in this annual report to:

- “we,” “us,” “our” or “CSN” are to Companhia Siderúrgica Nacional and its consolidated subsidiaries;
- “Brazil” are to the Federative Republic of Brazil;
- “Brazilian government” are to the federal government of Brazil;
- “*real*,” “*reals*” or “RS” are to Brazilian *reals*, the official currency of Brazil;
- “U.S. dollars” or “US\$” are to United States dollars;
- “km” are to kilometers, “m” are to meters, “mt” or “tons” are to metric tons, “mtpy” are to metric tons per year, “MW” are to megawatts, “MWh” are to megawatt hours and “MWavg” are to average megawatts;
- “TEUs” are to twenty-foot equivalent units;
- “consolidated financial statements” are to our audited consolidated financial statements prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, together with the corresponding report of our independent registered public accounting firm; and
- “ADSs” are to the American depository shares and “ADRs” are to the American depository receipts representing our common shares.

## FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements, within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, principally under the captions “Item 3. Key Information,” “Item 4. Information on the Company,” “Item 5. Operating and Financial Review and Prospects” and “Item 11. Quantitative and Qualitative Disclosures About Market Risk.” We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting us. Although we believe these estimates and forward-looking statements are based on reasonable assumptions, these estimates and statements are subject to several risks and uncertainties and are made in light of the information currently available to us.

Many important factors, in addition to those discussed elsewhere in this annual report, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among others:

- general economic, political and business conditions in Brazil and abroad, especially in China, which is the largest world steel producer and main consumer of our iron ore;
- demand for and prices of steel, iron ore and cement products;
- developments relating to and affecting global financial markets;
- changes in competitive conditions and the general level of demand and supply for our products;
- our liquidity position and leverage and our ability to obtain financing on satisfactory terms;
- management’s expectations and estimates concerning our future financial performance, financing plans;
- availability and price of raw materials and increased fuel prices;
- changes in international trade or international trade regulations, including protectionist measures imposed by Brazil and other countries;
- our capital expenditure plans, including in order to address our physical risks and transition risks relating to climate change;

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- inflation, interest rate levels and fluctuations in foreign exchange rates;
- our ability to develop and deliver our products on a timely basis;
- lack of infrastructure in Brazil;
- energy, natural gas and water shortages and government responses to these;
- downgrades in Brazil's credit ratings;
- changes in laws and regulations affecting mining companies and steel and cement producers, including laws and regulations relating to climate change and other environmental matters;
- increased operating costs, including labor costs, and increased tariffs, taxes or social contribution costs;
- availability of adequate insurance coverage for our operations; and
- the risk factors discussed under the caption "Item 3. Key Information-3D. Risk Factors."

We caution you that the foregoing list of significant factors may not contain all of the material factors that are important to you. The words "aim," "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "plan," "will" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of regulation and the effects of competition, among other things.

Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update or to revise any forward-looking statements after we distribute this annual report because of new information, future events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this annual report might not occur and are not an indication of future performance. As a result of various factors, including those set forth above, undue reliance should not be placed on these forward-looking statements.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our audited consolidated financial statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 included elsewhere in this annual report have been presented in thousands of *reais* and prepared in accordance with IFRS as issued by the IASB. See note 2.a. to our audited consolidated financial statements included elsewhere in this annual report.

We have translated some of the Brazilian *real* amounts contained in this annual report into U.S. dollars solely for the convenience of the reader at the rate of RS4.8413 to US\$1.00, which was the U.S. dollar selling rate as of December 31, 2023, as reported by the Central Bank of Brazil, or the Central Bank. As a result of fluctuations in the *real*/U.S. dollar exchange rate, the U.S. dollar selling rate as of December 31, 2023 may not be indicative of current or future exchange rates. The U.S. dollar equivalent information presented in this annual report should not be construed as implying that the *real* amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate.

Certain figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not represent an arithmetic sum of the figures that precede them.

## Non-IFRS Financial Measure

This annual report includes certain references to the non-IFRS measure of EBITDA.

We calculate EBITDA as net income (loss) for the period *plus* net financial income (expenses), income tax and social contribution, depreciation and amortization and results from discontinued operations. EBITDA is not a measure of financial performance recognized under IFRS and it should not be considered an alternative to net income (loss) as a measure of operating performance, or as an alternative to operating cash flows, or as a measure of liquidity. EBITDA is not calculated using a standard methodology and may not be comparable to the definition of EBITDA, or similarly titled measures, used by other companies. We believe the non-IFRS financial measure presented in this annual report may be helpful to understand our profitability and indebtedness.

PART I

**Item 1. Identity of Directors, Senior Management and Advisors**

Not applicable.

**Item 2. Offer Statistics and Expected Timetable**

Not applicable.

**Item 3. Key Information**

**3A. [Reserved]**

**3B. Capitalization and Indebtedness**

Not applicable.

**3C. Reasons for the Offer and Use of Proceeds**

Not applicable.

**3D. Risk Factors**

*An investment in the ADSs or our common shares involves a high degree of risk. You should carefully consider the risks described below before making an investment decision. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The trading price of the ADSs could decline due to any of these risks or other factors, and you may lose all or part of your investment.*

*For purposes of this section, when we state that a risk, uncertainty or problem may, could or will have an “adverse effect” on us or “adversely affect” us, we mean that the risk, uncertainty or problem could have an adverse effect on our business, financial condition, results of operations, cash flow, prospects and/or the trading price of the ADSs, except as otherwise indicated. The risks described below are those that we currently believe may materially and adversely affect us.*

**Risks Relating to Brazil**

*The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy and such involvement, along with general political and macroeconomic conditions, could adversely affect us.*

The Brazilian government has frequently intervened in the Brazilian economy and occasionally made changes in policy and regulations. The Brazilian government’s actions to control inflation and affect policies and regulations have often involved, among other measures, increases in interest rates, changes in tax and social security policies, price controls, currency exchange and remittance controls, devaluations, capital controls and limits on imports. We may be adversely affected by changes in policy or regulations at the federal, state or municipal level involving or affecting the following factors, among others:

- interest rates;
- exchange controls;
- currency fluctuations;
- inflation;
- price volatility of raw materials and our final products;
- lack of infrastructure in Brazil;
- energy and water supply shortages and rationing programs;
- liquidity of the domestic capital and lending markets;
- regulatory policy for the mining, steel, cement, logistics and energy industries;
- environmental policies and regulations;

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- tax policies and regulations, including frequent changes that may result in uncertainties regarding future taxation; and
- other political, social and macroeconomic developments in or affecting Brazil.

Uncertainty over whether the Brazilian government will implement changes in policy or regulation affecting these or other factors may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets and securities issued by Brazilian companies, including our common shares and the ADSs that represent them.

According to the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*), or the IBGE, Brazil's gross domestic product, or GDP, grew by 4.8%, 3.0% and 2.9% in 2021, 2022 and 2023, respectively. Developments in the Brazilian economy may affect Brazil's growth rates and, consequently, demand for our products, and we have been, and will continue to be, affected by changes in the Brazilian GDP.

### ***Political instability may adversely affect us.***

Brazilian markets experienced heightened volatility in the last decade due to uncertainties deriving from investigations relating to unlawful payments, as part of which numerous members of the Brazilian government, as well as senior officers of large state-owned and private companies have been convicted of political corruption of officials accepting bribes by means of kickbacks on contracts granted by the government to infrastructure, oil and gas and construction companies.

These investigations have had an adverse impact on the image and reputation of the implicated companies, as well as on the general market perception of the Brazilian economy.

In October 2022, Brazil held elections for President, senators, federal deputies and state deputies. Former President Luiz Inácio Lula da Silva won the election. Uncertainty regarding political developments and the policies the Brazilian federal government may adopt or alter may have material adverse effects on the macroeconomic environment in Brazil, as well as on businesses operating in Brazil, including ours.

### ***Exchange rate instability may adversely affect us and the market price of our common shares and the ADSs.***

The Brazilian currency has, during the last decade, experienced frequent and substantial variations compared to the U.S. dollar and other foreign currencies. In 2021 and 2022, the *real* appreciated against the U.S. dollar and the U.S. dollar selling rate was R\$5.5805 per US\$1.00 as of December 31, 2021 and R\$5.2177 per US\$1.00 as of December 31, 2022, as reported by the Brazilian Central Bank. In 2023, the *real* appreciated against the U.S. dollar and the U.S. dollar selling rate was R\$4.8413 per US\$1.00 as of December 31, 2023.

Depreciation of the *real* against the U.S. dollar creates inflationary pressures in Brazil and causes increases in interest rates, which adversely affect the growth of the Brazilian economy as a whole, curtail access to foreign financial markets and may prompt government intervention, including recessionary governmental policies. Depreciation of the *real* against the U.S. dollar may also, in the context of an economic slowdown, lead to decreased consumer spending, deflationary pressures and reduced growth of the Brazilian economy.

On the other hand, appreciation of the *real* relative to the U.S. dollar and other foreign currencies could lead to a deterioration of the Brazilian foreign exchange current accounts, as well as dampen export-driven growth. Depending on the circumstances, either depreciation or appreciation of the *real* could materially affect our growth and that of the Brazilian economy, as well as impact the U.S. dollar value of distributions and dividends on, and the U.S. dollar equivalent of the market price of, our common shares and the ADSs.

In the event the *real* depreciates in relation to the U.S. dollar, the cost in *reals* of our foreign currency-denominated borrowings and imports of raw materials, particularly coal and coke, will increase. On the other hand, if the *real* appreciates in relation to the U.S. dollar, it will cause *real*-denominated production costs to increase as a percentage of total production costs and cause our exports to be less competitive. We have a total U.S. dollar-denominated or U.S. dollar-linked indebtedness of R\$27,020 million, which represents 59.4% of our total indebtedness, as of December 31, 2023.

### ***Government efforts to combat inflation may hinder the growth of the Brazilian economy and could harm us.***

Historically, Brazil has experienced high inflation rates. Inflation and certain actions taken by the Central Bank to curb it have had significant negative effects on the Brazilian economy. Inflation as measured by the national broad consumer price index (*Índice Nacional de Preços ao Consumidor Amplo*), or IPCA, was 10.1%, 5.8% and 4.7% in 2021, 2022 and 2023, respectively, and 17.8%, 5.5% and (3.2)%, respectively, as measured by the general market price index (*Índice Geral de Preços do Mercado*), or IGP-M.

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The base interest rate for the Brazilian banking system is the Central Bank's Special System for Settlement and Custody (*Sistema Especial de Liquidação e Custódia*) rate, or SELIC rate. The SELIC rate was repeatedly increased from 2.00% in August 2020 to 13.75% in August 2023. As of December 31, 2021, 2022 and 2023, the SELIC rate was 9.25%, 13.75% and 11.75%, respectively. As of the date of this annual report, the SELIC rate is 10.75%.

Inflation and the Brazilian government's measures to address it, principally the Central Bank's monetary policy, have had and may have significant effects on the Brazilian economy and us. Tight monetary policies with high interest rates have restricted and may restrict Brazil's growth and the availability of credit. Conversely, more lenient government and Central Bank policies and interest rate decreases have triggered and may trigger increases in inflation, and, consequently, growth volatility and the need for sudden and significant interest rate increases, which could negatively affect us and increase the payments on our indebtedness.

***Developments and the perception of risk in other countries, especially other emerging market countries, may adversely affect the trading price of Brazilian securities, including our common shares and the ADSs.***

The market value of securities of Brazilian issuers is affected by economic and market conditions in other countries, especially other emerging market countries. Although economic conditions in these countries may differ significantly from economic conditions in Brazil, investors' reactions to developments in these other countries may have an adverse effect on the market value of securities of Brazilian issuers. Crises in the United States, the European Union, China or other emerging market countries may diminish investor interest in securities of Brazilian issuers, including ours. This could adversely affect the trading price of our common shares and/or the ADSs, and could also make it more difficult for us to gain access to the capital markets and finance our operations on acceptable terms, or at all.

Further, crises in world financial markets, such as in 2020 and the banking crisis in early 2023, as well as global economic challenges that persist as of the date of this annual report, could affect investors' views of securities issued by companies that operate in emerging markets. These developments could adversely affect the trading price of our common shares and the ADSs, and could also make it more difficult for us to access the capital markets and finance our operations on acceptable terms, or at all.

Developments since early 2022 relating to Russia's conflict with Ukraine and the developments in early 2023 relating to global financial institutions have generated uncertainty in global markets, and U.S. and European stock markets have seen increased price volatility. We cannot predict how these developments will evolve and whether or to what extent they may affect Brazilian capital markets and, consequently, us.

## **Risks Relating to Us and the Industries in Which We Operate**

***We are exposed to substantial changes in the demand for steel, iron ore, and cement which significantly affect the prices of our products and may adversely affect us.***

The steel, mining and cement industries are highly cyclical, both in Brazil and abroad. The demand for steel and mining products and, thus, the financial condition and results of operations of companies in these industries, including us, are generally affected by macroeconomic fluctuations in the world economy and the economies of steel-producing countries, including trends in the automotive, construction, home appliances and packaging industries, as well as other industries that rely on steel distributors. A worldwide recession, an extended period of below-trend growth in developed countries or a slowdown in the emerging markets that are large consumers of our products (such as the domestic Brazilian market for our steel products and the Chinese market for iron ore) could sharply reduce demand for our products. In addition, flat steel competes with other materials that may be used as substitutes, such as aluminum (particularly in the automotive and packaging industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could also significantly reduce market prices and demand for steel products and thereby reduce our cash flow and profitability. Any material decrease in demand or increase in supply for steel and iron ore in the domestic or export markets served by us could have a material adverse effect on us.

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***Prices charged for iron ore are subject to volatility. International iron ore prices may decrease significantly and materially and adversely affect us or require us to suspend certain of our projects and operations.***

Our iron ore prices are based on a variety of pricing terms, which generally use market price indices as a basis for determining customer prices. Our prices for and revenues from iron ore are consequently volatile, which may adversely affect us. In 2023, average iron ore prices decreased 1.0% to US\$119.75/dmt from US\$120.2/dmt in the same period of 2022. In 2022, average iron ore prices decreased 24.6% to US\$120.2/dmt, from US\$159.5/dmt in 2021, in each case according to the average Platts iron ore price index (62% Fe CFR China). A decrease in market prices for iron ore may require us to change the way we operate or, depending on the magnitude of price decreases, even to suspend certain of our projects and operations and impair certain assets, which could adversely affect us.

***Adverse economic conditions in China and an increase in global iron ore production capacity could materially and adversely affect us.***

China has been the main driver of global demand for minerals and metals over the past years, effectively driving global prices for iron ore and steel. In 2023, China accounted for 75% of the global seaborne iron ore trade and 75% of our iron ore export sales were to the Asian market, mainly China. China is also the largest steel producer in the world, accounting for approximately 54% of the global steel production in 2023.

China's macroeconomic condition is a critical factor for our business. A slowdown could have an impact in our business once infrastructure and the real estate sector together demands approximately 50% of China's steel production. This, combined with the surplus of iron ore due to the ramp up of new projects, could lead to changes in global demand and consequently in the prices of iron ore and steel, which could impact our profitability.

The lifting of zero-COVID restrictions by Chinese government in December 2022 and the return of industrial activity initially boosted iron ore demand. However, the first half of 2023 was marked by unfavorable government measures such as production restrictions aimed to control price speculation and air pollution, coupled with inflationary pressures, rising of interest rates, and a sluggish property market with key performance indicators falling short of expectations, dampened overall growth. On the second half of 2023, the iron ore demand resumed as the Chinese government began to implement several fiscal and monetary stimuli, focused on the infrastructure sector. With contraction of real estate sector, steel margins were very depressed, but Chinese mills kept the production in high level supported by exports, which in 2023 had an increase of 35.82% compared to 2022, aiding the iron ore demand.

While the Chinese government managed to hit its GDP target in 2023 and is planning to take actions to boost the industrial activity and the infrastructure and the property markets, there are uncertainties for the year of 2024. The potential for renewed restrictions by the Chinese government, the uncertainty on the property market, and the typical winter constraints on steel production all pose significant challenges, which could materially and adversely affect our market and us.

In addition, the improved performance of the main players, the ramp-up of projects started in past years by major iron ore suppliers combined with the new players entering the business due to recent favorable conditions could affect seaborne iron ore prices and adversely affect us.

***We are exposed to substantial changes in commodities prices, including oil prices, which significantly affect the prices of our inputs and the prices of our products, and may adversely affect us.***

We are subject to volatility in international commodities prices. This volatility affects the prices of certain of our inputs, such as oil, and may therefore adversely affect our results of operations. In 2022, oil prices increased steeply, largely due to recent global developments relating to Russia's conflict with Ukraine. Because Russia is one of the world's largest oil exporters, we expect global developments relating to Russia's invasion of Ukraine, and resulting export restrictions, to result in a consistently decreased global supply and, consequently, higher fuel prices. In 2023, the capesize market fluctuated as the Chinese steel supply announced a positive outcome, while due to a larger capesize fleet compared to 2022, the rates that were initially kept down, raised in the later part of the year. A surge in iron ore shipments, particularly on the key route from Western Australia to China, and other commodities, such as coal and bauxite, pushed capesize rates to their highest point since September 2022. This recovery was further fueled by geopolitical tensions that caused oil prices to rise and increased the voyage time. As a result, bunker fuel costs for capesize ships increased, impacting operating expenses. The overall trend for capesize rates in 2023 pointed towards a gradual recovery in the second half, fueled by a combination of improving demand and a relatively stable fleet growth.

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International commodity price volatility may also affect the prices of our products, thereby having an impact on our pricing strategy, demand for our products and our results of operations.

### ***We may not be able to adjust our mining production volume in a timely or cost-efficient manner in response to changes in demand.***

Revenues from our mining business represented 37.7%, 28.2% and 37.7% of our total net revenues in 2021, 2022 and 2023, respectively. Operating at significant idle capacity during periods of weak demand may expose us to higher unit production costs since a significant portion of our cost structure is fixed in the short term due to the high capital intensity of mining operations. In addition, efforts to reduce costs during periods of weak demand could be limited by labor regulations or labor or government agreements.

Conversely, our ability to rapidly increase production capacity is limited, which could render us unable to fully satisfy demand for our iron ore. When demand exceeds our production capacity, we may meet excess customer demand by purchasing iron ore from unrelated parties and reselling it, which would increase our costs and narrow our operating margins. If we are unable to satisfy excess customer demand in this way, we may lose customers. In addition, operating close to full capacity may expose us to higher costs, including demurrage fees due to capacity restraints in our logistics systems.

### ***A decrease in the availability or an increase in the price of raw materials for steel production, particularly coal and coke, may adversely affect us.***

In 2023, raw material costs accounted for 60.3% of our total steel production costs. Our main raw materials include iron ore, coal, coke, limestone, dolomite, manganese, zinc, tin and aluminum. We depend on third parties for some of our raw material requirements, including importing all of the coal required to produce coke. In addition, we require significant amounts of energy, in the form of natural gas and electrical energy, to power our plants and equipment.

Any prolonged interruption in the supply of raw materials, natural gas or electrical energy, or substantial increases in their prices, could materially and adversely affect us. Interruptions and price increases could result from changes in laws or trade regulations, the availability and cost of transportation, suppliers' allocations to other purchasers, interruptions in production by suppliers and/or accidents or similar events on suppliers' premises or along the supply chain. Any inability to pass these cost increases onto our customers or to meet our customer demand because of scarcity of our key raw materials could also have a material and adverse effect on us.

### ***Our steel products face significant competition, including price competition, from other domestic or foreign producers, which may adversely affect our profitability and market share.***

The global steel industry is highly competitive with respect to price, product quality, customer service and technological advances permitting reduced production costs. Several factors influence Brazil's export of steel products, including protectionist policies of other countries, especially the United States, disputes regarding these policies before the World Trade Organization, the Brazilian government's exchange rate policy and the growth rate of the world economy. Further, continuous advances in materials sciences and technology have given rise to improvements in products such as plastics, aluminum, ceramics and glass, permitting them to serve as substitutes for steel. Due to high start-up costs, the economics of operating a steelworks facility on a continuous basis may encourage mill operators to maintain high levels of output, even in times of low demand, which results in oversupply and increases the pressure on industry profit margins. In addition, downward pressure on steel prices by our competitors may affect our profitability.

The steel industry has historically suffered from structural over-capacity which has worsened due to a substantial increase in production capacity in the developing world, particularly China and India, as well as other emerging markets. China is the largest global steel producer and, in addition, Chinese and certain steel exporting countries have favorable conditions (excess steel capacity, undervalued currency or higher market prices for steel in non-domestic markets), which can have a significant impact on steel prices in other markets. If we are not able to remain competitive in relation to competitors in China or other steel-producing countries, we may be adversely affected.

Steel companies in Brazil face strong competition from imported products, mainly as a result of the global excess in steel production, reduction in demand for steel products in mature markets, exchange rate appreciation and tax incentives in some of the main exporting countries. Despite Brazilian import duties to protect domestic producers, a substantial volume of steel products is imported. If the Brazilian government does not implement measures against subsidized steel imports and there is an increase in imports, we may be materially and adversely affected. Apart from direct steel imports, the Brazilian industry also faces competition from imported finished goods, which adversely affects the whole steel supply and production chain.



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### ***Protectionist and other measures adopted by foreign governments could adversely affect our export sales.***

In response to increased production and steel exports from many countries, anti-dumping and countervailing duty and safeguard measures have been imposed by foreign governments representing the main markets for our exports. In 2021, the International Trade Commission, or ITC, initiated its five-year “sunset review” of the anti-dumping and countervailing duty orders for both hot-rolled and cold-rolled products. As a result of these reviews, the orders for both products were revoked in 2022. Additionally, in 2021, the European Commission initiated an anti-dumping investigation of electrolytic chromium coated steel (tin-free steel) products imported from Brazil and China. This investigation resulted in anti-dumping duties imposed on the exports of tin-free steel from Brazil into the European Union, in 2022. Also in 2022, the European Commission initiated its five-year “sunset review” of the anti-dumping duties on hot-rolled steel. As a result of this review, in December 2023, the anti-dumping duty was maintained on the exports of hot rolled steel from Brazil into the European Union for another five years.

Since 2018, Brazil has been party to an agreement with the United States that established quotas for semi-finished steel products and quotas for finished steel products based on average exports. In 2021, the European Commission extended safeguard measures on imports of hot-rolled, cold-rolled, and tin mill products and maintained quotas for the next three years.

The European Commission published on February 2024 a notice of initiation concerning the possible extension in time and review of the safeguard measures applicable to imports of certain steel products.

The regulation 2023/956, establishing the Carbon Border Adjustment Mechanism (CBAM) aimed at combating carbon leakage from cement, iron, steel and aluminum, has entered into force in October 2023. The regulation institutes a carbon tax on these products originated on other countries and destined for trade within the EU.

For more information on protectionist measures, see “Item 4. Information on the Company--4B. Business Overview-Regulatory Matters-Protectionist Measures.” The imposition of these and other protectionist measures by foreign countries may materially and adversely affect our export sales.

### ***Measures adopted by, or conflicts between, foreign governments could adversely affect us.***

Recent global developments relating to Russia’s conflict with Ukraine have generated significant uncertainty in global commodities and financial markets, and the global steel market, among others, has shown indications of instability. Misalignment between supply and demand in the international coal and steel markets may adversely affect our pricing strategy, undermine our investment strategy and adversely affect us. Misalignment could result from, among other things, international embargoes between governments or suspended international steel production due to significant increases in the prices of raw materials or, in the case of certain companies, proximity to conflict zones.

### ***Our activities depend on authorizations, concessions, licenses and permits, and changes in applicable laws, regulations or government measures could adversely affect us.***

Our activities and the activities of our subsidiaries and joint ventures are subject to governmental authorizations, concessions, licenses and permits, which include environmental licenses, as well as water grants, for our mining and industrial plants, infrastructure projects and concessions, including for the port terminals, railways and power plants that we operate or in which we have an equity interest. We cannot guarantee that we will be able to maintain, renew or obtain any required authorization, concession, license or permit, or that no additional requirement will be imposed on us in connection with our requests.

Authorizations, concessions, licenses or permits required for the development of our activities may require that we meet certain performance thresholds or completion milestones. In case we are unable to meet these thresholds or milestones, we may lose or not be able to obtain or renew such authorizations, concessions, licenses or permits, or we may not be able to do so under the terms of new concession laws, claims for amicable contractual termination and subsequent re-bidding for concessions. We also cannot guarantee that we, our subsidiaries or our joint ventures that hold concessions will timely comply with our or their obligations under any relevant concession agreement or under conduct adjustment agreements (*Termos de Ajustamento de Conduta*), or TACs, entered into with governmental agencies. In addition, we are subject to supervision and penalties from governmental entities, including the Brazilian court of audit (*Tribunal de Contas da União*), or TCU, and regulatory agencies. A material breach of those obligations may result in the loss or early termination of concessions, authorizations, permits and/or licenses, the restriction of access to public financing for the concession or the amortization of public financing before a project begins to operate, or the acceleration of an event of default under our indebtedness. Additionally, we would be subject to penalties, including fines or the closure of facilities. In case of a takeover or concession agreement termination due to government default, if we are entitled to any indemnification from granting authorities for our investments, this indemnification may be insufficient to cover our costs, expenses or losses and may be paid long after the events affecting our concessions, licenses or permits occur, if at all.

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In addition, changes in applicable laws or regulations could require modifications to our technologies and operations and unexpected capital expenditures. Capital expenditures that we have already made may not generate the returns we expected, if any.

After accidents involving the breaking of upstream mining dams operated by other mining companies in the cities of Mariana and Brumadinho in the state of Minas Gerais, the Brazilian National Mining Agency (*Agência Nacional de Mineração*), or the ANM, which is the regulatory agency under the Brazilian Ministry of Mines and Energy (*Ministério de Minas e Energia*), or the MME, of the Brazilian government, and Brazilian environmental regulatory authorities have applied more stringent environmental licensing requirements for mining project operations, specifically for dams.

The amount and timing of these and other environmental and related expenditures may vary substantially from those currently anticipated and we may encounter delays in obtaining environmental or other operating licenses, or not be able to obtain and/or renew them, which could subject us to civil, administrative or criminal liability and closure orders. Any of the above events, among others, may adversely affect us and our ability to obtain expected returns from our projects, and may render certain projects economically or otherwise unfeasible.

Further, new or more stringent environmental licensing requirements for our project operations, specifically for our dams, could be imposed on us. For additional information on mining regulations in Brazil, see “Item 4. Information on the Company-4B. Business Overview-Regulatory Matters-Mining Regulation.”

### ***We have a high level of indebtedness that could make it more difficult or expensive to refinance our maturing debt and/or incur new debt.***

As of December 31, 2023, our total debt outstanding was R\$44,859 million, comprising R\$7,613 million of short-term debt and R\$37,245 million of long-term debt. We had R\$16,086 million in cash and cash equivalents and short-term financial investments with immediate liquidity as of December 31, 2023. Our planned investments across our business segments will require a significant amount of cash over the course of 2024 and following years. See “Item 4. Information on the Company-4B. Business Overview-Investments and Divestitures-Acquisition Activity.”

Our level of indebtedness could affect our credit rating and our ability to obtain any necessary financing in the future and may increase our cost of borrowing. In addition, our level of indebtedness could make it more difficult to refinance our existing indebtedness and could make us more vulnerable in the event of a downturn in our business. In these and other circumstances, servicing our indebtedness may use a substantial portion of our cash flow from operations, which could adversely affect us and make it more difficult for us to make payments of dividends and other distributions to our shareholders, including the holders of ADSs, as well as to fund our operations, working capital and capital expenditures necessary for the maintenance and expansion of our business activities.

Our ability to refinance our indebtedness maturing in 2024 and 2025 is subject to market conditions and creditor approvals. In the event conditions are not favorable or approvals are not obtained, we will be required to make significant payments in the next 36 months under our financings, which would adversely affect our financial and cash position and may result in downgrades in our credit ratings.

### ***We cannot assure you that our credit ratings will not be lowered, suspended or withdrawn by the rating agencies.***

Our credit ratings are limited in scope, and do not address all material risks relating to an investment in our common shares or the ADSs, but rather reflect only the views of the rating agencies at the time the ratings are issued. These ratings may affect the cost and other terms upon which we are able to obtain funding and are subject to change due to factors specific to us, trends in the industries we operate in or trends in the credit and capital markets generally. As of the date of this annual report, our Fitch, Moody’s and S&P credit ratings are BB with a positive outlook, Ba2 with a stable outlook and BB with a stable outlook, respectively.

Credit rating agencies regularly evaluate us and their ratings are based on a number of factors, including our financial strength. We cannot assure you that credit rating agencies will not downgrade our credit ratings or that credit ratings will remain in effect for any given period of time or not be withdrawn entirely by the rating agencies, if in their judgment circumstances so warrant. Any lowering, suspension or withdrawal of our credit ratings may have an adverse effect on us and our ability to refinance our existing indebtedness.

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### ***Accidents or malfunctioning equipment on our premises, railways or ports may decrease or interrupt production, internal logistics or distribution of our products and adversely affect us.***

Steel, iron ore and cement production processes depend on certain critical equipment, such as blast furnaces, steel converters, continuous casting machines, rolling mills, drillers, reclaimers, conveyor belts, crushing and screening equipment and ship loaders, as well as on internal logistics and distribution channels, such as seaports and railways. This equipment and infrastructure may be affected in the case of malfunction or damage. Any significant interruptions in our production process, internal logistics or distribution channels (including our ports and railways) could materially and adversely affect us.

In addition, our operations involve the use, handling, storage, and discharge and disposal into the environment of hazardous substances. Our mining, steel and cement businesses are generally subject to significant risks and hazards, including fire, explosions, toxic gas leaks, spilling of polluting substances or other hazardous materials, rockfall incidents in mining operations and incidents involving mobile equipment or machinery and accidents involving our dams. Such events could occur by accident or by breach of operating and maintenance standards, and could result in a significant environmental impact, damage to or destruction of our mineral properties and/or production facilities, personal injury or death, delays or suspensions in production, monetary losses and exposure to civil responsibilities, administrative penalties, criminal sanctions and closure orders for non-compliance with these regulations. Our health, safety and environmental standards and risk management programs and procedures may be insufficient to prevent incidents or accidents that could adversely affect us.

### ***Failures in or interruptions to our telecommunications, information technology systems or automated machinery could adversely affect us.***

Our operations are heavily reliant on telecommunications, information technology systems and automated machinery. Disruptions to these systems, caused by obsolescence, technical failures or intentional acts, may adversely affect us. In addition, any failure in our systems related to confidential information, caused by external cyberattacks or internal actions, including negligence or misconduct of our employees, could adversely affect our reputation and our interactions with customers, competitors and other third parties, including governmental and regulatory bodies, suppliers and others, and may, among other things, expose us to fines and litigation.

### ***Unauthorized access to or release or violation of our or our business partners' systems and data could materially and adversely affect us.***

We are subject to a broad range of cyber threats, including attacks, with varying levels of sophistication. These cyber threats are related to the confidentiality, availability and integrity of our systems and data, including our customers' and business partners' confidential, classified or personal information. In addition, because we have access to certain information technology systems of certain of our business partners, our systems may be subject to attacks aimed at accessing, tampering with or exposing our business partners' systems and their data.

In addition, certain of our business partners, including our suppliers, have broad access to certain of our confidential and strategic information. Many of these business partners face similar security threats and any attacks on their systems could result in unauthorized access to our systems or data. Any unauthorized access to, or release or violation of our systems and data, whether directly or through cyberattacks or similar breaches affecting our business partners, could materially and adversely affect us, including subjecting us to regulatory scrutiny and fines.

### ***Our insurance policies may not be sufficient to cover all our losses.***

We maintain several types of insurance policies as part of our risk management for each of our businesses and seek to follow industry practice regarding best coverage, which encompasses domestic and international (import and export) cargo transportation (road, rail, sea or air), life insurance, personal accidents, health, automobile, directors and officers, general liability, CAR (construction and erection risks), trade credit insurance, surety, named perils, ports and terminal liabilities.

The coverage obtained in our insurance policies may not be sufficient to cover all risks or the extent of the risks we are exposed to, which could expose us to significant costs. Additionally, we may not be able to successfully contract or renew our insurance policies or to do so on terms satisfactory to us. The occurrence of one or more of these events may adversely affect us.

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### ***Our projects are subject to risks that, if materialized, may result in increased costs and/or delays or that could prevent their timely or successful implementation.***

We are investing to further increase our steel, mining, cement and energy production capacity and/or efficiency, as well as our logistics capabilities. The success of these projects is subject to a number of risks that, if materialized, may adversely affect our growth prospects and profitability, including, among others:

- delays, availability issues or higher than expected costs in obtaining the necessary equipment, services and materials to build and operate a project;
- lack of infrastructure, including waste disposal areas and reliable power and water supply;
- environmental remediation costs;
- delays or higher than expected costs in obtaining or renewing required authorizations, concessions, licenses or permits and/or regulatory approvals, including related to environmental matters, to build or continue a project;
- changes in market conditions, laws or regulations that may result in material additional costs, which may render a project less profitable than expected or economically or otherwise unfeasible;
- service providers' inability to comply with certain legal duties under Brazilian law, including tax, labor and social security, for which we may become liable;
- breach by suppliers, contractors and service providers of their obligations with us; and
- disruptions in our logistics chain caused by third parties, contractual breaches, general operational or geotechnical issues.

Any one or a combination of the factors described above may materially and adversely affect our ability to successfully implement our strategy and, consequently, us.

### ***We are subject to environmental, health and safety incidents and current, new or more stringent regulations may result in liability exposure and increased capital expenditures.***

Our steel production, mining, cement, energy and logistics facilities are subject to a broad range of laws, regulations and permit requirements in the countries where we operate relating to the protection of the environment, health and safety.

Brazilian pollution standards are subject to change, including new effluent and air emission standards, water management and solid waste-handling regulations, wildlife maintenance regulations, restrictions on business expansions, native forest preservation requirements and the obligation to support the creation of an integral protection conservation unit, as privately owned conservation areas (*Reserva Particular do Patrimônio Natural*), or national parks, or areas of relevant ecological interest (*Área de Relevante Interesse Ecológico - ARIE*) as environmental compensation for industrial and mining expansion projects. The Brazilian government has adopted a decree under the national policy for climate change (*Política Nacional de Mudanças Climáticas*) that contemplates a reduction in carbon emissions for the mining, steel and cement industries and an action plan is under development by a technical committee comprising representatives from the government, industry associations and academia.

Our operations involve the use of natural resources, and are subject to significant risks and hazards, including fire, explosion, toxic gas leaks, spilling of polluting substances or other hazardous materials, rockfalls, incidents involving dams, failure of operational structures and incidents involving mobile equipment, vehicles or machinery. These could occur by accident or by breach of operating and maintenance standards, and could result in significant environmental and social impacts, damage to or destruction of mineral properties or production facilities, personal injury, illness or death of employees, contractors or community members close to operations, environmental damage, delays in production, monetary losses and possible legal liability. Additionally, in remote localities, our employees may be exposed to tropical and contagious diseases that may affect their health and safety. Notwithstanding our standards, policies and controls, our operations remain subject to incidents or accidents that could adversely affect us and our stakeholders.

New or more stringent environmental, health and safety standards imposed on us could require increased capital expenditures, additional legal preservation areas within our properties or modifications to our operating practices or projects. For further information on environmental regulations and claims, see "Item 4. Information on the Company-4B. Business Overview-Regulatory Matters--Environmental Regulation."

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The amount and timing of expenditures related to environmental, health and safety matters may vary substantially from those currently anticipated. These additional costs may have a negative impact on the profitability of the projects we intend to implement or may make such projects economically unfeasible. Waste disposal, including our slag piles, and emission practices may result in the need for us to clean up or retrofit our facilities or our disposal locations at substantial costs and/or could result in substantial civil, criminal and administrative liability, including, among other things, liability pursuant to public civil actions. Environmental legislation in foreign markets to which we export our products may also materially and adversely affect our export sales and us.

In addition, we may enter into TACs with Brazilian regulatory agencies that require us to minimize or eliminate the risk of environmental impacts in the areas where we operate. If we are unable to comply with a TAC or to remediate non-compliance in a timely manner, we may be exposed to penalties, such as fines, new environmental offsets, delays in obtaining environmental or other operating licenses, revocation of permits or closure of facilities.

Finally, new or more stringent regulatory frameworks may be imposed and may affect our mining operations, including requests for environmental recovery of areas and investments for the granting of mining concessions. Any failure to comply with these or other laws, resolutions and standards may expose us to civil, criminal and administrative liability.

### ***Our governance and compliance procedures may fail to prevent regulatory penalties and reputational harm.***

We operate in a global environment and our activities straddle multiple jurisdictions and complex regulatory frameworks subject to enforcement worldwide. Our governance and compliance procedures may not prevent breaches of legal, accounting and/or governance standards applicable to us, and we may be unable to identify wrongdoing or improper activities by members of our management, employees or third parties. We may be subject to breaches of our Code of Conduct and business conduct protocols as well as to instances of fraudulent behavior, dishonesty and unlawful conduct by members of our management, employees, contractors or other agents, which could subject us to fines, loss of our operating licenses and reputational harm, as well as other penalties, which may materially and adversely affect us.

### ***We may fail to maintain an effective system of internal controls, which could prevent us from timely and accurately reporting our financial results.***

Our internal controls over financial reporting may not prevent or detect misstatements in a timely manner due to inherent limitations, including human error, circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including implementing new or improved required controls, we could fail to meet our financial reporting obligations, which could trigger a default under certain of our agreements. In this regard, and in connection with management's evaluation of the effectiveness of our internal control over financial reporting, we concluded that, as of December 31, 2023, our internal control over financial reporting is effective.

### ***Certain of our operations depend on joint ventures, strategic alliances and consortia, among other forms of cooperation, and our business could be adversely affected if our partners fail to observe their commitments.***

We currently operate parts of our business through joint ventures, strategic alliances and consortia with other companies. Our forecasts and plans for these joint ventures, strategic alliances and consortia assume that our partners will observe their obligations to make capital contributions, purchase products and, in certain cases, provide managerial personnel or financing. In addition, many of the projects contemplated by our joint ventures or consortia rely on financing commitments, which contain certain preconditions for each disbursement. If any of our partners fails to observe their commitments or we fail to comply with all preconditions required under our financing commitments or other partnership arrangements, the affected joint venture, consortium or other project may not be able to operate in accordance with its business plans, or we may have to increase the level of our investment to implement these plans, which could adversely affect us.

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### ***Risks associated with drilling and production could render mining projects economically unfeasible.***

Once mineral deposits are discovered, it can take a number of years from the initial phase of drilling until production is possible, during which time the economic feasibility of production may change. Substantial time and expenditures are required to:

- establish mineral reserves through drilling;
- determine appropriate mining and metallurgical processes for optimizing the recovery of metal contained in ore;
- obtain environmental and other licenses;
- construct mining and processing facilities and set up the infrastructure required for greenfield properties; and
- obtain the ore or extract the minerals from the ore.

If a mining project proves to not be economically feasible by the time we are able to profit from it, we may incur substantial losses and be obliged to record write-offs. In addition, potential changes or complications involving metallurgical and other technological processes arising during the life of a project may result in delays and cost overruns that may render the project not economically feasible.

### ***Our mineral reserves and mine life may prove inaccurate, market price fluctuations and cost changes may render certain ore reserves uneconomical to mine and we may face rising extraction costs or investment requirements over time as our reserves deplete.***

Our reported ore and limestone reserves are estimated quantities of ore and minerals that we have determined can be economically mined and processed under present and anticipated conditions to extract their mineral content. There are numerous uncertainties inherent in estimating quantities of reserves and in projecting potential future rates of mineral production, including many factors beyond our control. Reserve engineering involves estimating deposits of minerals that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and judgment. As a result, no assurance can be given that the indicated amount of ore will be recovered or that it will be recovered at the rates we anticipate. Estimates of different engineers may vary, and results of our mining production subsequent to the date of an estimate may lead to revision of estimates. Reserve estimates and estimates of mine life may require revision based on actual production experience and other factors. For example, fluctuations in the market prices of minerals and metals, reduced recovery rates or increased operating and capital costs due to inflation, exchange rates or other factors may render proven and probable reserves uneconomic to exploit and may ultimately result in a restatement of reserves.

In addition, reserves are gradually depleted in the ordinary course of our exploration activities. As mining progresses, distances to the primary crusher and to waste deposits become longer and pits become steeper. Also, for some types of reserves, mineralization grade decreases and hardness increases at increased depths. As a result, over time we may experience rising unit extraction costs with respect to each mine, or we may need to make additional investments, including adaptation or construction of processing plants and expansion of our dry tailings processes. Our exploration programs may also fail to result in the expansion or replacement of reserves depleted by current production. If we do not enhance existing reserves or develop new operations, we may not be able to sustain our current level of production beyond the remaining lives of our existing mines. See "Item 4. Information on the Company-4B. Business Overview-Our Mining Segment."

### ***Our subsidiary CSN Mineração intends to invest in the increase of the total iron ore processing capacity of its facilities and it may not necessarily complete these investments as planned and/or effectively achieve the production volume corresponding to the planned total iron ore processing capacity.***

Our subsidiary CSN Mineração included in its business plan certain investments to increase its iron ore processing capacity in the medium and long term. The expansion of its production capacity involves significant investment and expenses and may not result in the effective expansion of its iron ore production, which depends on other additional factors, including the expansion of its mineral reserves. Moreover, these investments to increase its processing capacity are subject to numerous risks inherent to mining projects.

CSN Mineração has planned investments for the expansion of its iron ore processing capacity from 42.7 million tons per year in 2023 to up to 68 million tons per year by 2028. These numbers represent expected production capacity of CSN Mineração's facilities following the implementation in full of its current business plan - not its production volume. We can provide no assurances that CSN Mineração's production volume will effectively reach 68 million tons per year by 2028.

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If CSN Mineração is unable to transform its iron ore processing capacity into effective iron ore production, it may not obtain the expected return on investments made, which may adversely affect us.

### ***Natural and other disasters, or extreme weather conditions, could disrupt our operations.***

Our mining and logistics operations are exposed to natural and other disasters, or extreme weather conditions, including as a result of climate change developments such as heavy rainfall or flooding, and these could reduce the available supply of our raw materials and increase our raw materials costs, as well as delay and otherwise disrupt our operations, including relating to logistics. We cannot foresee extraordinary climate conditions, including as a result of climate change developments (the physical risks of climate change to which we are subject), or all regulatory changes in response to climate change (the transition risks of climate change to which we are subject), as well as their full potential impact on our operations.

Additionally, we are subject to technical or physical risks including fire, power loss, water supply loss, leakages, accidents and failures in telecommunications and information technology systems, whether resulting from natural or other disasters or otherwise, any of which could disrupt our operations.

### ***Cement is a perishable product and failure to carefully store and distribute it may result in losses for our cement subsidiary and us.***

Cement is a perishable product and, as a result, must be carefully stored pursuant to applicable law and within specific parameters, and requires efficient distribution, in accordance with expiration dates. Cement requires specific care in regard to conservation and transportation, as the humidity during storage may render it unusable. Any failure in the storage and distribution process may result in loss of product and adversely affect our cement subsidiary and us.

### ***We may not be able to consummate proposed acquisitions or integrate acquired businesses successfully.***

From time to time, we may evaluate acquisition opportunities that would strategically fit our business objectives. If we are unable to consummate acquisitions or to integrate them successfully and develop these businesses to realize revenue growth and cost savings, we could be adversely affected. Acquisitions also pose the risk that we may be exposed to successor liability involving an acquired company. Due diligence conducted in connection with an acquisition, and any contractual guarantees or indemnities that we receive, may not be sufficient to protect us from, or compensate us for, actual liabilities. A material liability associated with an acquisition, including related to labor or environmental matters, could adversely affect us and reduce the expected and bargained-for benefits of the acquisition.

In addition, we may incur asset impairment charges related to acquisitions, which may reduce our profitability. Our acquisition activities may also present financial, managerial and operational risks, including diversion of management attention from existing core businesses, difficulties integrating or separating personnel, financial and other systems, failure to achieve the operational benefits that were anticipated at the time of the transaction, adverse effects on existing business relationships with suppliers and customers, inaccurate estimates of fair value made in the accounting for acquisitions and/or amortization of acquired intangible assets which would reduce future reported earnings, potential loss of customers or key employees of acquired businesses and indemnities and potential disputes with buyers or sellers. Finally, proposed acquisitions may also be subject to review from the antitrust authorities in the countries involved in the transaction, which may approve the transaction, do so subject to restrictions, including the divestment of assets, or reject it. Any of these developments or adverse regulatory decisions could adversely affect us.

### ***We may not be able to maintain adequate liquidity and our cash flows from operations and available capital may not be sufficient to meet our obligations.***

While our cash flows from operations and available capital have been sufficient to meet our current operating expenses, contractual obligations and debt service requirements to date, our liquidity, cash flows from operations and available capital may be adversely affected by the pricing environment for our products, the exchange rate environment and the effects of weak macroeconomic conditions in Brazil. We are considering certain measures to improve our liquidity and debt profile, including the potential sale of certain assets. In addition, we are negotiating the extension of certain of our credit facilities. If we are unable to successfully sell certain assets and/or extend our debt amortization profile, we may not be able to maintain adequate liquidity and our cash flows from operations and available capital may not be sufficient to meet our obligations.

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***We have experienced labor disputes in the past that have disrupted our operations, and such disputes may recur.***

A substantial number of our employees and some of the employees of our subcontractors are represented by labor unions and are covered by collective bargaining or other labor agreements, which are subject to periodic renegotiation. Strikes and other labor disruptions at any of our facilities or labor disruptions involving third parties who may provide us with goods or services have in the past and may in the future materially and adversely affect the operations of our facilities and/or the timing of completion and the cost of our projects.

***We are exposed to the risks of litigation.***

We are and may be a party to legal proceedings and judicial, administrative or arbitration claims. For certain of these legal proceedings and claims, we have not established a provision on our balance sheet or have only established provisions for part of the amounts in question, based on our external or internal counsels' judgment as to the likelihood of an outcome unfavorable to us. Although we are contesting existing proceedings and claims, the outcome of each specific proceeding and claim is uncertain and may result in obligations that could materially and adversely affect us. In addition, certain judicial or administrative proceedings may adversely affect our shareholders and holders of the ADSs, specifically their receipt of dividends.

**Risks Relating to Our Common Shares and the ADSs**

***Our controlling shareholder has the ability to direct our business and affairs and its interests could conflict with yours.***

Our controlling shareholder has the power to, among other things, elect a majority of our directors and determine the outcome of any action requiring shareholder approval, including transactions with related parties, corporate reorganizations, acquisitions, dispositions, the destination and diversification of our investments and the timing and payment of any future dividends, subject to minimum dividend payment requirements imposed by Brazilian Corporate Law. Our controlling shareholder may have an interest in pursuing acquisitions, dispositions, financings or other transactions that could conflict with your interests as a holder of our common shares or the ADSs. In addition, the interests of the members of our controlling family have not always been aligned and any conflicts that may arise may adversely affect us.

***If you surrender ADSs and withdraw common shares, you risk forfeiting Brazilian tax advantages and losing the ability to timely remit foreign currency abroad.***

As an ADS holder, you benefit from the electronic certificate of foreign capital registration obtained by the custodian for our common shares underlying the ADSs in Brazil, which allows the custodian to convert dividends and other distributions with respect to our common shares into non-Brazilian currency and remit the proceeds abroad. Pursuant to Resolution No. 4,373, dated September 29, 2014, of the Brazilian National Monetary Council (*Conselho Monetário Nacional*), or the CMN, in order for an investor to surrender ADSs for the purpose of withdrawing the common shares represented thereby and be entitled to trade the underlying common shares directly on the B3 S.A. - *Brasil, Bolsa, Balcão*, or the B3, the investor is required to appoint a Brazilian financial institution duly authorized by the Central Bank and the Brazilian Securities Exchange Commission (*Comissão de Valores Mobiliários*), or the CVM, to act as its legal representative, who is responsible, among other things, for keeping and updating the investors' certificates of registration with the Central Bank. If you surrender ADSs and withdraw common shares, you may be subject to a less favorable tax treatment on gains with respect to these investments. Moreover, if your representative fails to obtain or update the relevant certificates of registration, you may incur additional expenses or be subject to operational delays which could affect your ability to receive dividends or distributions relating to our common shares or the return of your capital in a timely manner. The custodian's certificate of registration or any foreign capital registration directly obtained by you may be affected by future legislative or regulatory changes, and we cannot assure you that additional restrictions applicable to you, the disposition of the underlying common shares or the repatriation of the proceeds from the process will not be imposed in the future. For a more complete description of Brazilian tax regulations, including any potential risks regarding the possibility that the sale or disposition of ADSs by a Non-Brazilian Holder may be subject to capital gains tax in Brazil, see "Item 10. Additional Information-10E. Taxation-Brazilian Tax Considerations."

***Holders of ADSs may not be able to exercise their voting rights.***

Holders of ADSs may only exercise their voting rights with respect to the underlying common shares in accordance with the provisions of the deposit agreement. Under the deposit agreement, ADS holders must vote by giving voting instructions to the depositary. Upon receipt of the voting instructions of the ADS holder, the depositary will vote the underlying common shares in accordance with such instructions. If we ask for voting instructions, the depositary will notify ADS holders of the upcoming vote and will arrange to deliver the notice of the upcoming vote. We cannot assure that ADS holders will receive the notice in time to ensure that they can instruct the depositary to vote. In addition, the depositary and its agents are not liable for failing to carry out voting instructions or for the manner in which they do so.



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As determined by Brazilian Corporate Law, the first notice of a shareholders' meeting must be given at least 21 days prior to holding the meeting. However, CVM rules require that companies whose shares are also represented by ADSs must convene a shareholders' meeting no later than 30 days in advance. When a shareholders' meeting is convened, holders of ADSs may not receive sufficient advance notice to surrender their ADSs in exchange for the underlying common shares in time to allow them to vote with respect to any specific matter. As a result, holders of ADSs may not be able to exercise their voting rights.

### ***The relative volatility and illiquidity of the Brazilian securities markets may substantially limit your ability to sell the common shares underlying the ADSs at the price and time you desire.***

Investing in securities that trade in emerging markets, such as Brazil, often involves greater risk than investing in securities of issuers in the United States and other developed countries, and such investments are generally considered to be more speculative in nature. The Brazilian securities market is substantially smaller, less liquid, more concentrated and can be more volatile than major securities markets in the United States and other developed countries. There is also significantly greater concentration in the Brazilian securities market than in major securities markets in the United States and other developed countries. The ten largest companies in terms of market capitalization represented 46.4% of the aggregate market capitalization of the B3 as of December 31, 2023. Although you are entitled to withdraw the common shares underlying the ADSs from the depository at any time, your ability to sell the common shares underlying the ADSs at the price and time you wish may be substantially limited.

### ***Holders of ADSs may be unable to exercise preemptive rights with respect to our common shares.***

We may not be able to offer our common shares to U.S. holders of ADSs pursuant to preemptive rights granted to holders of our common shares in connection with any future issuance of our common shares unless a registration statement under the Securities Act is effective with respect to such common shares and preemptive rights, or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement relating to preemptive rights with respect to our common shares or to undertake steps that may be needed to find available exemptions from registration, and we cannot assure you that we will file any such registration statement or take any such steps. If such a registration statement is not filed and an exemption from registration is not available the depository of the ADSs may attempt to sell the preemptive rights, and you will be entitled to receive the proceeds of such sale. However, these preemptive rights will expire if the depository does not sell them, and U.S. holders of ADSs will not realize any value from the granting of such preemptive rights. Moreover, U.S. holders of ADSs representing our common shares, pursuant to the deposit agreement, are deemed to recognize that all preemptive and similar rights with respect to the ADSs have been validly waived. For a more complete description of preemptive rights, see "Item 10. Additional Information-10B. Memorandum and Articles of Association-Description of Capital Stock--Preemptive Rights."

### ***A decrease in our market capitalization may increase volatility in the trading price of our common shares and the ADSs.***

In recent years, our market capitalization has been volatile, resulting in increased volatility in the trading price of our common shares and the ADSs. Any decrease in our market capitalization may further increase this volatility. If the trading price of the ADSs drops below the levels required by the listing standards of the New York Stock Exchange, or the NYSE, we may be required to do a reverse stock split or a ratio change of the number of common shares per ADS in order to regain compliance with the NYSE's listing standards.

The trading price of the ADSs increased in 2023 and, as of December 31, 2023, presented a variation of 42.4%, as compared to their trading price as of December 31, 2022.

**Item 4. Information on the Company**

**4A. History and Development of the Company**

Companhia Siderúrgica Nacional is a Brazilian corporation (*sociedade por ações*) incorporated in 1941 pursuant to a decree of Brazilian president Getúlio Vargas. The Presidente Vargas Steelworks, located in the city of Volta Redonda, in the state of Rio de Janeiro, began its production of coke, pig iron and steel products in 1946, when we also incorporated the Casa de Pedra mine, located in the city of Congonhas, state of Minas Gerais, and the Arcos mine, located in the city of Arcos, state of Minas Gerais. The Casa de Pedra mine assures us self-sufficiency in iron ore and the Arcos mine provides limestone and dolomite.

We were privatized through a series of auctions held in 1993 and early 1994, through which the Brazilian government sold its 91% ownership interest.

Between 1993 and 2002, we implemented a capital improvement program aimed at increasing our annual production of crude steel, improving the quality of our products, and enhancing our environmental protection and cleanup programs. As part of these investments, since February 1996, all our production involves continuous casting, which requires lower energy use and results in decreased metal loss as compared to ingot casting. From 1996 until 2002, we invested the equivalent of US\$2.4 billion in our capital improvement program and on maintaining our operational capacity, culminating with the renovation of our blast furnace no. 3 at the Presidente Vargas Steelworks and Hot Strip Mill No. 2 in 2001.

In 2006, we acquired Lusosider Aços Planos S.A., or Lusosider, the only Portuguese company in the steel sector to produce cold-rolled flat steel, with an anti-corrosion coating. Lusosider has an installed capacity of approximately 550,000 tons per year to produce four large groups of steel products: galvanized sheet, cold-rolled sheet, pickled sheet, and oil-coated sheet. The products manufactured by Lusosider may be used in the packaging industry, civil construction (tubes and metallic structures) and in components for home appliances.

In 2005, we acquired Estanho de Rondônia S.A., or ERSa, located in the city of Ariquemes, in the state of Rondônia, which mines and casts tin. The tin is used in the manufacture of tinplate, a coating with high added value and used in packaging. As of the date of this annual report, we are the only manufacturer of this product in Brazil and one of the five largest in the world.

In 2007, we started to sell iron ore in the seaborne market. Today, we, through our subsidiary CSN Mineração, are an important exporter of iron ore, drawing from the high-quality iron ore reserves in the Casa de Pedra and Engenho mines, located in the state of Minas Gerais. CSN Mineração holds the concession to operate the Terminal de Carvão, or TECAR, a solid bulks terminal located in Itaguaí Port in the state of Rio de Janeiro.

In 2009, we entered the cement market with our first grinding mill, in the Presidente Vargas Steelworks in Volta Redonda, in the state of Rio de Janeiro, taking advantage of the synergies of the cement business with our steel business.

In order to diversify our product portfolio, we entered the long steel market in 2012, with the acquisition of Stahlwerk Thüringen GmbH, or SWT, a long steel manufacturer located in Unterwellenborn, Germany.

In addition, we installed a new plant for production of long steel products at Volta Redonda, which began operations in December 2013. The plant consists of an electric arc steelmaking furnace, continuous casting for billets and a hot rolling mill for round section long products. This plant provides the domestic Brazilian market with rebar for civil construction and wire rod for industrial and civil construction.

In 2015, we inaugurated two new grinding mills and, in 2016, we concluded a new 6,500 tons per day kiln line in Arcos, state of Minas Gerais, reaching an aggregate annual capacity of 4.7 million tons in our cement plants and full independence for clinker in the production of cement.

In June 2018, we sold Heartland Steel Processing, LLC (formerly Companhia Siderúrgica Nacional, LLC) to Steel Dynamics, Inc. for US\$400.0 million. We continue our commercial import and distribution activities in the North American market through our U.S. subsidiary Companhia Siderúrgica Nacional, LLC.

In 2019, investments of approximately R\$250.0 million in the maintenance of blast furnace no. 3 increased its steel production capacity by 500,000 tons per year. In the same year, we acquired 100% of the shares of Companhia Brasileira de Serviços de Infraestrutura, or CBSI. CBSI is a provider of industrial equipment recovery and maintenance services, civil maintenance, industrial cleaning, and product logistics preparation. In the year ended December 31, 2023, CBSI's net revenue was R\$900.0 million.

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In 2020, we invested R\$848.0 million in our steel segment, R\$710.0 million in our mining segment and approximately R\$140.0 million in our other segments. In early 2021, CSN Mineração completed its initial public offering, and its shares are now traded on the B3.

In 2021, we reached historically high net revenue and EBITDA, mainly due to favorable commodity prices. In 2021 and 2022, we took advantage of the following acquisition opportunities: in our cement segment, Elizabeth Cimentos S.A. and Elizabeth Mineração Ltda., which operate in the Northeast region of Brazil, and LafargeHolcim (Brasil) S.A., as a result of which we are, as of the date of this annual report, the second largest cement producer in Brazil, with a total installed capacity of 17 million tons per year; in our steel segment, Metalgráfica Iguaçu S.A., or Metalgráfica, which, operates in Ponta Grossa, in the state of Paraná, and Goiânia, in the state of Goiás, produces steel cans for the national and international market of metal food packaging, as a strategic step to expand the production capacity of our packaging division; and, in our energy segment, Santa Ana Energética S.A., Topázio Energética S.A. and Companhia Energética Chapecó, or CEC, each of which holds concessions for hydroelectric power plants, and Companhia Estadual de Geração de Energia Elétrica, or CEEE-G, which holds concessions for hydroelectric power plants and greenfield wind power plant projects. These acquisitions collectively provide us with enhanced energy independence in our operations, and with an energy surplus.

In 2023, after completing and integrating our energy acquisitions, we achieved self-sufficiency in energy and managed to capture the benefits of self-production, with a significant reduction in the cost of energy in all our segments by allowing exemption from payment of part of the sectoral charges and taxes incidents.

### **General**

We are one of the largest fully integrated steel producers in Brazil and Latin America in terms of crude steel production. We operate throughout the entire steel production chain, from the mining of iron ore to the production and sale of a diversified range of high value-added steel products. We divide our business into five segments: steel, mining, cement, logistics and energy.

### **Steel**

Our steel segment comprises a portfolio of diverse products and provides us an international footprint by means of our international subsidiaries and our exports from Brazil. In our flat steel segment, we are an almost fully integrated steelmaker. Our main industrial facility, Presidente Vargas Steelworks, produces a broad line of steel products, including slabs, hot- and cold-rolled, galvanized and tin mill products for the distribution, packaging, automotive, home appliance and construction industries.

Our production process is based on the integrated steelworks concept. Our current annual crude steel capacity and rolled product capacity at Presidente Vargas Steelworks is, in each case, 5.4 million tons.

We obtain all of our iron ore (except for pellets), limestone and dolomite requirements, and a portion of our tin requirements, from our own mines. Using imported coal, we produce approximately 27.3% of our coke requirements at current production levels in our own coke batteries at Volta Redonda. Imported coal is also pulverized and used directly in the pig iron production process. Zinc, manganese ore, aluminum and a portion of our tin requirements are purchased in local markets. Our steel production and distribution processes also require water, industrial gases, energy, rail and road transportation and port facilities.

In addition, we have an annual production capacity of approximately 330,000 tons of galvanized steel products, operated through our subsidiary Lusosider in Portugal, and an annual production capacity of approximately 1.1 million tons of steel products operated through SWT in Germany.

We own and operate a plant in Volta Redonda for production of long steel products. The plant consists of an electric arc steelmaking furnace, continuous casting for billets and a hot rolling mill for round section long products - wire rod and rebar.

### **Mining Activities**

We own a number of high quality iron ore mines, strategically located within Brazil's "Iron Ore Quadrangle" (*Quadrilátero Ferrífero*) in the state of Minas Gerais, including the Casa de Pedra and Engenho mines, located in the city of Congonhas, pertaining to our subsidiary CSN Mineração, and the Fernandinho mines, located in the city of Itabirito, and the Cayman and Pedras Pretas mining rights, located in the city of Rio Acima and the city of Congonhas, respectively, pertaining to our wholly owned subsidiary Minérios Nacional S.A., or Minérios Nacional.

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Our mining assets also include the solid bulks cargo terminal TECAR, in the state of Rio de Janeiro, which pertains to CSN Mineração, and Estanho de Rondônia S.A., or ERSÁ, located in the city of Ariquemes, in the state of Rondônia, which mines and casts tin.

We sold 28.3 million tons, 29.2 million tons and 39.2 million tons of iron ore to third parties in 2021, 2022 and 2023, respectively.

### **Cement**

We entered the cement market in 2009 in order to take advantage of the synergy potential with our steelmaking business. Our cement operations use as inputs slag generated by our blast furnaces at Volta Redonda and limestone from our limestone reserves in our Bocaina mines, which is used to produce clinker. Slag and clinker are the main inputs in cement production.

In 2015, we inaugurated two grinding mills and, in 2016, we concluded the construction of a new kiln line with a capacity of 6,500 tons per day, reaching an aggregate capacity of 4.7 million tons per year of cement production including our Volta Redonda and Arcos plants.

In August 2021, our cement subsidiary, CSN Cimentos, acquired Elizabeth Cimentos S.A. and Elizabeth Mineração Ltda., which operate in the Northeast region of Brazil. This acquisition increased our annual cement production capacity by 1.3 million tons, from 4.7 million tons to 6.0 million tons.

In September 2022, our cement subsidiary, CSN Cimentos, acquired LafargeHolcim (Brasil) S.A., and began operating in the concrete and aggregates markets in the Southeast region of Brazil. This acquisition added 11 million tons of cement per year to our production capacity, bringing our total production capacity to 17.0 million tons of cement per year, by means of plants strategically located in the Southeast, Northeast and Midwest regions of Brazil, as well as substantial high-quality limestone reserves. Following this acquisition, CSN Cimentos is the second largest cement producer in Brazil.

We plan to further increase our market share in the cement segment in Brazil in order to diversify our product mix and markets, which will allow us to reduce our risk exposure.

### **Energy**

Steelmaking requires significant amounts of electrical energy to power rolling mills, production lines, hot metal processing, coking plants, cryogenic plant and auxiliary units. In 2023, our Presidente Vargas Steelworks consumed approximately 2.69 million MWh of electrical energy.

Cement production also requires significant amounts of electrical energy and, as a result of the expansion of our cement operations over the last few years, the energy needs of our cement segment represent a larger share of our energy demand. Our acquiree, LafargeHolcim (Brasil) S.A., provides 3.4 MW of installed capacity annually from a hydroelectric power plant.

Mining operations require electrical energy principally for crushing and excavation. In 2023, our mining operations at Casa de Pedra consumed 318,413 MWh of electrical energy.

Our main source of electrical energy in the steel business is our thermoelectric co-generation power plant at the Presidente Vargas Steelworks, which is fueled by gas from the steel production process, with 267 MW of installed capacity. In addition, as of the date of this annual report, we hold a 29.50% equity interest in the Itá hydroelectric facility in the state of Santa Catarina, through a 48.75% equity interest in ITASA and a 17.92% equity interest in the Igarapava hydroelectric facility. Through these equity interests, we have secured an average of 185 MWavg in annual power supply for our operations under power purchase agreements at a fixed price per megawatt average, or MWavg, per hour, adjusted annually for inflation according to ITASA's board decision and 22.9 MWavg at a cost price of the annual generation of Igarapava's hydroelectric power plant.

Since 2022, we operate SHG Santa Ana, SHG Sacre II and HPP Quebra Queixo (Santa Ana Energética S.A., Brasil Central Energia LTDA., and CEC - Companhia Energética Chapecó, respectively), which hold concessions for hydroelectric power plants, and CEEE-G, which holds concessions for hydroelectric power plants and greenfield wind power plant projects. Currently, we are self-sufficient in energy production and we sell the excess energy we generate in the market on a spot basis.

### **Logistics**

Our vertical integration strategy and the synergies among our business units are strongly dependent on the logistics needed to guarantee the transportation of inputs at low cost. A number of railways and port terminals comprise the logistics system that integrates our mining, steelmaking and cement units.

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We operate a port terminal for containers, TECON at Itaguaí Port, in the state of Rio de Janeiro, and CSN Mineração operates TECAR.

We also have the following participation in three railways: (i) we share control in MRS, which operates in the Southeast region of the federal railway system, along the Rio de Janeiro - São Paulo - Belo Horizonte axis; (ii) we have an interest in joint venture TLSA, which has a concession to construct and operate the Northeastern Railway System II; and (iii) we control Ferrovia Transnordestina Logística S.A., or FTL, which operates the Northeastern Railway System I.

## **Recent Developments**

### ***Issuance of Notes***

In February 2024, CSN Resources S.A. issued additional US\$200.0 million in aggregate principal amount of 8.875% senior notes due 2030, which were initially issued on December 5, 2023. The notes are guaranteed by us and were consolidated and formed a single fungible series with the issuer's US\$500.0 million in aggregate principal amount of 8.875% notes due 2030 initially issued on December 5, 2023. For more information on the first issuance of the notes, see "Item 5. Operating and Financial Review and Prospects--5B. Liquidity and Capital Resources--Sources of Funds and Working Capital--Debt Maturity Profile."

### ***Category Change and Share Redemption***

In February 2024, CEEE-G approved the redemption and cancellation of 98,375 shares, of which 41,896 were common shares and 56,479 were preferred shares issued by CEEE-G, without changing our share capital.

### ***Debentures***

In April 2024, we approved the issuance of non-convertible debentures, up to two series, in an aggregate principal amount of R\$800.0 million. The debentures have a 10-year and a 15-year final tenor, respectively, with interest rate of IPCA *plus* a fixed percentage *per annum*, to be priced on or about May 6, 2024.

### ***New import tariff***

In April 2024, the executive committee for management, approved the inclusion of eleven steel items (including four hot rolled, two cold rolled, hot deep galvanized, galvalume, wire-rod and two tubes items) on a list to raise the import tax to 25% and established import volume quotas, implying that the tariff will only increase by 25% once the established quotas are exceeded. The method to calculate quotas is the average imports from 2020 to 2022 for each tariff code number of The Southern Common Market, or Mercosul, with an additional 30%. The measure is effective for twelve months and will be overseen by the Ministry of Industry, Foreign Trade, and Services (*Ministério do Desenvolvimento, Indústria, Comércio e Serviços*), or MDIC.

## **Other Information**

Our legal and commercial name is Companhia Siderúrgica Nacional. We are organized under the laws of the Federative Republic of Brazil with head offices located at Av. Brigadeiro Faria Lima, 3400, 19<sup>th</sup> and 20<sup>th</sup> floors, Itaim Bibi, São Paulo, Brazil, CEP 04538-132, and our telephone number is +55 (11) 3049-7100. Our agent for service of process in the United States is Cogency Global Inc., located at 122 East 42<sup>nd</sup> Street, 18<sup>th</sup> Floor, New York, New York 10016. Our website is [www.csn.com.br](http://www.csn.com.br). Information contained on our website is not incorporated by reference in, and shall not be considered a part of, this annual report. The U.S. Securities and Exchange Commission, or the SEC, maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including our filings, at <http://www.sec.gov>.

## **4B. Business Overview**

### **Competitive Strengths**

We believe that we have the following competitive strengths:

***Integrated business model.*** We are a highly integrated steelmaker and we believe this integration supports resilient and profitable operations. Our integrated business model comprises our captive sources of raw materials, principally iron ore, and our infrastructure, including railways and deep-water port facilities. In terms of raw materials, we own a number of high-quality iron ore mines, strategically located within Brazil's "Iron Ore Quadrangle," which distinguishes us from our main competitors in Brazil who are required to purchase all or a portion of their iron ore from mining companies.

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**Strong presence in domestic market and strategic international exposure for steel products.** We have a strong presence in the Brazilian market for steel products, with a market share in 2023 of approximately 24% of the domestic flat steel market. In addition, through our international subsidiaries, we sell our flat steel products in the United States and in Europe, which aggregate sales accounted for approximately 19.7% of our total flat steel sales in 2023. In 2012, we acquired SWT, a long steel producer in Germany with annual production capacity of approximately 1.1 million tons of steel profiles, strengthening our steel products mix and geographical diversification. In 2023, SWT accounted for 70.1% of our total long steel sales, representing 594,657 tons.

**Diverse product portfolio and product mix.** We have a diversified flat steel product mix that includes hot-rolled, cold-rolled, galvanized and tin mill products, in order to meet a wide range of customer needs across all steel-consuming industries. We focus on selling high-margin products, including tin-coated, pre-painted, *Galvalume*® and galvanized products. *Galvalume*® is a registered trademark owned by BIEC International Inc. or its affiliates. Our galvanized products provide material for exposed auto parts, using hot-dip galvanized steel and laser-welded blanks. Our CSN Paraná branch provides us with additional capacity to produce high-quality galvanized, *Galvalume*® and pre-painted steel products for the construction and home appliance industries. In addition, our distribution subsidiary, Prada, provides a strong sales channel in the domestic market, enabling us to meet demand from smaller customers and to establish an important presence in this market.

**Profitable mining business.** We have invested significantly in our mining business, placing us in a prominent position among the world's leading iron ore players. Further mining expansions will enable us to expand our product portfolio and total output, increasing our presence in seaborne markets.

We have high-quality iron ore reserves in Casa de Pedra, Engenho, Fernandinho and other mines, all located in the state of Minas Gerais. Our mining activities are an important contributor to our EBITDA. We sold 33.2 million tons in 2021, 33.3 million tons in 2022 and 42.7 million tons in 2023. Our mining business also includes TECAR, a solid bulks terminal at Itaguaí Port in the state of Rio de Janeiro, with a capacity to handle (i) shipments of 45 million tons per year of iron ore and (ii) landings of 4.0 million tons per year.

**Second largest player in Brazilian cement market.** Following our strategic acquisitions in the Brazilian cement market in 2021 and 2022, as part of which we now own Elizabeth Cimentos S.A. and LafargeHolcim (Brasil) S.A., we are the second largest player in the Brazilian cement market with an installed capacity of 17.0 million tons, seven integrated plants, six grinding and mixing plants and 21 distribution centers throughout Brazil, in each case as of December 31, 2023. Our cement segment further diversifies our business model and permits us to use by-products of our other operations as inputs in our cement production.

**Energy generation.** We are self-sufficient in energy production and we sell excess energy we generate in the energy market on a spot basis. We generate power through our hydroelectric facilities, as well as our thermoelectric plant located inside Presidente Vargas Steelworks, which allow us to benefit from reduced energy tariffs.

Since 2022, we operate Santa Ana Energética S.A., Brasil Central Energia Ltda. and CEC, which hold concessions for hydroelectric power plants, and CEEE-G, which holds concessions for hydroelectric power plants and greenfield wind power plant projects.

**Thoroughly developed transport infrastructure.** We have a thoroughly developed transport infrastructure, connecting our iron ore mines to our steel mills and to the port terminals we operate. Our Presidente Vargas Steelworks facility is located next to railway and port systems, which facilitates its supply of raw materials, product shipments and access to our main customers. Our steelworks are close to the main steel consumer centers in Brazil, with easy access to port facilities and railways. The concession for the main railway we use and operate is owned by MRS, in which we hold, directly and indirectly, as of December 31, 2023, a total of 33.7% ownership interest. The railway connects our Casa de Pedra mine to the Presidente Vargas Steelworks and to our terminals at Itaguaí Port, which handle our iron ore exports and most of our steel exports, as well as our imports of coal and metallurgical coke.

**Low-cost structure.** As a result of our fully integrated business model, our thoroughly developed transportation infrastructure and our energy generation, we have been consistently generating high margins compared to peer companies in both the steel, mining and cement segments. Other factors that lead to our low-cost structure include the strategic location of our steelworks facility along with our low-cost, skilled workforce.

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### **Our Strategies**

Our goal is to make the most of our high-quality product portfolio, low-cost production and diverse consumer market to preserve our position as one of the world's lowest-cost steel producers and as a global player in the mining of iron ore, increase our cement segment's market share and optimize our infrastructure assets, including ports, railways and power generating plants, which support our high integration and low-cost structure. To achieve these goals, we have developed specific strategies for each of our business segments, as described below.

#### **Steel**

The strategy for our steel business comprises:

- Focus on the domestic market, by increasing market share in the flat steel segment and long steel market;
- Emphasis on high-margin coated steel products, such as galvanized, Galvalume®, pre-painted and tin plate;
- Investments in technology startups and other disruptive companies through our subsidiary CSN Inova Ventures, in order to foster innovation and efficiency;
- Geographical diversification through our flat and long steel facilities abroad and our focus on diversifying our exports through, among others, coated steels;
- Constant pursuit of operational excellence by developing and implementing cost reduction projects, including energy efficiency, and process review programs, including internal logistics optimization, project development and implementation discipline;
- Exploring marketing and commercial synergies through our flat steel distribution network and product portfolio to accelerate our entrance into the domestic long steel market;
- Increased customized services and distribution abilities through our expanding distribution network; and
- Investments to decarbonize our operations through the implementation of projects that aim to improve our operational efficiency and to develop new technologies.

#### **Mining**

In order to strengthen our position in the iron ore market, we plan to invest in our mining assets, including through CSN Mineração, to generate low operational costs and long-term growth opportunities.

In the coming years, we expect to reach an annual shipment level of over 68 million tons per year of iron ore products, including third-party products, by increasing mine capacities, including Casa de Pedra, and developing export services for third-party producers. In the short-term, our focus is to adapt our products to market demands with optimal margins without affecting the balance of supply and demand in the transoceanic market. To sustain this growth, we plan to increase TECAR's capacity from 45 million tons per year in 2023 to 60 million tons per year in 2028. For more information on risks relating to iron ore price volatility, see "Item 3. Key Information--3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-We are exposed to substantial changes in the demand for steel and iron ore, which significantly affect the prices of our products and may adversely affect us."

This expansion will be funded by CSN Mineração's financings. For more information on CSN Mineração's financings, see "Item 5. Operating and Financial Review and Prospects-5B. Liquidity and Capital Resources-Sources of Funds and Working Capital-Debt Maturity Profile" and future issuances of debentures or other debt instruments.

To maximize the profitability of our product portfolio, we are focused on increasing our output of high-quality pellet feed with Itabirite deposits and investing with strategic partners and customers in providing pellet feed to pellet producers.

#### **Cement**

We have invested heavily in our cement business and completed two important acquisitions in the last two years: Elizabeth Cimentos S.A., together with Elizabeth Mineração Ltda., in 2021 and LafargeHolcim (Brasil) S.A. in 2022. These acquisitions allowed us to become the second largest player in the Brazilian cement market with an installed capacity of 17.0 million tons, seven integrated plants, six grinding and mixing plants and 21 distribution centers throughout Brazil, in each case as of December 31, 2023.

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We intend to further consolidate the Brazilian cement market. Our cement business strategy looks to increased production and competitiveness, portfolio diversification and capillarity expansion by means of greenfield and brownfield projects, as well as possible acquisition opportunities. We are also working to reduce the greenhouse gas emissions of our cement operations, mainly through the implementation of projects to improve our operational efficiency, the use of alternative fuels and biomass, and the development and use of new disruptive technologies related to carbon capture and use.

In addition, we expect favorable market perspectives in upcoming years due to a robust pipeline of infrastructure projects and higher industry utilization rates, each of which we expect will sustain cement consumption and favorable pricing in Brazil. The focus of our cement sales strategy is on the retail segment, which operates with a low level of inventory and for which our distribution centers provide a competitive advantage.

### **Energy**

We intend to continue to take advantage of certain acquisition opportunities in our energy segment to increase our clean energy generation volume to support the operations and expansion of our other segments, the growth of the energy segment and to replace concessions that will expire in the near future.

The operations in our energy segment provide us with autonomy in meeting our energy needs. Additionally, we sell our excess energy to the market at prevailing spot prices.

### **Logistics**

We expect to expand our logistics capabilities, which comprise our integrated infrastructure operations of railways and ports, in order to increase the transportation efficiency of both our incoming raw materials and distributed products. We will continue to improve our product delivery in the Brazilian market (mainly steel and cement) by implementing low-cost measures, increasing our use of rail transportation and providing more distribution centers to reach end-customers.

In addition to our bulk terminal TECAR, our TECON container terminal has a capacity of 660,000 twenty-foot equivalent units, or TEUs, per year.

In terms of railways, we are developing the TLSA project, which focuses on iron ore, agricultural commodities, gypsum and fuel. We also plan to invest in increased efficiency and capacity in the South of Brazil through our participation in MRS. Because MRS will primarily use its own operating income and other funding strategies to invest in its expansion projects, these investments will not require material capital expenditures by us.

### **Investments and Divestitures**

In addition to our planned investments and capital expenditures, we continue to evaluate acquisition opportunities, as well as joint ventures and brownfield or greenfield projects, to improve our steel, mining and cement cost competitiveness and production, along with our energy generation, logistics capabilities and infrastructure.

We also continue to evaluate business opportunities in order to improve our liquidity position in the short- to medium-term, including in the form of streaming transactions related to our iron ore business and the sale of our investment in Usinas Siderúrgicas de Minas Gerais S.A., or Usiminas.

### **Acquisition Activity**

#### *Panatlântica S.A.*

In October 2023, we acquired, at a total price of R\$150.0 million, an 18.6% equity interest in Panatlântica S.A. As a result of this transaction, as of the date of this annual report, we hold a total equity interest of 29.9%. Panatlântica S.A. is headquartered in Gravataí, state of Rio Grande do Sul, and is active in the industrialization, trade, import, export and processing of steel and metals, both ferrous and non-ferrous, coated and uncoated. This investment is part of our strategy to increase the competitiveness of our steel segment by strengthening our distribution channels and the services we provide to our customers.



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### *Consideration of Acquisition Opportunity in Cement Segment*

In November 2023, we hired a financial adviser to evaluate the assets of InterCement Participações S.A., or InterCement, with the purpose of assessing opportunities to enhance our participation in the cement segment. In February 2024, we made an offer for the acquisition of the assets of InterCement in the context of an on-going competitive process. The confidential terms include a series of conditions precedent to the definition of any potential transaction, including the negotiation and execution of a final binding agreement. As of the date of this annual report, we have not reached a final agreement with the sellers of InterCement. While we may reach an agreement to acquire all or a portion of the assets of InterCement at any time following this annual report, no assurance can be given that we will consummate such acquisition. In the event that we decide to proceed with the acquisition of InterCement, we may incur additional debt to fund this acquisition, which may significantly increase our leverage.

For more information, see “Item 3. Key Information-3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-We may not be able to consummate proposed acquisitions or integrate acquired businesses successfully.”

### **Joint Ventures, Strategic Alliances and Consortia**

We currently operate parts of our business through joint ventures, strategic alliances and consortia with other companies. We have, among others: (i) a strategic alliance with an Asian consortium at our controlled investee CSN Mineração to mine iron ore; (ii) a concession jointly held with other Brazilian steel and mining companies at MRS Logística S.A., or MRS, to explore railway transportation in the Southeastern region of Brazil; (iii) a concession jointly held with certain Brazilian governmental entities at Transnordestina Logística S.A., or TLSA, to explore railway transportation in the Northeastern region of Brazil; (iv) a joint venture with Engie Brasil Energia S.A., or Engie Brasil, and Companhia de Cimento Itambé, or Itambé, at Itá Energética S.A., or ITASA, to produce electrical energy; (v) an energy consortium with Aliança, L.D.R.S.P.E. Geração de Energia e Participações Ltda. and AngloGold; (vi) a consortium with CSN Cimentos Brasil S.A. for self-production of electrical energy, called Consórcio Itaúba; and (vii) a consortium with Elizabeth Cimentos S.A., CSN Mineração and Minérios Nacional S.A. for operation and maintenance of the Passo Real Hydroelectric Plant and self-production of electrical energy.

### **Description of our Operating Segments**

#### *Our Steel Segment*

We produce carbon steel, which is the world’s most widely produced type of steel, representing the vast bulk of global consumption. From carbon steel, we sell a variety of products, both domestically and abroad, to manufacturers in several industries.

#### *Flat Steel*

Our Presidente Vargas Steelworks produces flat steel products, which comprise slabs, hot-rolled, cold-rolled, galvanized and tin mill products. For more information on our flat steel production process, see “-Production Output.”

#### *Slabs*

Slabs are semi-finished products used for processing hot-rolled, cold-rolled or coated coils and sheet products. We are able to produce continuously cast slabs with a standard thickness of 250 millimeters, widths ranging from 830 to 1,600 millimeters and lengths ranging from 5,250 to 10,500 millimeters. We produce high, medium and low carbon slabs, as well as micro-alloyed, ultra-low-carbon and interstitial free slabs. The slabs are then slit and finished, generating blooms which are delivered to the long products plant.

#### *Hot-Rolled Products*

Hot-rolled products include heavy and light-gauge hot-rolled coils and sheets. A heavy gauge hot-rolled product, as defined by Brazilian standards, is a flat-rolled steel coil or sheet with a minimum thickness of 5.01 millimeters. We are able to provide coils of heavy gauge hot-rolled sheet with a maximum thickness of 12.70 millimeters used to manufacture automobile parts, pipes, structural beams and other construction products. We produce light gauge hot-rolled coils and sheets with a minimum thickness of 1.20 millimeters, which are used for welded pipe and tubing, automobile parts, gas containers, compressor bodies and light cold-formed shapes, channels and profiles for the construction industry.

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### *Cold-Rolled Products*

Cold-rolled products include cold-rolled coils and sheets. A cold-rolled product, as defined by Brazilian standards, is a flat cold-rolled steel coil or sheet with thickness ranging from 0.30 millimeters to 3.00 millimeters. Cold-rolled products have more uniform thickness and better surface quality when compared to hot-rolled products and their main applications are automotive parts, home appliances and construction. We supply cold-rolled coils with thickness ranging from 0.30 millimeters to 2.99 millimeters.

### *Galvanized Products*

Galvanized products comprise flat-rolled steel coated on one or both sides with zinc or a zinc-based alloy applied by either a hot-dip or an electrolytic process. We use the hot-dip process, which is approximately 20% less expensive than the electrolytic process. Galvanizing is one of the most effective and low-cost processes used to protect steel against corrosion caused by exposure to water and the atmosphere. Galvanized products are highly versatile and can be used to manufacture a broad range of products, such as:

- automobiles, trucks and bus bodies;
- manufactured products for the construction industry, such as panels for roofing and siding, dry wall and roofing support frames, doors, windows, fences and light structural components;
- air ducts and parts for hot air, ventilation and cooling systems;
- culverts, garbage containers and other receptacles;
- storage tanks, grain bins and agricultural equipment;
- panels and sign panels; and
- pre-painted parts.

Galvanized sheets, both painted and bare, are also frequently used for gutters and downspouts, outdoor and indoor cabinets and home appliances, among others. We produce galvanized sheets and coils in continuous hot-dip processing lines, with thickness ranging from 0.30 millimeters to 3.00 millimeters. The continuous process allows for products with highly adherent and uniform zinc coatings capable of being processed in nearly all kinds of bending and forming machinery.

We produce *Galvanew* in addition to standard galvanized products. *Galvanew* is produced by an additional annealing cycle just after the zinc hot-dip coating process. This annealing process causes iron to diffuse from the base steel into the zinc coating. The resulting iron-zinc alloy coating allows better welding and paint performance. The combination of these qualities makes our *Galvanew* product particularly well suited for manufacturing automobile and home appliance parts, including high gloss exposed parts.

At CSN Paraná, one of our branches, we produce *Galvalume*®, a continuous Al-Zn coated material. Although the production process is similar to hot-dip galvanized coating, *Galvalume*® has at least twice the corrosion resistance of standard galvanized steel. *Galvalume*® is primarily used in outdoor construction applications that may be exposed to severe acid corrosion, like marine uses.

The value added from the galvanizing process permits us to price our galvanized products with a higher margin. Our management believes that our expertise in value-added galvanized products presents one of our best opportunities for profitable growth because of the increase in Brazilian demand for these products.

Through CSN Paraná, we also produce pre-painted flat steel, which is manufactured in a continuous painting line. In this production line, a layer of resin-based paint in a choice of colors is deposited over either cold-rolled or galvanized base materials. Pre-painted material is a higher value-added product used primarily in the construction and home appliance markets.

### *Tin Mill Products*

Tin mill products consist of flat-rolled low-carbon steel coils or sheets with, as defined by Brazilian standards, a maximum thickness of 0.45 millimeters, coated or uncoated. We apply coatings of tin or chromium by electrolytic process. Coating costs place tin mill products among our highest priced products. The added value from the coating process permits us to price our tin mill products at a higher margin. There are four types of tin mill products, all produced by us in coil and sheet forms:

- *Tin plate*: coated on one or both sides with a thin metallic tin layer *plus* a chromium oxide layer, covered with a protective oil film;

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- *Tin free steel*: coated on both sides with a very thin metallic chromium layer *plus* a chromium oxide layer, covered with a protective oil film;
- *Low tin coated steel*: coated on both sides with a thin metallic tin layer *plus* a thicker chromium oxide layer, covered with a protective oil film; and
- *Black plate*: uncoated product used as the starting material for the coated tin mill products.

Tin mill products are primarily used to make cans and other containers. With six electrolytic coating lines, we are one of the largest producers of tin mill products in the world and the sole producer of coated tin mill products in Brazil.

### Quality Management System

We maintain a quality management system that is certified to comply with the International Standardization Organization, or ISO, 9001:2015 standard and the automotive industry's International Automotive Task Force, or IATF, standard 16949:2016. ISO 9001:2015 is for the design and manufacture of slabs, blooms, billets, hot-rolled flat, pickled and oiled, cold-rolled and galvanized steel, tin mill products and long steel products; and IATF 16949:2016, third edition, is for the manufacture of hot-rolled flat, pickled and oiled steel products, cold-rolled and galvanized steel products. In addition, as a manufacturer and supplier of products for the food packaging industry, we hold the food safety management system certification, or FSSC 22000, recognized by the Global Food Safety Initiative. Moreover, we are committed to customer satisfaction, constantly seeking to optimize our production processes based on three pillars: (i) quality management, (ii) alignment between strategies, and (iii) continuous process improvement.

### Production Output

The following table sets forth the aggregate annual production of crude steel in Brazil and by us, and the percentage of Brazilian production attributable to us for the periods indicated:

|      | Brazil | CSN | CSN as % of Brazil |
|------|--------|-----|--------------------|
| 2021 | 36.0   | 4.0 | 11.1%              |
| 2022 | 33.9   | 3.6 | 11.2%              |
| 2023 | 31.9   | 2.9 | 9.1%               |

Source: Brazilian Steel Institute (*Instituto Aço Brasil*), or IABr.

The following table sets forth selected operating statistics for the periods indicated:

|                              | 2021                  | 2022 | 2023 |
|------------------------------|-----------------------|------|------|
|                              | (in millions of tons) |      |      |
| <b>Production of:</b>        |                       |      |      |
| Molten steel                 | 4.2                   | 3.7  | 3.0  |
| Crude steel                  | 4.0                   | 3.6  | 2.9  |
| Hot-rolled coils and sheets  | 4.0                   | 3.6  | 3.3  |
| Cold-rolled coils and sheets | 2.5                   | 2.2  | 2.0  |
| Galvanized products          | 1.5                   | 1.4  | 1.3  |
| Tin mill products            | 0.4                   | 0.4  | 0.3  |

### Raw Materials and Suppliers

The main raw materials we use in our integrated steel mill include iron ore, coke, coal (from which we make coke), limestone, dolomite, aluminum, tin and zinc. In addition, our production operations consume water, gases, energy and ancillary materials.

#### Iron Ore

We are able to obtain the majority of our iron ore requirements from our Casa de Pedra and Engenho mines located in the state of Minas Gerais. The only iron ore product that we buy from third parties is pellet. For more information, see “Our Mining Segment.”

#### Coal

In 2023, our metallurgical coal consumption totaled 1.22 million tons. Metallurgical coal includes coking coal and PCI coal, which is a lower grade coal injected into blast furnaces, in a pulverized form, to reduce coke consumption. The PCI system reduces our need for imported coke, thereby reducing production costs. Our total PCI coal consumption in 2023 totaled 0.447 million tons, all of which was imported.

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### [Coke](#)

In 2023, in addition to approximately 0.508 million tons of coke we produced, we also consumed 1,097 million tons of coke purchased from third parties abroad. This consumption represented a decrease of 10.96%, as compared to our consumption in 2022.

### [Limestone and Dolomite](#)

Our Bocaina Mine is located in the city of Arcos, in the state of Minas Gerais, and has been supplying, since the early 1970s, limestone (calcium carbonate) and dolomite (dolomitic limestone) to our Presidente Vargas Steelworks in Volta Redonda. These products are used in the process of sintering and calcination. Arcos has one of the largest and highest quality reserves of limestone in the world. Limestone is used in the production of various products, including clinker and cement.

The annual production of limestone and dolomite for our steelworks is approximately 5.9 million tons.

The main products obtained from limestone and dolomite that are transferred to our steelworks in Volta Redonda are:

- *Limestone and dolomite calcination:* with a granulometry between 32 and 76 mm, they are used in the lime plant in Volta Redonda to produce calcitic and dolomitic lime, for further use in the steelmaking process and sintering. At the steelworks, lime is used for chemical controlling of liquid slag, in order to preserve the refractory of the converters and assist in the stabilization of the chemical reactions that occur during the steel manufacturing process. During sintering, the purpose of lime is to increase the performance of this process and the final quality of the sinter that is produced.
- *Limestone and dolomite fines for sintering:* used in the production of "sinter" in our steelworks. The sintering process mixes and heats together with fine ores, solid fuel and flux, producing a highly reactive granulated burden. The sinter is used in blast furnaces as the main source of iron for the production of pig iron.

The Bocaina Mine is also responsible for supplying limestone for cement manufacturing in Arcos.

### [Aluminum, Zinc and Tin](#)

Aluminum is mostly used for steelmaking. Zinc and tin are important raw materials used in the production of certain higher-value steel products, such as galvanized and tin plate. We typically purchase aluminum and tin from third-party domestic suppliers and zinc from third-party domestic and international suppliers under annual contracts. We purchase part of our tin from our subsidiary ERSA. We maintain approximately 41, 21 and 18 days' inventory of tin, aluminum and zinc, respectively, at the Presidente Vargas Steelworks.

### [Other Raw Materials](#)

In our production of steel, we consume, on an annual basis, significant amounts of spare parts, refractory bricks and lubricants, which we generally purchase from domestic suppliers.

We also consume significant amounts of oxygen, nitrogen, hydrogen, argon and other gases at the Presidente Vargas Steelworks. These gases are supplied by a third-party under a long-term contract from gas production facilities located on the Presidente Vargas Steelworks site.

In 2023, we used 449,609 tons of oxygen in the Presidente Vargas Steelworks site.

### [Water](#)

We require large quantities of water in the production of steel. Water serves as a solvent, a catalyst and a cleaning agent. It is also used to cool, carry waste, help produce and distribute heat and power and dilute liquids. Our source of water is the Paraíba do Sul River, which runs through the city of Volta Redonda. Over 94.1% of the water used in the steelmaking process is recirculated and the balance, after careful processing, is returned to the Paraíba do Sul River. Since March 2003, the Brazilian government has imposed an annual tax for our use of water from the Paraíba do Sul river, based on an annual fee of approximately R\$2.8 million.

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### Natural Gas

The market for natural gas is strongly correlated with the energy market and we consume both natural gas and electrical energy, mainly in our hot strip mill. Naturgy (formerly Companhia Estadual de Gás do Rio de Janeiro S.A.) is our primary natural gas supplier. To secure natural gas supply, we maintain a "take-or-pay" agreement with Naturgy, pursuant to which we committed to acquire at least 70% of the gas volume it provides. If we do not acquire this minimum volume, we may compensate the difference in amount paid in future years up to one year after the contract's termination. In 2023, the Presidente Vargas Steelworks consumed 474.9 million cubic meters of natural gas.

### Diesel Oil

We maintain agreements with Vibra Energia S.A., or Vibra, to receive diesel oil in order to supply our equipment in our mining plants in the state of Minas Gerais, which provide the iron ore, dolomite and limestone used in our steel plant in Volta Redonda.

In 2023, our diesel oil consumption was 78,680 kiloliters, used to produce 28.2 million tons of iron ore, for which we paid R\$347.5 million. For more information, see "Item 3. Key Information--3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-We are exposed to substantial changes in commodities prices, including oil prices, which significantly affect the prices of our inputs and the prices of our products, and may adversely affect us."

### Suppliers

We acquire our inputs in Brazil and abroad. Aluminum, zinc, tin, spare parts, refractory bricks, lubricants, oxygen, nitrogen, hydrogen and argon are the main inputs we acquire in Brazil. Coal and coke are the only inputs we acquire abroad.

In 2021, 2022 and 2023, we consumed 207,344 tons, 190,256 tons and 387,722 tons, respectively, of third-party slabs.

Following are our main raw materials suppliers:

| <b>Main Suppliers</b>  | <b>Raw Material</b> |
|--|---------------------|
| Ternium  | Slabs               |
| Anglo American, Kru Overseas, Alpha Metallurgical and Warrior Met Coal   | Coal                |
| CI Milpa S.A. and Noble Resources  | Coke                |
| IBM Ind. Brasileira and ZincoSul   | Aluminum            |
| ZincoLigas and IBM Ind Brasileira  | Zinc                |
| ERSA   | Tin                 |
| Sotreq, MinasMáquinas, Komatsu, Inova, WLM, Metso and Centro Oeste Equip.  | Spare parts         |
| RHI Magnesita, SR do Brasil Cia Ltda., Vesuvius, Indústrias Brasileiras de Artigos Refratários - IBAR, Togni S/A, CNBM and Tecnofire | Refractory bricks   |
| Ionic, Quaker, Vibra and Cosan   | Lubricants          |
| Vale, Javelin Global, Vallourec and Samarco  | Pellet              |
| Vibra Energia and Ipiranga   | Diesel oil          |

### Flat Steel Mill

The Presidente Vargas Steelworks, located in the city of Volta Redonda, in the state of Rio de Janeiro, began operating in 1946. It is an integrated facility covering approximately four square km and containing five coke batteries, three of which are in operation, three sinter plants, two blast furnaces, a basic oxygen furnace steel shop, with three converters, three continuous casting units, one hot strip mill, three cold strip mills, two continuous pickling lines, one continuous annealing line, 28 batch annealing furnaces, three continuous galvanizing lines, four continuous annealing lines exclusively for tin mill products, three of which are in operation, and six electrolytic tinning lines, three of which are in operation.

The annual production capacity of steel at the Presidente Vargas Steelworks is 5.4 million tons.

### Downstream Facilities

#### CSN Paraná

Our CSN Paraná branch produces and supplies plain regular galvanized products, *Galvalume*® products and pre-painted steel products for the automotive, construction and home appliance industries. The plant has an annual capacity of 295,000 tons of galvanized products and *Galvalume*® products, 131,000 tons of pre-painted products, which can use cold-rolled or galvanized steel as substrate, service capacity of 150,000 tons of sheets and narrow strips, and 384,000 tons of pickled hot-rolled coils in excess of the coils required for the coating process.

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### [CSN Porto Real](#)

Our CSN Porto Real branch produces and supplies plain regular galvanized, *Galvanew* and tailored blanks mainly for the automotive industry. The plant has an annual capacity of 350,000 tons of galvanized products, including *Galvanew* products, and 354,000 tons of tailored blanks, sheets and narrow strips, which can use cold-rolled or galvanized steel as a substrate.

### [Companhia Metalúrgica Prada](#)

Established in 1936, Companhia Metalúrgica Prada is the largest Brazilian steel can manufacturer and has an annual production capacity of over one billion cans in its five industrial facilities located in the states of São Paulo, Minas Gerais, Rio de Janeiro and Rio Grande do Sul and in the city of Brasília. We are the only Brazilian producer of tin plate, which is Companhia Metalúrgica Prada's main raw material, making it one of our most important products. Companhia Metalúrgica Prada has important customers in the food and chemical industries, including packages of vegetables, fish, dairy products, meat, aerosols, infant nutrition and other business activities.

Prada Distribuição, the distribution arm of Companhia Metalúrgica Prada, is one of the leaders in the Brazilian distribution market for steel products with 600,000 tons per year of installed processing capacity. Prada Distribuição has two steel service centers and three distribution centers strategically located in the Southeast region of Brazil. The service centers are located in the city of Mogi das Cruzes, in the state of São Paulo, and in the city of Valença, in the state of Rio de Janeiro. Its product mix also includes sheets, slit coils, sections, tubes and roofing in standard or customized format, according to customers' specifications. Prada Distribuição processes the entire range of products produced by us and services 4,000 customers annually from the civil construction, automotive and home appliances sectors, among others.

In 2021, we acquired Metalgráfica Iguazu S.A., which produces steel cans for the national and international market of metal food packaging. Metalgráfica Iguazu S.A.'s operations also include the manufacture, commercialization, export and import of containers and packaging in general (metallic or not), metal sheets, raw materials and inputs for steel or plastic products, equipment and electronic components in general. This acquisition was a strategic step to expand our production capacity in the packaging division.

### [Lusosider Aços Planos, S.A.](#)

Lusosider is a flat steel processing facility located in Seixal, near Lisbon, Portugal. Lusosider has the capacity to produce approximately 105,000 tons of hot-rolled pickled coils, 36,000 tons of cold-rolled steel products and 276,000 tons of galvanized steel products per year. Its main customers include service centers and tube making industries.

### [CSN Distribuição](#)

We have one service center, located in the city of Camaçari, in the state of Bahia, to support sales in the Northeastern and Northern regions of Brazil. We also have a distribution center in the city of Canoas, in the state of Rio Grande do Sul, to support sales in the Southern region of Brazil.

### [CSN Cut and Bend](#)

We have one service center, located in the city of Vargem Grande Paulista, in the state of São Paulo, to support sales in the Southeast region of Brazil.

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### *SWT Long Steel Mill*

In February 2012, we acquired SWT in Germany, which marked our entry into the long steel market. SWT specializes in the production of profiles, including IPE (European I Beams) and HE (European Wide Flange Beams) sections, channels and UPE (Channels with Parallel Flanges) sections and steel sleepers. In total, SWT produces more than 200 types of sections according to different German and international standards. The following table sets forth SWT's production:

|                                | 2021 | 2022 | 2023 |
|--------------------------------|------|------|------|
| <b>Production of:</b>          |      |      |      |
| Beam blank (crude steel)       | 811  | 758  | 764  |
| Long steel (finished products) | 748  | 712  | 720  |

SWT possesses a 28 km internal railway system, as well as the logistics infrastructure to ensure supply of scrap and delivery of finished products. The main markets served by SWT include non-residential construction, equipment industries and engineering and transport, in Germany and in neighboring countries, including Poland and the Czech Republic. The following table sets forth SWT's capacity:

|                            | Tons per year | Equipment in operation |
|----------------------------|---------------|------------------------|
| <b>Process:</b>            |               |                        |
| EAF - Electric Arc Furnace | 1,100,000     | 1 furnace              |
| Ladle Furnace              | 1,100,000     | 1 furnace              |
| <b>Finished Products:</b>  |               |                        |
| Section Mill               | 1,000,000     | 1 mill                 |

### *Raw Materials*

The main raw material we use in our long steel production is scrap. In addition, we require electrical energy, natural and technical gases and ancillary materials like ferroalloys, lime, dolomite and foaming coal.

#### Scrap

Our scrap consumption was 0.85 million tons in each of 2022 and 2023. Scrap accounted for approximately 60% and 67% of our production costs in 2023 and 2022, respectively. Average scrap price decreased 16% in 2023, as compared to 2022, and production costs decreased 5%. We are able to obtain approximately 70% of our scrap needs from within a 250 km vicinity of our production facilities.

#### Ferroalloys, Lime and Foaming Coal

Because we do not own any sources of ferroalloys, lime or foaming coal, we must buy these raw materials from third-party traders, most of which are located in Europe and source these raw materials from producers around the world.

#### Rolls

We consume different types of rolls in our rolling mill, usually cast rolls that come from Germany, Italy, Slovenia and China.

#### Graphite Electrodes

In the smelting shop, which is an electric arc furnace, we use graphite electrodes with a diameter of 750mm. In the ladle furnace, we use electrodes with a diameter of 400mm. We source these electrodes from Europe, Japan and China.

#### Other Raw Materials

Our production of steel also requires the use of electrodes, rolls, refractory materials and materials for packaging and spare parts, which are mostly purchased from domestic suppliers.

#### Water

Large amounts of water are required in the production process. Our source of water is the Saale River, located five km from the plant. We use our own water station to pump water via pipelines to the plant.

#### Electrical Energy and Natural Gas

Steelmaking also requires significant amounts of electrical energy and natural gas, for which we have supply contracts. Under normal conditions, we consume approximately 422 GWh of electrical energy and 392 GWh of natural gas annually.

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In 2022, SWT was able to meet its energy needs pursuant to contracts negotiated before the beginning of the conflict between Russia and Ukraine, which resulted in price increases for natural gas in Europe throughout the year. However, in 2023, SWT's electrical energy supply prices were higher as compared to 2022. Because we had negotiated natural gas supply contracts before the beginning of the conflict between Russia and Ukraine, we had average prices significantly below spot market prices.

## Suppliers

We acquire the inputs necessary for the production of our products globally. The following table sets forth our main raw materials suppliers:

| <b>Main Suppliers</b>          | <b>Raw Material</b> |
|--------------------------------|---------------------|
| Scholz, TSR                    | Scrap               |
| RWE Supply & Trading GmbH      | Electrical energy   |
| GETEC Energie Gas GmbH         | Natural gas         |
| Refractories Site Service GmbH | Refractory          |
| Graftec, W.A.S., SHOWA DENKO   | Electrodes          |
| Siemens, Schneider, Voith      | Spare parts         |
| Irlie, Walzengießerei Coswig   | Rolls               |

## Volta Redonda Long Steel Mill

Our Volta Redonda plant for the production of long steel products comprises a 50-ton electric arc steelmaking furnace, 50-ton ladle furnace, continuous casting machine for billets and a hot rolling mill for wire rod and reinforcing bar. This plant is operational and its production increases annually, providing the Brazilian market with products for civil construction and high-quality drawing and cold heading applications. In addition to our operational performance improvements, we are developing and negotiating certain equipment enhancements that we expect will provide for nominal capacity of 383 kt/year of billets and 450 kt/year of laminates.

## Steelmaking Shop

Designed for an output of 200,000 tons per year, this unit mainly consists of one 50-ton UHP, AC electric arc furnace, one 50-ton ladle furnace, one continuous casting machine for billets with three strands, mobile equipment and cranes, power supply, distribution facilities and auxiliary equipment.

## Rolling Mill

Designed for an output of 500,000 tons per year, this unit has one walking-beam reheating furnace, or RHF, a four-stand blooming mill, a 250 ton hot shear, a six-stand roughing mill, a six-stand intermediate mill, a six-stand pre-finishing mill, internal water cooling, a double length flying shear, a stepping cooling bed, a 500 ton cold shear, transfer inspection stand, bundling machine, a water-cooling section before wire finishing mill, a 10-stand high-speed wire finishing mill, a water-cooling section after wire finishing mill, a laying head, a loose coil cooling line, reforming device, bundling machine, stripper and coil handling devices.

## Production Output

The following table sets forth the production output of our Volta Redonda long steel mill:

|                                | <b>2021</b> | <b>2022</b>                   | <b>2023</b> |
|--------------------------------|-------------|-------------------------------|-------------|
|                                |             | <i>(in thousands of tons)</i> |             |
| Billets (crude steel)          | 228         | 208                           | 207         |
| Long steel (finished products) | 236         | 217                           | 210         |

## Raw Materials and Energy Suppliers

The main raw material we use in our long steel production in Volta Redonda is scrap, in addition to pig iron. We also use blooms, which we produce in our blast furnace. In addition, our production operations consume electrical energy, natural and technical gases and ancillary materials like ferroalloys, lime, dolomite and foaming coal. The supply sources for these materials are the same used for our flat steel operations. See "--Raw Materials and Suppliers."



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**Our Mining Segment**

Our mining activities are among the largest in Brazil and are mainly driven by the exploration of our iron ore reserves. We sell our iron ore products mainly in Asia, Europe and Brazil with sales and marketing from Brazil and Austria.

Following is an overview of our material mining properties:

| Name of mining operation | Location of the mining operation | Type and amount of ownership interest (%) | Operator      | Material Mining Properties |                               |         | Key condition of permit       | Type of mine/material | Beneficiation plant and other installations |
|--------------------------|----------------------------------|---|---------------|----------------------------|-------------------------------|---------|-------------------------------|-----------------------|---|
|                          |                                  |   |               | Surface (Ha)               | Stage of the mining operation | Permits |                               |                       |   |
| Casa de Pedra            | Congonhas, MG                    | 79.75                                     | CSN Mineração | 2,516                      | Production                    | Yes     | EIA <sup>(1)</sup> and others | Open Pit / Iron Ore   | Mining facilities and Pires                 |
| Engenho                  | Congonhas, MG                    | 79.75                                     | CSN Mineração | 344                        | Production                    | Yes     | EIA <sup>(1)</sup> and others | Open Pit / Iron Ore   | Mining facilities and Pires                 |

(1) Environmental Impact Assessment - EIA. Permits or licenses have been obtained, are being renewed or are being processed in accordance with current regulations.

Following is an overview of our non-material mining properties:

| Name of mining operation | Location of the mining operation | Type and amount of ownership interest (%) | Operator            | Non-material Mining Properties |                               |         | Key condition of permit | Type of mine/material           | Beneficiation plant and other installations |
|--------------------------|----------------------------------|---|---------------------|--------------------------------|-------------------------------|---------|-------------------------|---------------------------------|---|
|                          |                                  |   |                     | Surface (Ha)                   | Stage of the mining operation | Permits |                         |                                 |   |
| Bocaina                  | Arcos, MG                        | 100                                       | CSN Cimentos Brasil | 342.9                          | Production                    | Yes     | (2)                     | Open Pit/ Limestone, Dolomite   | Bocaina Mining Facilities and Tin (ERSA)    |
| Pitimbu                  | Alhandra, PB                     | 100                                       | CSN Cimentos Brasil | 746.7                          | Production                    | Yes     | (2)                     | Open Pit/ Limestone, Clay, Sand | Pitimbu Mining Facilities                   |
| Capoeira Grande          | Barroso, MG                      | 100                                       | CSN Cimentos Brasil | 93.4                           | Production                    | Yes     | (2)                     | Open Pit/ Limestone             | Capoeira Grande Mining Facilities           |
| Mata do Ribeirão         | Barroso, MG                      | 100                                       | CSN Cimentos Brasil | 129.7                          | Production                    | Yes     | (2)                     | Open Pit/ Limestone             | Mata do Ribeirão Mining Facilities          |
| Fazenda Campinho         | Pedro Leopoldo, MG               | 100                                       | CSN Cimentos Brasil | 661.4                          | Production                    | Yes     | (2)                     | Open Pit/ Limestone             | Fazenda Campinho Mining Facilities          |
| Boa Vista                | Montes Claros, MG                | 100                                       | CSN Cimentos Brasil | 432.9                          | Production                    | Yes     | (2)                     | Open Pit/ Limestone             | Boa Vista Mining Facilities                 |
| Saudade                  | Cantagalo, RJ                    | 100                                       | CSN Cimentos Brasil | 514.6                          | Production                    | Yes     | (2)                     | Open Pit/ Limestone             | Saudade Mining Facilities                   |
| Miramar                  | Caaporã, PB                      | 100                                       | CSN Cimentos Brasil | 983.7                          | Production                    | Yes     | (2)                     | Open Pit/ Limestone             | Miramar Mining Facilities                   |
| Fernandinho              | Itabirito, MG                    | 79.75                                     | Minerios Nacional   | 147.0                          | Deactivated                   | Yes     | -                       | Open Pit/ Iron Ore              | -   |

(1) The key permissions to guarantee the respective reserves are: mineral concessions; environmental licenses; and rights to use the property.

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The following tables set forth each individual property’s production information:

|                                 |   | <b>Material Mining Properties</b>                  |  | <b>Aggregate production 2021</b> | <b>Aggregate production 2022</b> | <b>Aggregate production 2023</b> |
|---------------------------------|---|--|--|----------------------------------|----------------------------------|----------------------------------|
| <b>Name of mining operation</b> | <b>Location of the mining operation</b> | <b>Beneficiation plant and other installations</b> |  | <b>(*1000)</b>                   | <b>(*1000)</b>                   | <b>(*1000)</b>                   |
| Casa de Pedra                   | Congonhas, MG                           | Mining facilities and Pires                        |  | 26,790                           | 23,725                           | 33,400                           |
| Engenho                         | Congonhas, MG                           | Mining facilities and Pires                        |  | 5,566                            | 7,024                            | 1,600                            |

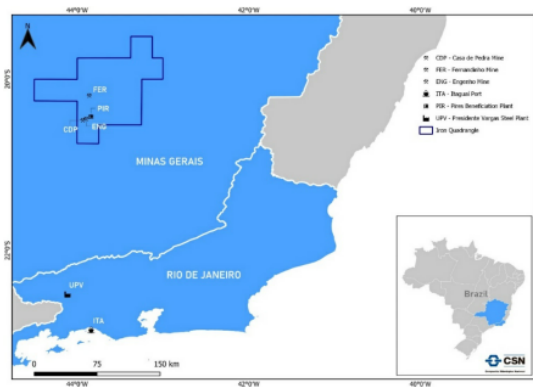
|                                 |   | <b>Non-material Mining Properties</b>              |  | <b>Aggregate production 2021</b> | <b>Aggregate production 2022</b> | <b>Aggregate production 2023</b> |
|---------------------------------|---|--|--|----------------------------------|----------------------------------|----------------------------------|
| <b>Name of mining operation</b> | <b>Location of the mining operation</b> | <b>Beneficiation plant and other installations</b> |  | <b>(tons)</b>                    | <b>(tons)</b>                    | <b>(tons)</b>                    |
| Bocaina                         | Arcos, MG                               | Bocaina Mine and Tin (ERSA)                        |  | 5,505,805                        | 5,412,725                        | 4,847,461                        |
| Pitimbu                         | Alhandra, PB                            | Pitimbu Mine                                       |  | 1,762,657                        | 1,417,962                        | 1,373,910                        |
| Capoeira Grande                 | Barroso, MG                             | Capoeira Grande Mine                               |  | 281,095                          | 329,795                          | 344,952                          |
| Mata do Ribeirão                | Barroso, MG                             | Mata do Ribeirão Mine                              |  | 1,397,347                        | 1,772,303                        | 2,059,997                        |
| Fazenda Campinho                | Pedro Leopoldo, MG                      | Fazenda Campinho Mine                              |  | 1,518,200                        | 1,238,936                        | 1,551,685                        |
| Boa Vista                       | Montes Claros, MG                       | Boa Vista Mine                                     |  | 906,417                          | 1,004,218                        | 1,052,509                        |
| Saudade                         | Cantagalo, RJ                           | Saudade Mine                                       |  | 1,037,009                        | 986,374                          | 941,101                          |
| Miramar                         | Caaporã, PB                             | Miramar Mine                                       |  | 1,677,637                        | 1,833,328                        | 1,814,471                        |
| Fernandinho                     | Itabirito, MG                           | Fernandinho Mine                                   |  | -                                | -                                | -                                |

*Iron Ore Mining Properties*

Our iron ore business is conducted by our subsidiary CSN Mineração in the state of Minas Gerais, within the area called the Iron Quadrangle. Casa de Pedra mine, Engenho mine and Fernandinho mine are our open pit mines. Casa de Pedra mine and Engenho mine belong to the same mining complex and run their own transportation and shipping capabilities. The mining complex comprises the Casa de Pedra Central Plant and the Pires Beneficiation Plant. Fernandinho mine, which is currently deactivated, is located on the North side and, when it was active until 2015, it also ran its own transportation and shipping capabilities.

To complement its iron ore mining properties, CSN Mineração runs the Itaguaí Port, located in the municipality of Itaguaí, state of Rio de Janeiro, and the Presidente Vargas Steel Plant, in the municipality of Volta Redonda, also in the state of Rio de Janeiro.

The following map presents an overview of our iron ore operations:



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Our iron ore properties comprise Casa de Pedra and Engenho (both material properties) and Fernandinho (non-material property), as further described below:

### Casa de Pedra Mine - Congonhas, MG

Casa de Pedra mine is our main iron ore mine. It is located in the municipality of Congonhas, 80 km to the South of Belo Horizonte, the capital of the state of Minas Gerais. Its mining concession has no expiration date and covers 2,516 hectares. Casa de Pedra is in full production stage.

Casa de Pedra mine has all the necessary permits for current operations, and the authorization process related to its planned production expansion is running according to schedule. Related facilities, such as waste piles and tailings dams, also comply with applicable legislation.

Casa de Pedra mine is an open pit operation with high grade hematite ore type (iron grade of approximately 64%) mixed with a minor amount of Itabirite ore type (iron grade of approximately 30-60%). Mine occurrences are represented by banded iron formations, varying from low grade (~Fe@30%) to medium/high grade types (~Fe@60%), and supergenous/hypogenous hematite (Fe@64%), all varying from fresh to hard material types. Some types of mineralized covers are also mixed to feed the plant. The geology framework is complex as a consequence of innumerable geological events that created an integrate grade variability scenario. For this reason, mapping and drilling are always reinforced and are one of the work priorities at Casa de Pedra.

The Central Plant is fed with natural high grade run of mine, and the beneficiation process comprises crushing, screening, and flotation. The Central Plant generates lump ore, sinter feed and pellet feed. The Pires beneficiation plant is fed with low to medium grade in a dry beneficiation process.

All products from Casa de Pedra are transported by MRS's railroad, which transports iron ore to the Itaguaí maritime terminal in the state of Rio de Janeiro.

### Production Process

### Casa de Pedra Plant

Casa de Pedra facilities are located in the city of Congonhas, in the state of Minas Gerais. Casa de Pedra mine is located 350 km from the Presidente Vargas Steelworks and supplies iron ore products to our steel mill, as well as for export through the Itaguaí Port. Casa de Pedra's equipment fleet and treatment facilities have an installed annual run of mine capacity of approximately 120 million tons and 40 million tons, respectively.

### Pires and Fernandinho Beneficiation Plants

Pires plants are dry beneficiation plants that receive material from Engenho mine and Casa de Pedra mine and generate final products, such as lump ore and sinter feed.

The Fernandinho beneficiation plant receives material from stockpiled tailings piles, located in the city of Rio Acima, state of Minas Gerais, and generates sinter feed and fines as final products.

The following table sets forth the production volume of iron ore in each of our mines in the last three years:

|   | 2021  | Production <sup>(1)</sup> |       |  |
|---|-------|---------------------------|-------|--|
|   |       | 2022                      | 2023  |  |
| <b>Casa de Pedra<sup>(2)</sup> (Mt)</b> |       |                           |       |  |
|   | 18.11 | 16.09                     | 19.75 |  |
| Grade <sup>(3)</sup> (%)                | 61.6% | 61.4%                     | 61.6% |  |
| <b>Pires<sup>(2)</sup> (Mt)</b>         |       |                           |       |  |
|   | 9.20  | 7.41                      | 8.49  |  |
| Grade (%)                               | 57.4% | 58.0%                     | 55.2% |  |
| <b>Fernandinho<sup>(2)</sup> (Mt)</b>   |       |                           |       |  |
|   | 0.87  | 0.57                      | 0.61  |  |
| Grade (%)                               | 64.4% | 64.7%                     | 63.7% |  |

(1) In addition to its own production, CSN Mineração also purchased iron ore from third parties. Third-party purchase volumes were 8.8 million tons, 9.4 million tons and 14.3 million tons in 2021, 2022 and 2023, respectively.

(2) Production information considers 100% of the mines.

(3) Grade is the proportion of metal or mineral present in ore or any other host material.

The following table sets forth our consolidated sales in the periods presented:

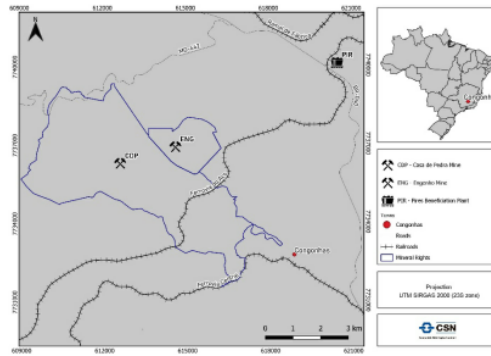
|                         | 2021  | 2022  | 2023  |  |
|-------------------------|-------|-------|-------|--|
| Consolidated sales (Mt) | 28.32 | 29.19 | 37.67 |  |

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Engenho Mine - Congonhas, MG

Engenho mine covers 344 hectares and has been integrated in the Casa de Pedra mining complex since 2012. Engenho mine production is constantly mixed with Casa de Pedra mine production, following the same process route.

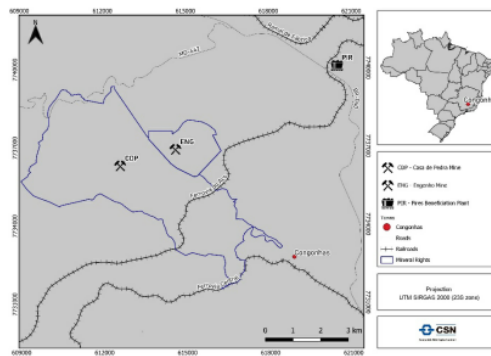
The following map sets forth a detailed illustration of Casa de Pedra mine and Engenho mine locations:



Fernandinho Mine - Itabirito, MG

Fernandinho mine covers 147 hectares and has been integrated in the Casa de Pedra mining complex since 2012. Fernandinho mine's operations were deactivated in 2015 as part of an internal strategic decision. In the future, additional geological, drilling and resource studies and estimations will be performed in order to update mineral resources conversion to mineral reserves.

The following map sets forth a detailed illustration of Fernandinho mine and its related facilities:



In addition to the mining properties detailed above, CSN Mineração conducts initial exploration activities in the surrounding areas of our mining operations.

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The following chart sets forth a summary of our iron ore resources and reserves, updated to December 31, 2023, considering our ownership interest in each property:

|                    | Measured mineral resources      |                                    | Indicated mineral resources     |                                    | Measured + Indicated mineral resources |                                    | Inferred mineral resources      |                                    |
|--------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------------|--|------------------------------------|---------------------------------|------------------------------------|
|                    | Amount<br><i>(million tons)</i> | Grades/ Qualities<br><i>(% Fe)</i> | Amount<br><i>(million tons)</i> | Grades/ Qualities<br><i>(% Fe)</i> | Amount<br><i>(million tons)</i>        | Grades/ Qualities<br><i>(% Fe)</i> | Amount<br><i>(million tons)</i> | Grades/ Qualities<br><i>(% Fe)</i> |
| <b>Iron ore:</b>   |                                 |                                    |                                 |                                    |  |                                    |                                 |                                    |
| Casa de Pedra Mine | 160                             | 39.8                               | 1,145                           | 37.6                               | 1,305                                  | 37.9                               | 1,364                           | 37.1                               |
| Engenho Mine       | 177                             | 40.2                               | 44                              | 46.9                               | 221                                    | 41.5                               | 11                              | 43.5                               |
| Fernandinho Mine   | 42                              | 39.8                               | 49                              | 39.2                               | 92                                     | 39.5                               | 50                              | 38.6                               |

Updated December/2023.

|                    | Proven mineral reserves         |                                    | Probable mineral reserves       |                                    | Total mineral reserves          |                                    |
|--------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------------|
|                    | Amount<br><i>(million tons)</i> | Grades/ Qualities<br><i>(% Fe)</i> | Amount<br><i>(million tons)</i> | Grades/ Qualities<br><i>(% Fe)</i> | Amount<br><i>(million tons)</i> | Grades/ Qualities<br><i>(% Fe)</i> |
| <b>Iron ore:</b>   |                                 |                                    |                                 |                                    |                                 |                                    |
| Casa de Pedra Mine | 81                              | 38.8                               | 1,347                           | 40.9                               | 1,428                           | 40.8                               |
| Engenho Mine       | 10                              | 39.2                               | 168                             | 41.6                               | 178.0                           | 41.5                               |

\*CSN considers an average price of US\$95 per ton for the economic analysis. Updated December/2023.

Casa de Pedra mine and Engenho mine are mill feed material (Run of Mine - ROM) and the point of reference for the mineral reserves is ore delivered to the processing facility. The following tables set forth Casa de Pedra mine and Engenho mine reserves pit optimization parameters:

| Parameters                   | Base          | Value         |
|------------------------------|---------------|---------------|
| Price                        | USD/t product | <b>78.82</b>  |
| Waste mining cost            | US\$/t mined  | 0.99          |
| Ore mining cost              | US\$/t mined  | 1.88          |
| Overall dilution             | %             | 5%            |
| Overall mining recovery      | %             | 95%           |
| Overall mining cost          | US\$/t mined  | <b>1.57</b>   |
| PC/OS processing cost        | US\$/t        | 3.86          |
| P15 friable ore process cost | US\$/t        | 5.32          |
| P15 hard ore process cost    | US\$/t        | 6.17          |
| Additional downstream cost   | USD/t product | 49.49         |
| Overall processing cost      | US\$/t mined  | <b>5.45</b>   |
| PC/OS mass recovery          | %             | 82.40%        |
| P15 mass recovery            | %             | 43.80%        |
| Overall Mass recovery        | %             | <b>52.60%</b> |
| Overall economic cog         | %             | <b>22.40%</b> |

Notes:

Metallurgical recovery or mass recovery for PC/OS = 82.40%

Metallurgical recovery or mass recovery for P15 = 43.80% Overall metallurgical recovery or mass recovery = 52.60%

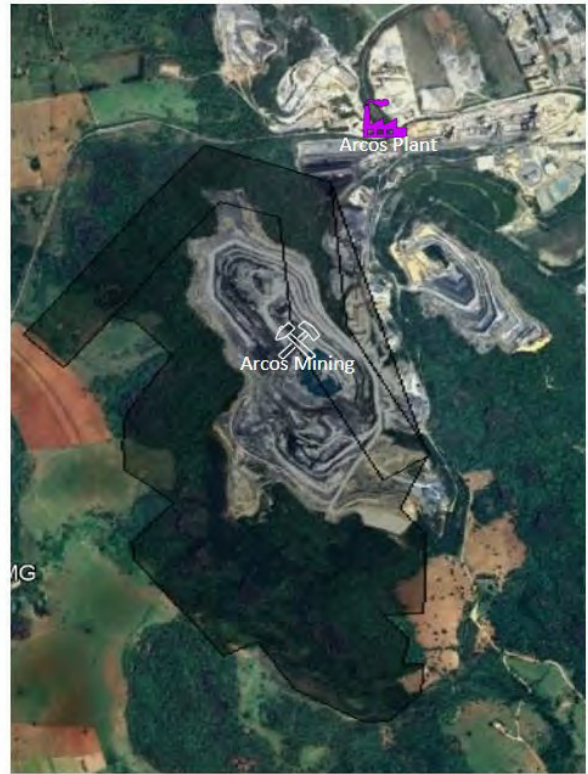
Cut-off grade: 22.40%

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*Cement Mining Properties*

The following maps present the location of each non-material cement mining property set forth below:

Bocaina Mine - Arcos, MG



Pitimbu - Alhandra, PB





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Mata do Ribeirão and Capoeira Grande - Barroso, MG:



Fazenda Campinho - Pedro Leopoldo, MG:



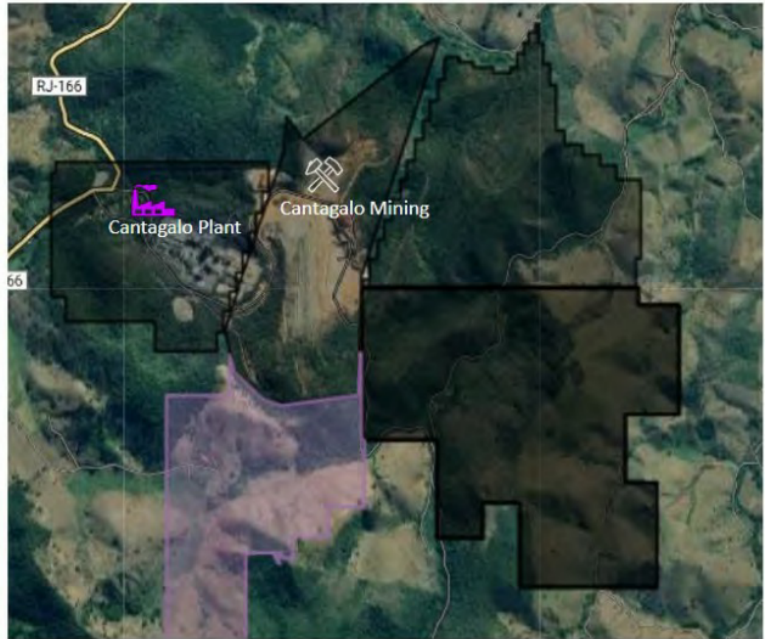
Boa Vista - Montes Claros, MG:





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Saudade - Cantagalo, RJ:



Miramar - Caaporã, PB:



Each property includes a mine: (i) Elizabeth Plant - Pitumbu Mine; (ii) Barroso Plant - Capoeira Grande Mine and Mata do Ribeirão Mine; (iii) Pedro Leopoldo Plant - Pedro Leopoldo Mine (Fazenda Campinho); (iv) Cantagalo Plant - Cantagalo (Saudade Mine); (v) Caaporã Plant - Caaporã (Miramar Mine); (vi) Montes Claros Plant - Mining complex of Montes Claros; and (vii) Arcos - Bocaina Mine.

Each cement mining property is owned 100% by us and holds the respective mining and property rights.

Each of these properties is operational. The key permissions to guarantee the respective reserves are: mineral concessions; environmental licenses; and rights to use the property. Each of the property's mining types and mineralization styles, as well as respective processing plants and other available facilities, are set forth in the tables above under the heading "Non-material Mining Properties."



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The following tables set forth the mineral reserves and mineral resources for each cement property containing measured and indicated resources informed separately and useful life information calculated only for reserves. With respect to quality, the guidelines employed provide for a minimum CaO content of 45% for all cement mines. CSN does not report inferred resources for its non-material cement mines because they are resources of low geological knowledge, CSN considers that inferred resources provide little practical value for asset valuation and CSN is not required to report inferred resources to the Brazilian mining authority. CSN considers the following measured and indicated proven reserves, resources and mine life in each case as of December 31, 2023:

| Arcos Plant                                    |                      |              |
|--|----------------------|--------------|
| Mine   | Resource and Reserve | Limestone Mt |
| Bocaina  | Proven Reserve       | 268.3        |
|  | Probable Reserve     | 0            |
|  | Resources (Measure)  | 312.5        |
| Mine Life (years) - Proven + Probable Reserves |                      | 44.7         |

| Elizabeth Plant (Alhandra)                     |                       |              |
|--|-----------------------|--------------|
| Mine   | Resource and Reserve  | Limestone Mt |
| Pitimbu  | Proven Reserve        | 153.4        |
|  | Probable Reserve      | 33.2         |
|  | Resources (Indicated) | 217.3        |
| Mine Life (years) - Proven + Probable Reserves |                       | 116.5        |

| Barroso Plant                                  |                      |              |
|--|----------------------|--------------|
| Mine   | Resource and Reserve | Limestone Mt |
| Capoeira Grande                                | Proven Reserve       | 14.0         |
|  | Probable Reserve     | 0.0          |
|  | Resources (Measure)  | 16.3         |
| Mata do Ribeirão                               | Proven Reserve       | 83.3         |
|  | Probable Reserve     | 0.0          |
|  | Resources (Measure)  | 8.1          |
| Mine Life (years) - Proven + Probable Reserves |                      | 60.2         |

| Pedro Leopoldo Plant                           |                      |              |
|--|----------------------|--------------|
| Mine   | Resource and Reserve | Limestone Mt |
| Fazenda Campinho                               | Proven Reserve       | 46.1         |
|  | Probable Reserve     | 0            |
|  | Resources (Measure)  | 5.6          |
| Campinho Sul                                   | Proven Reserve       | 0            |
|  | Probable Reserve     | 0            |
|  | Resources (Measure)  | 40.0         |
| Mine Life (years) - Proven + Probable Reserves |                      | 18.1         |

| Montes Claros Plant                            |                      |              |
|--|----------------------|--------------|
| Mine   | Resource and Reserve | Limestone Mt |
| Boa Vista                                      | Proven Reserve       | 46.1         |
|  | Probable Reserve     | 0            |
|  | Resources (Measure)  | 12.7         |
| Mine Life (years) - Proven + Probable Reserves |                      | 43.5         |

| Caaporã Plant                                  |                      |              |
|--|----------------------|--------------|
| Mine   | Resource and Reserve | Limestone Mt |
| Miramar  | Proven Reserve       | 94.3         |
|  | Probable Reserve     | 0            |
|  | Resources (Measure)  | 16.0         |
| Mine Life (years) - Proven + Probable Reserves |                      | 45.9         |

| Cantagalo Plant                                |                      |              |
|--|----------------------|--------------|
| Mine   | Resource and Reserve | Limestone Mt |
| Saudade  | Proven Reserve       | 32.3         |
|  | Probable Reserve     | 0            |
|  | Resources (Measure)  | 7.5          |
| Mine Life (years) - Proven + Probable Reserves |                      | 26.3         |

The following tables set forth the pit optimization parameters for our non-material properties:

|                                     | Alhandra            | Arcos               | Barroso             | Caaporã            | Cantagalo          | Montes Claros      | Pedro Leopoldo      |
|-------------------------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|---------------------|
| <b>Plant</b>                        |                     |                     |                     |                    |                    |                    |                     |
| Fuel                                | 2,540,925.5         | 11,302,413.8        | 5,780,769.8         | 2,554,532.4        | 2,147,653.7        | 2,131,917.9        | 2,585,148.9         |
| Electric Energy                     | 405,950.2           | 2,201,355.2         | 1,677,725.2         | 340,062.3          | 186,545.7          | 283,374.5          | 845,435.8           |
| Other Variable Costs                | 2,498,203.4         | 3,176,715.1         | 2,967,782.2         | 2,444,154.0        | 926,539.2          | 1,904,904.5        | 3,256,800.5         |
| <b>Variable Cost</b>                | <b>5,445,079.1</b>  | <b>16,680,484.1</b> | <b>10,426,277.2</b> | <b>5,338,748.6</b> | <b>3,260,738.6</b> | <b>4,320,196.8</b> | <b>6,687,385.2</b>  |
| Labor Expenses                      | 6,081,442.8         | 17,574,480.3        | 3,421,321.7         | 2,044,216.0        | 2,919,637.5        | 1,712,674.9        | 1,980,205.3         |
| Third Party Services                | 2,053,694.0         | 12,868,274.7        | 4,415,217.5         | 1,516,397.0        | 187,418.6          | 1,653,009.7        | 130,734.7           |
| Maintenance (Material and Services) | 2,990,263.2         | 16,598,073.5        | 3,922,569.5         | 852,275.0          | 283,632.9          | 354,006.3          | 2,236,416.4         |
| Other Fixed Costs                   | (296,197.7)         | 4,548,804.6         | (2,804.7)           | 216,685.0          | 131,755.0          | 168,812.3          | 68,032.5            |
| <b>Fixed Cost</b>                   | <b>10,829,202.3</b> | <b>51,589,633.1</b> | <b>11,756,304.0</b> | <b>4,629,573.0</b> | <b>3,522,444.0</b> | <b>3,888,503.2</b> | <b>4,415,388.9</b>  |
| <b>Cash Cost</b>                    | <b>16,274,281.4</b> | <b>68,270,117.1</b> | <b>22,182,581.3</b> | <b>9,968,321.6</b> | <b>6,783,182.6</b> | <b>8,208,700.0</b> | <b>11,102,774.1</b> |
| <b>Price*</b>                       | <b>~10%</b>         | <b>~10%</b>         | <b>~10%</b>         | <b>~10%</b>        | <b>~10%</b>        | <b>~10%</b>        | <b>~10%</b>         |

\* respect to price parameters, we assume a margin of 10% over total cost of goods sold, since we do not conduct direct sales. With respect to commodity price, pricing dynamics for cement are a function of local supply and demand. With and are not, like other commodities such as steel and iron ore, pegged to an index or to global commodity prices. In addition, cement prices take into account the costs of cement plants, which may vary by plant and by company.

*Mineral Resource and Mineral Reserve Estimation Internal Controls*

We are committed to applying best practices in our mineral resource and mineral reserve estimations. Our team responsible for these estimations works with global institutions, organizations and universities to maintain updated estimation processes and to document and apply these processes. Our internal controls for mineral resource and mineral reserve estimation include the following:

- Updated operational procedures for routine activities, which include:
  - geological mapping;
  - coordination of checks on drillhole collars;
  - downhole survey protocols;
  - core shed activities; and
  - database management system containing collar, survey and assay files;

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- Drilling with appropriate and satisfactory methods for geological logging, structural measurements and metallurgical testing by use of diamond drill core;
- Logging performed onsite using in-house geologists; and
- Sampling performed on all drill core and supervised or directly performed by in-house geologists.

In terms of quality control and quality assurance practices, we regularly inspect analytical and sample preparation laboratories and we use five certified reference materials, blanks and laboratories duplicates, which are all inserted at appropriate frequencies to the primary and secondary laboratories. In addition, we regularly check specific gravity determinations using the water immersion method or the “sand bottle” method.

We interpret our geological model using domains classified into a series of lithology codes based on a combination of grain particles (lump and fines) and chemical thresholds used directly by our mine planning and beneficiation departments.

With respect to our mineral reserve estimation, we verify the following factors that may affect our estimates and we constantly update and refine our estimates based on these factors:

- Structural factors
  - Input parameters of mineral resources;
  - Pit designs and pushbacks;
  - Geotechnical models;
  - Hydrogeological factors;
  - Land surface properties;
  - Mineral rights licenses;
  - Environmental licenses;
  - Water usage rights;
  - Regulatory licenses and authorizations to operate;
  - Physical constraints, such as:
    - Geological model boundaries;
    - Third-party areas;
    - Cultural protected sites;
    - Protected reserves; and
    - Processing plants and facilities.
- Mine Operation Factors
  - Mining recovery assumptions;
  - Production rate assumptions;
  - Load and haul fleet adopted; and
  - Dilution and mining recovery assumptions.
- Plant Operation Factors
  - Mass recovery that directly affects the volume produced of concentrates with their respective qualities;
  - Mineral process changes and plant modifications that have an impact on plant performance and product quality; and
  - Potential upgrades in mineral characterization that could modify the performance of processing plants.
- Other Factors
  - Product price changes over the years;

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- o Royalties and costs associated with mining, processing, overhead and logistics; and
- o Taxes and exchange rate considerations.

We base our mineral resource and mineral reserve estimates information currently available to us, and these estimates may not represent actual production volumes in the future. We can provide no assurance that our estimates will not change or that we will be able to extract and convert all of our resources and reserves into production volumes. For more information, see “Item 3. Key Information-3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-Our mineral reserves and mine life may prove inaccurate, market price fluctuations and cost changes may render certain ore reserves uneconomical to mine and we may face rising extraction costs or investment requirements over time as our reserves deplete.”

### Expanding our Mining Capacity

We believe that the next few years will be transformational for our mining subsidiary CSN Mineração, as we have projects at an advanced stage of development with a robust investment plan to finance and accelerate iron ore production. CSN Mineração’s current business plan contemplates an expansion in annual production capacity from 42.7 million tons in 2023 to 68 million tons per year in 2028, assuming it is able to complete all of its planned expansion projects.

CSN Mineração has four projects under development that will be carried out gradually and with a R\$15.3 billion investment plan, totalling an additional 28.4 mtpy:

- (i) **Itabirito Projects** (*Itabirito P15, P4+ Plant*): mix of brownfield expansions and greenfield projects, all with known technology and competitive investment per ton for the production of premium pellet feed with low impurities and high iron content (including direct reduction pellet feed).
- (ii) **Tailings Dams Recovery Projects** (*Pires, B4 and Casa de Pedra Tailings Processing Plants*): licensed brownfield expansions to generate value by recovering 180 million tons of tailings stored in dams as part of our dam de-characterization program; increase of 6.5 million tons per year.
- (iii) **Central Plant Expansion Projects** (*Fine Tailings*): licensed brownfield expansions to accelerate the production of pellet feed at low operating costs; increase by 0.95 million tons per year.
- (iv) **TECAR Expansion Projects**: brownfield investments (the 60 million tons per year phase has already been licensed) to support mining expansions in already existing areas; capacity increase in three phases (60, 84 and 130 million tons per year).

### Dams

As a pioneer in the use of technologies that result in the possibility of stacking the tailings generated in the ore production process, CSN Mineração’s production is mostly independent of tailings dams. After significant investments in recent years to increase reliability, disposal and dry stacking, the majority of CSN Mineração’s tailings go through a dry filtering process and are stacked in dedicated areas. This initiative led to expertise in this technology, enabling current production and sustainable growth without the use of tailings dams.

In addition to our focus on the quality of our products and competitive costs, the environmental impact of our operations is one of our priorities. We are a pioneer in Brazil in our commitment to eliminate the use of tailings dams from our operations. The full implementation of CSN Mineração’s tailings filtering plant allowed it to achieve this independence in January 2020, filtering and dry stacking the majority of the tailings generated from its production process.

The following table sets forth certain information on the dams we operate:

| Name of the Dam/Dike         | Company / Entrepreneur             | Main Use                       | Substance | Height (m) | Capacity (m <sup>3</sup> ) | Construction Method | Last Certification | Risk | Impact | Status                    |
|------------------------------|------------------------------------|--------------------------------|-----------|------------|----------------------------|---------------------|--------------------|------|--------|---------------------------|
| Casa de Pedra <sup>(2)</sup> | CSN Mineração                      | Containment of mining tailings | Iron ore  | 84.00      | 65,374,575                 | Downstream          | mar/24             | Low  | High   | Active                    |
| B4                           | CSN Mineração                      | Containment of mining tailings | Iron ore  | 65.00      | 13,001,821                 | Upstream            | mar/24             | Low  | High   | Under de-characterization |
| B5                           | De-characterized and unregistered. |                                |           |            |                            |                     |                    |      |        |                           |
| Batateiro de Baixo Dike      | De-characterized and unregistered. |                                |           |            |                            |                     |                    |      |        |                           |

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| Name of the Dam/Dike                  | Company / Entrepreneur             | Main Use                       | Substance      | Height (m) | Capacity (m³) | Construction Method  | Last Certification | Risk   | Impact | Status                    |
|---------------------------------------|------------------------------------|--------------------------------|----------------|------------|---------------|--|--------------------|--------|--------|---------------------------|
| <b>Pilha da Vila II dike</b>          | De-characterized and unregistered. |                                |                |            |               |  |                    |        |        |                           |
| <b>Bichento IIIA dike</b>             | CSN Mineração                      | Containment of limestone       | Gravel         | 19.38      | 116,696       | Single stage   | mar/24             | Low    | Medium | Active                    |
| <b>Esmeril IV dike</b>                | CSN Mineração                      | Containment of limestone       | Gravel         | 41.44      | 230,901       | Single stage   | mar/24             | Low    | High   | Active                    |
| <b>Lagarto dam</b>                    | CSN Mineração                      | Containment of limestone       | Gravel         | 14.20      | 363,901       | Single stage   | mar/24             | Low    | High   | Active                    |
| <b>Poço Fundo dam</b>                 | De-characterized and unregistered. |                                |                |            |               |  |                    |        |        |                           |
| <b>Vigia auxiliary dam</b>            | De-characterized and unregistered. |                                |                |            |               |  |                    |        |        |                           |
| <b>B2 dam</b>                         | Minérios Nacional                  | Containment of mining tailings | Iron ore       | 40.00      | 304,143       | Upstream   | mar/24             | Low    | High   | Inactive                  |
| <b>B2 auxiliary dam<sup>(3)</sup></b> | Minérios Nacional                  | Containment of mining tailings | Iron ore       | 33.00      | 2,785,859     | Upstream   | mar/24             | Low    | High   | Inactive                  |
| <b>Engenho dike</b>                   | CSN Mineração                      | Containment of limestone       | Gravel         | 12.40      | 11,378        | Single stage   | mar/24             | Low    | Medium | Active                    |
| <b>Vigia dam <sup>(1)</sup></b>       | CSN Mineração                      | Containment of mining tailings | Iron ore       | -          | -             | -  | mar/24             | -      | -      | de-characterized          |
| <b>Ecológica 1 Dam</b>                | Minérios Nacional                  | Containment of limestone       | Gravel         | 18.50      | 186,637       | Downstream   | mar/24             | Low    | Medium | Active                    |
| <b>Ecológica 2 Dam</b>                | De-characterized and unregistered. |                                |                |            |               |  |                    |        |        |                           |
| <b>B1 - Água Preta</b>                | De-characterized and unregistered. |                                |                |            |               |  |                    |        |        |                           |
| <b>B2 - Água Preta</b>                | De-characterized and unregistered. |                                |                |            |               |  |                    |        |        |                           |
| <b>B2 dam</b>                         | CSN Cimentos                       | Water storage and catchment    | Dolomite       | 11.00      | 240           | Center line  | mar/24             | Low    | High   | Under de-characterization |
| <b>B3 dam</b>                         | CSN Cimentos                       | Containment of limestone       | Limestone      | 11.00      | 900           | Single stage   | mar/24             | Low    | High   | Under de-characterization |
| <b>PIT-01</b>                         | De-characterized and unregistered. |                                |                |            |               |  |                    |        |        |                           |
| <b>Taboquinha 01 - Crente</b>         | Estanho de Rondônia                | Containment of mining tailings | Deposit of tin | 18.00      | -             | Upstream   | mar/24             | Low    | Medium | de-characterized          |
| <b>Taboquinha 02 - Serra Azul</b>     | Estanho de Rondônia                | Containment of mining tailings | Deposit of tin | 19.00      | 1,983,201     | Upstream   | mar/24             | Low    | Medium | Under de-characterization |
| <b>Taboquinha 03</b>                  | Estanho de Rondônia                | Containment of mining tailings | Deposit of tin | 9.00       | 1,708,100     | Single stage   | mar/24             | Medium | Medium | Under de-characterization |
| <b>Taboquinha 04</b>                  | Estanho de Rondônia                | Containment of mining tailings | Deposit of tin | 16.00      | 2,253,100     | Single stage   | mar/24             | Medium | Medium | Under de-characterization |
| <b>Igarapava</b>                      | Aliança Geração de Energia S.A.    | Hydroelectric                  | Water          | 45.6       | 234,500,000   | Soil - concrete face rockfill  | Sep/23             | Low    | High   | Active                    |
| <b>Itá (dam)</b>                      | Engie Brasil                       | Hydroelectric                  | Water          | 125.00     | 5,100,000,000 | Concrete face rockfill   | April/24           | Low    | High   | Active                    |
| <b>Itá (dike 1)</b>                   | Engie Brasil                       | Hydroelectric                  | Water          | 22.00      |               | Compressed soil, upstream protection with riprap rock and downstream protection with grass | April/24           | Low    | High   |                           |
| <b>Itá (dike 2)</b>                   | Engie Brasil                       | Hydroelectric                  | Water          | 22.00      |               | Compressed soil, upstream protection with riprap rock and downstream protection with grass | April/24           | Low    | High   |                           |

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| Name of the Dam/Dike        | Company / Entrepreneur       | Main Use                 | Substance | Height (m) | Capacity (m³) | Construction Method  | Last Certification | Risk   | Impact | Status |
|-----------------------------|------------------------------|--------------------------|-----------|------------|---------------|--|--------------------|--------|--------|--------|
| Itá (dike 3) <sup>(4)</sup> | Engie Brasil                 | Hydroelectric            | Water     | 29.00      |               | Compressed soil, upstream protection with riprap rock and downstream protection with grass | April/24           | Low    | High   |        |
| Blang                       | CEEE-G                       | Hydroelectric            | Water     | 20.70      | 50,000,000    | Cyclopean concrete   | Dec/23             | Low    | High   | Active |
| Canastra                    | CEEE-G                       | Hydroelectric            | Water     | 25.40      | 242,000       | Reinforced concrete  | Dec/23             | Low    | High   | Active |
| Capigui I (Regularização)   | CEEE-G                       | Hydroelectric            | Water     | 20.50      | 42,000,000    | Conventional concrete  | Dec/23             | Low    | High   | Active |
| Capigui II (Auxiliar)       | CEEE-G                       | Hydroelectric            | Water     | 6.10       | 10,000        | Wooden Buttress  | Dec/23             | Low    | Low    | Active |
| Capigui III (Captação)      | CEEE-G                       | Hydroelectric            | Water     | 5.20       | 30,000        | Conventional concrete  | Dec/23             | Medium | Low    | Active |
| Diviso                      | CEEE-G                       | Hydroelectric            | Water     | 27.50      | 11,400,000    | Conventional concrete  | Dec/23             | Low    | High   | Active |
| Ernestina                   | CEEE-G                       | Hydroelectric            | Water     | 22.69      | 258,350,000   | Rockfill   | Dec/23             | Low    | High   | Active |
| Ernestina 1 Dike            | CEEE-G                       | Hydroelectric            | Water     | 5.00       | -             | Homogeneous embankment   | Dec/23             | Low    | High   | Active |
| Ernestina 2 Dike            | CEEE-G                       | Hydroelectric            | Water     | 5.00       | -             | Homogeneous embankment   | Dec/23             | Low    | High   | Active |
| Forquilha                   | CEEE-G                       | Hydroelectric            | Water     | 6.50       | 50,000        | Stone masonry  | Dec/23             | Low    | Low    | Active |
| Guarita                     | CEEE-G                       | Hydroelectric            | Water     | 8.75       | 60,000        | Cyclopean concrete   | Dec/23             | Medium | Low    | Active |
| Herval                      | CEEE-G                       | Hydroelectric            | Water     | 11.85      | 150,000       | Reinforced concrete  | Dec/23             | Medium | Low    | Active |
| Juizinho                    | CEEE-G                       | Hydroelectric            | Water     | 6.90       | 60,000        | Cyclopean concrete   | Dec/23             | Low    | Low    | Active |
| Itaúba                      | CEEE-G                       | Hydroelectric            | Water     | 97.00      | 382,900,000   | Earth fill   | Dec/23             | Low    | High   | Active |
| Itaúba - Vertedouro         | CEEE-G                       | Hydroelectric            | Water     | 28.10      | -             | Conventional concrete  | Dec/23             | Low    | High   | Active |
| Ivai                        | CEEE-G                       | Hydroelectric            | Water     | 7.10       | 50,000        | Cyclopean concrete   | Dec/23             | Low    | Low    | Active |
| João Amado                  | CEEE-G                       | Hydroelectric            | Water     | 11.50      | 10,600,000    | Cyclopean concrete   | Dec/23             | Low    | High   | Active |
| João Amado - Left dike      | CEEE-G                       | Hydroelectric            | Water     | 4.50       | -             | Homogeneous embankment   | Dec/23             | Low    | High   | Active |
| Maia Filho                  | CEEE-G                       | Hydroelectric            | Water     | 24.45      | 34,500,000    | Conventional concrete  | Dec/23             | Low    | High   | Active |
| Passo do Inferno            | CEEE-G                       | Hydroelectric            | Water     | 8.00       | 10,000        | Stone masonry  | Dec/23             | Medium | Low    | Active |
| Passo Real                  | CEEE-G                       | Hydroelectric            | Water     | 58.00      | 3,738,600,000 | Earth fill   | Dec/23             | Low    | High   | Active |
| Salto                       | CEEE-G                       | Hydroelectric            | Water     | 10.00      | 13,800,000    | Cyclopean concrete   | Dec/23             | Low    | High   | Active |
| Santa Rosa                  | CEEE-G                       | Hydroelectric            | Water     | 7.20       | 70,000        | Stone masonry  | Dec/23             | Low    | Low    | Active |
| Toca                        | CEEE-G                       | Hydroelectric            | Water     | 4.50       | 10,000        | Stone masonry  | Dec/23             | Low    | Low    | Active |
| Quebra Queixo               | CEC                          | Hydroelectric            | Water     | 70.00      | 136,630,000   | Concrete face rockfill dam   | Dec/23             | Low    | High   | Active |
| Santa Ana                   | Santa Ana Energética S.A.    | Hydroelectric            | Water     | 3.35       | 100,000       | Conventional concrete  | Dec/23             | Low    | Low    | Active |
| Sacre 2                     | Brasil Central Energia Ltda. | Hydroelectric            | Water     | N/A        | No reserve    | River diversion  | Dec/23             | N/A    | N/A    | Active |
| Barroso containment dike    | CSN Cimentos Brasil S/A      | Containment of limestone | Gravel    | 5.00       | 29,000        | Rockfill   | -                  | Low    | Low    | Active |
| SHG Cachoira dos Macacos    | CSN Cimentos Brasil S/A      | River dam                | Water     | 10         | 240,000       | Conventional concrete  | Dec/23             | Low    | Low    | Active |

- (1) Decharacterization works already completed, in the process of deregistration with FEAM and ANM.
- (2) The Casa de Pedra dam comprises B2, B3 and B6 underwater dams, flooded by its reservoir.
- (3) In regard to B2 auxiliary dam, which stability was not assured and declared in the last report, dated September 2023, Minérios Nacional clarifies that it has been meeting the works schedule regarding the structure's stabilization, as determined by the designer and independent external audits, and has been carrying out the measures issued by the Minas Gerais State Prosecutor's Office, as confirmed by an expert report issued by the analyst of the Minas Gerais State Prosecutor's Office.
- (4) The dam and dikes (1, 2 and 3) comprise the reservoir of Itá hydroelectric.

We constantly work on changing our processes to reduce tailings deposits and we continue to execute our plan for the decommissioning or de-characterization of our inactive tailings dams pursuant to a timeline that is, as of the date of this annual report, being developed by our ESG and engineering teams.

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### **Our Cement Segment**

Our cement segment comprises seven integrated cement plants, six mills and 21 distribution centers throughout the Southeast, Northeast and Midwest of Brazil, in the states of Rio de Janeiro, Minas Gerais, São Paulo, Espírito Santo, Paraíba, Bahia and Goiás.

#### *Production*

Our cement production begins with the influx of raw materials comprising clinker, limestone, gypsum and sometimes slag in a cement mill. The cement grinding process in Volta Redonda, Arcos and Barroso is by vertical mills. The mills have a hydraulic roller system, which uses pressure to grind the layer of material on the turntable. In other plants, the cement grinding process is by ball mills. The materials are ground to a fine powder, in rotating, cylindrical ball mills containing a charge of steel grinding balls.

We produce clinker in each of our integrated cement plants. The main raw materials for the production of clinker are limestone, clay and other correctives, such as iron ore, bauxite, etc. These materials undergo grinding and are then dosed, forming the so-called "raw meal." After the homogenization of this raw meal, the mixture is taken to a kiln where it is heated to high temperatures. As a result of this procedure, we obtain clinker, which is the base material for our cement. We add gypsum and other ingredients to the clinker mix that are dosed and fed into the cement mills until we reach a granulometry suitable for the type of cement products.

Slag is a by-product of iron and steel, produced in the blast furnace, stored in a warehouse and transported by road. We use natural gypsum, which is transported by truck and stored in a warehouse. Certain of our plants have a slag supply contract with other steel plants.

Inside our plants, the raw materials are carried out by conveyor belts, placing inputs in scales according to a predefined formula and delivering them to the mills. The grinding stations receive clinker transferred from the integrated plants by rail or road. The portfolio of cement products we offer in bagged and bulk forms includes the following: (i) CP II (Composite Portland Cement), (ii) CP III (Blast Furnace Portland Cement) and (iii) CP V ARI (High Initial Strength Portland Cement). We produce these different types of cement with the addition of different elements in the composition, as well as filler (calcium carbonate), slag and pozzolan.

The types of cement we produce are: CP III 32, CP III-40 RS, CP II-E-32, CP II-E-40, CP II-F-40, CP II-F-40 Fibro, CP II-F 32, CP-II-F-32 SUPER, CP II-Z-32, CPV ARI, CPV ARI RS, CPV ARI PLUS, CP ARIF ESPECIAL, CP ARIF and ECOCEM 50, in each case in bagged and bulk forms.

| Plants         | Region    | Number of Silos | Maximum Capacity |
|----------------|-----------|-----------------|------------------|
| Caaporã        | Northeast | 8               | 31,200           |
| Barroso        | Southeast | 10              | 55,850           |
| Pedro Leopoldo | Southeast | 10              | 26,000           |
| Cantagalo      | Southeast | 4               | 24,000           |
| Montes Claros  | Southeast | 6               | 34,800           |
| Cocalzinho     | Midwest   | 2               | 8,000            |
| Vitória        | Southeast | 2               | 9,296            |
| Candeias       | Northeast | 2               | 2,250            |
| Unidade Rio    | Southeast | 4               | 2,400            |
| Arcos          | Southeast | 7               | 28,000           |
| Alhambra       | Northeast | 4               | 18,000           |
| Sorocaba       | Southeast | 1               | -                |
| Volta Redonda  | Southeast | 4               | 30,000           |

### **Our Energy Segment**

Our energy segment comprises our generation plants, which support reduction of our production costs and exposure to fluctuations or availability of certain energy sources and generate revenue through our commercialization of the energy surplus. Following is an overview of our energy segment related assets.

#### *Thermoelectric Co-Generation Power Plant*

We have a 245 MW thermoelectric co-generation power plant at the Presidente Vargas Steelworks. Aside from operational improvements, the power plant supplies our strip mills with electric energy, processed steam and forced air from the blast furnaces, benefiting the surrounding environment through the elimination of flares that burn steel-processing gases into the atmosphere. In addition, we have a turbine generator, which adds 22 MW to our installed capacity. This turbine is located near our blast furnace no. 3 and uses the outlet gases from the iron making process to generate energy. The total annual capacity of our thermoelectric co-generation power plant is 267 MW.

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### *Itá Hydroelectric Facility*

We hold a 29.50% equity interest in the Itá hydroelectric facility, as we and Engie Brasil each own 48.75% of ITASA, a special-purpose company formed to own and operate, under a 30-year concession granted in 2000, 60.5% of the Itá hydroelectric facility on the Uruguay River in Southern Brazil. Itambé owns the remaining 2.5% of ITASA. Engie Brasil directly owns the remaining 39.5% of the Itá hydroelectric facility, which has an installed capacity of 428 MW.

### *Igarapava Hydroelectric Facility*

We own 17.92% of a consortium that built and has the right to operate, until September 2031, the Igarapava hydroelectric facility. Other consortium members are Aliança, L.D.R.S.P.E. Geracao de Energia e Participações Ltda. and AngloGold. The facility has an installed capacity of 38 MW.

### *Santa Ana Hydroelectric Facility*

CSN Cimentos and our energy subsidiary CSN Energia own 100% of Santa Ana Energética S.A., which holds the concession for the hydroelectric power plant of Santa Ana that has an installed capacity of 6.3 MW.

### *Sacre II Hydroelectric Facility*

CSN Cimentos and our energy subsidiary CSN Energia own 100% of Topázio Energética S.A., which holds, through its subsidiary Brasil Central Energia Ltda., the concession for the hydroelectric power plant of Sacre II that has an installed capacity of 30 MW.

### *Quebra-Queixo Hydroelectric Facility*

CSN Mineração and our energy subsidiary CSN Energia own 100% of CEC, which holds the concession for the hydroelectric power plant Quebra-Queixo that has an installed capacity of 120MW.

### *CEEE-G*

CFB owns 98.98% of CEEE-G, which holds several concessions for hydroelectric power plants and greenfield wind power plant projects that represent, in the aggregate, an installed capacity of 1,134 MW.

## ***Our Logistics Segment***

Our logistics segment comprises railway and port facilities.

### *Railways*

#### Southeastern Railway System

MRS has a concession to operate Brazil's Southeastern railway system until 2056. As of December 31, 2023, we held 33.70% (18.75% directly and 14.95% through CSN Mineração) of MRS's total capital. For more information, see "Item 5. Operating and Financial Review and Prospects-5B. Liquidity and Capital Resources--Off-Balance Sheet Arrangements--"Take-or-Pay" Contractual Obligations." The Brazilian Southeastern railway system, with 1,643 km of track, serves the São Paulo - Rio de Janeiro - Belo Horizonte industrial triangle in Southeast Brazil, and links our mines located in the state of Minas Gerais to the ports located in the states of São Paulo and Rio de Janeiro and to the steel mills of CSN, Companhia Siderúrgica Paulista and Gerdau Açominas. In addition to serving other customers, the railway transports iron ore from our mines at Casa de Pedra in the state of Minas Gerais and coke and coal from Itaguaí Port in the state of Rio de Janeiro to the Presidente Vargas Steelworks and transports our exports to the ports of Itaguaí and Rio de Janeiro. The railway system connects the Presidente Vargas Steelworks to the container terminal at Itaguaí Port, which handles most of our steel exports.

#### Northeastern Railway System

We hold interest in companies that have concessions to operate the Northeastern railway system, which operates in the states of Maranhão, Piauí, Ceará and Pernambuco, and connects with the region's leading ports, offering an important competitive advantage through opportunities for intermodal transportation solutions and made-to-measure logistics projects.

In 1997, we were awarded a concession granting the exclusive right to operate cargo transportation at the railway that belonged to Rede Ferroviária Federal S.A., or RFFSA, which we currently call Northeastern Railway System I, effective January 1, 1998, and the preference to operate cargo railway transportation in any new tracks of the Northeastern Railway System that the Brazilian government elected to build.



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In 2005, we executed a letter of intent with the Brazilian government (the grantor of this concession) to enable the development of new tracks and certain other improvements of the Northeastern Railway System, in a project called “Nova Transnordestina.” The Nova Transnordestina project discussions resulted in the execution, in 2013 and 2014, of a TAC that settled all claims of non-compliance by us with the original concession agreement until 2012, and multiple agreements, including an investment agreement (discussed below) and a new concession, pursuant to which we were granted the right to develop and operate new tracks and the Northeastern Railway System management was divided in two sub-railway systems:

- *Northeastern Railway System I*, which is in operation by our subsidiary FTL, encompasses the RFFSA network, covering the stretches between the cities of São Luís - Altos, Altos - Fortaleza, Fortaleza - Souza, Souza - Recife/Jorge Lins, Recife/Jorge Lins - Salgueiro, Jorge Lins - Propriá, Paula Cavalcanti - Cabedelo and Itabaiana - Macau, with 4,238 km of railways, of which 1,191 km are operational, and we are negotiating with the National Agency for Ground Transportation (*Agência Nacional de Transportes Terrestres*), or ANTT, to return the remainder. As of December 31, 2023, we held 92.71% of the capital stock of FTL and its concession extends until 2027, renewable for an additional 30 years. As of December 31, 2023, R\$51.7 million in concession payments were outstanding over the remaining years of the concession.
- *Northeastern Railway System II*, which is under construction by our jointly controlled investee TLSA, will encompass the new network, covering the stretches between the cities of Eliseu Martins - Trindade, Trindade - Salgueiro, Salgueiro - Missão Velha and Missão Velha - Porto de Pecém, with an expected extension of 1,206 km that will connect the interior of Northeast Brazil to Pecém and Suape Ports. As of December 31, 2023, we held 48.03% of the capital stock of TLSA and its concession extends until the earlier of 2057 or the date when TLSA recovers its invested equity at an annual rate of return of 6.75%.

In September 2013, we entered into an investment agreement, or the TLSA Investment Agreement, with Valec Engenharia, Construções e Ferrovias S.A., or Valec, and the Northeast National Development Fund (*Fundo Nacional de Desenvolvimento do Nordeste*), or FDNE, two Brazilian government entities focused on infrastructure and the development of the northeastern region and our partners in TLSA. Under the TLSA Investment Agreement, we and our partners agreed on a budget of R\$7.5 billion to complete the construction of the Northeastern Railway System II. A revised budget of approximately R\$14.9 billion is under review by the partners of TLSA and subject to revision of the TLSA Investment Agreement, which, as of the date of this annual report, has not been formalized.

The TLSA Investment Agreement also provides for indicative terms and conditions, including amounts, under which the Brazilian National Economic and Social Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social*), or BNDES, agreed to provide long-term financing for the completion of Northeastern Railway System II. Although we have received indicative terms, the financing is subject to several conditions, including the satisfactory completion of internal and credit approval processes by lenders. If any of the conditions are not met, including final credit approval by the lenders in terms and costs reasonable to us, we may not be able to obtain the financing. The other long-term financing from FDNE and the Constitutional Financing Fund of the Northeast (*Fundo Constitucional de Financiamento do Nordeste*), or FNE, has already been received by TLSA.

In 2016, the federal court of accounts (*Tribunal de Contas da União*), or TCU, initiated a proceeding questioning the legality of certain aspects of the concession contract for the Northeastern Railway System II, which has contributed to a slow pace of construction of the new tracks, and the ANTT has initiated a proceeding claiming TLSA did not comply with the terms of the concession contract for the Northeastern Railway System I.

Valec’s non-compliance with material obligations under the TLSA Investment Agreement has also contributed to a slow pace of construction of the new tracks and caused revision of the budget.

In the end of 2019, ANTT recommended the expiry of the concession contract for the Northeastern Railway System I, and, in first half of 2020, ANTT recommended the expiry of the concession contract for the Northeastern Railway System II. Both decisions were subject of requests to amend the decision by the concessionaires and, as of the date of this annual report, we await a final decision by ANTT.

ANTT’s decisions do not take immediate effect and will only take effect once they have been considered and decreed by the President of Brazil, as well as decided in all final instances. For more information, see “Item 8. Financial Information-8A. Consolidated Statements and Other Financial Information-Legal and Administrative Proceedings-Northeastern Railway System Proceedings.”

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In December 2022, we entered into an amendment to the concession agreement of TLSA, pursuant to which, among other things, there was a change to the railroads granted to TLSA and we agreed to certain mandatory investments and to the conditions for the return of the Salgueiro - Porto de Suape's grid, where the TLSA project currently has 1,206 km of railway network and a completion deadline of December 2029.

The concession contract for the Northeastern Railway System I remains valid in all its terms until 2027, with a request for extension of the contract under analysis by the federal government.

In November 2023, TLSA received R\$811 million from FDNE and currently the Northeastern Railway System II represents one of the federal government's most significant strategic initiatives regarding the economic and social development of the Northeastern region of Brazil. This amendment represents an important step in the evolution of TLSA's operations, which will support our operations and the transportation of our products across the Northeast region of Brazil.

## *Port Facilities*

### Solid Bulks Terminal

We operate an integrated and modern logistics structure. Part of this structure includes the operation of TECAR through a concession renewed in 2015 and expiring in 2047.

TECAR is connected to road and rail systems across Southeast Brazil and is one of the four port terminals that make up the Port of Itaguaí facilities. With a strategic location and a total area of 740,761 m<sup>2</sup>, the terminal consists of a concrete molded berthing pier superposed on jacketed stilts connected to the mainland by an access bridge perpendicular to the berthing pier. Its backyard includes conveyor belts, an internal road system, bulk storage yards and a railway looping, as well as industrial and administrative facilities.

### Container Terminal

We indirectly own almost the entirety of TECON, which has a concession to operate the container terminal at Itaguaí Port for a 25-year term expiring in 2026, which is renewable for an additional 25 years. As of December 31, 2023, approximately R\$101.2 million of the cost of the concession was outstanding and payable over the remaining years of the concession.

The Itaguaí Port is in Brazil's Southeast region, with all major exporting and importing areas in the states of São Paulo, Minas Gerais and Rio de Janeiro within 500 km.

Favorable natural conditions, like natural deep waters and a low urbanization rate around the Port of Itaguaí, allow large vessels to operate and allow for highly competitive prices for services rendered. After TECON's investments in infrastructure and equipment, which increased our capacity to 440,000 containers (660,000 TEUs) per year, new improvements were achieved from 2019 to 2021, which increased the terminal's service level and productivity, including maritime access and berths achieving certification for 15.4 meters in draft, including tides, which is the deepest in the East coast of South America, as well as the acquisition of new equipment. In 2023, we continued to invest in upgrading our operational facilities and complying with regulatory requirements. In addition, in 2023, we received nine new rubber-tired gantries, from an investment in 2022, and purchased six new forklifts, which we will begin operating, improving our operational capacity. TECON will keep investing in the project expansion to increase its capacity by approximately 40%, which would make it one of the largest port terminals in Brazil, with a nominal capacity of 1,000,000 TEUs per year. This expansion project, which is under discussion with regulatory agencies, includes a quay extension of 273 meters, with a total resulting length of 1,083 meters, acquisition of two new gantry cranes (ship-to-shore) for larger container carriers, acquisition of additional yard civil works and equipment, and dredging of the access channel and maneuvering basin.

In 2023, TECON moved 58,000 containers, 1.1 million tons of steel products, 35,000 tons of general cargo and 660,000 tons of solid bulk, as compared to 62,000 containers, 1.3 million tons of steel products, 42,000 tons of general cargo and 918,000 tons of solid bulk in 2022. The decrease in container volume in 2023 is mainly due to the verticalization of port operations by container shipowners that concentrate their operations in proprietary terminals. To mitigate the effects of this decrease in container volume in 2022, TECON sought new markets and began operating wood shipments, as well as new steel cargo, and increasing the volume of other cargo also handled in 2021, including billets, wire rods, plates, tubes, transformers, locomotives and solid bulk, such as soda ash, gypsum and pellets.

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**Marketing, Organization and Strategy**

**Flat Steel**

Our steel products are sold both domestically and abroad as a raw material for several manufacturing industries, including the automotive, home appliance, packaging, construction and steel processing industries.

Our sales approach involves establishing brand loyalty and achieving a reputation for quality products by developing relationships with our customers, focusing on their specific needs and providing tailor-made solutions.

Our commercial area is responsible for sales of all our products. This area is divided into two major teams, one focused on sales in international markets and the other on sales in the domestic market. The domestic market sales team covers seven market divisions: packaging, distribution network, automotive industry (automakers and auto parts), home appliances, general industry, construction and pipes. We also have a team responsible for selling all process residues, which include blast furnace slag, pitch and ammonia, which are widely used as inputs in chemical and cement industries.

The distribution network division is responsible for supplying large steel processors and distributors. In addition to independent distributors, we count with our own distributor, Prada Distribuição. The pipes division supplies oil and gas pipe manufacturers as well as industries that produce small diameter pipe and light profiles. The packaging division acts in an integrated way with suppliers, representatives of the canning industry and distributors to respond to customer needs for finished products. We supply the automotive division from a specialized mill, CSN Porto Real, and also by a portion of the galvanized material produced at Presidente Vargas Steelworks, thereby benefitting from a combined sales strategy.

Historically, our sales in international markets were primarily through international brokers. However, as part of our strategy to establish direct, longer-term relationships with end-users, we have decreased our reliance on these brokers and have instead focused on direct sales to more profitable international markets.

All of our sales are on an order basis and have an average delivery time of 45 days. As a result, our production levels closely reflect our order logbook status. We forecast sales trends in both the domestic and international markets based on historical data and general economic outlooks. We have our own data systems to remain informed of worldwide and Brazilian market developments. Our management believes that a key to our success is maintaining our presence in international markets, which provide us flexibility to shift between domestic and international markets depending on how favorable conditions are.

Unlike other commodity products, steel is not traded on an exchange, nor is there uniform pricing, due to wide differences in size, quality and specifications. In general, we price exports based on international spot prices of steel at the time of sale in U.S. dollars or euros, depending on the destination. Sales are normally paid upfront, or within 14 or 28 days, and, in the case of exports, usually backed by a letter of credit and an insurance policy. Sales are made primarily on cost and freight terms.

**Sales by Geographic Region**

In 2023, we sold steel products to customers in Brazil and in 14 other countries. The fluctuations in the portion of total sales assigned to domestic and international markets, which are presented in the table below, reflect our ability to adjust our sales in light of variations in the domestic and international markets, as well as domestic and international steel demand and prices.

The two main export markets for our products are Europe and North America, representing approximately 75% and 24%, respectively, of our export sales volume in 2023. The following table sets forth the geographic break-down of our steel product exports by destination:

|                              | 2021  |             |                        |             | 2022         |             |                        |             | 2023         |             |                        |             |
|------------------------------|---|-------------|------------------------|-------------|--------------|-------------|------------------------|-------------|--------------|-------------|------------------------|-------------|
|                              | Tons  | % of Total  | Net Operating Revenues | % of Total  | Tons         | % of Total  | Net Operating Revenues | % of Total  | Tons         | % of Total  | Net Operating Revenues | % of Total  |
|                              | <i>(in thousands of tons and millions of R\$)</i> |             |                        |             |              |             |                        |             |              |             |                        |             |
| Brazil                       | 3,176   | 69%         | 21,400                 | 71%         | 3,075        | 70%         | 20,588                 | 70%         | 2,917        | 70%         | 16,516                 | 73%         |
| Export                       | 1,427   | 31%         | 8,691                  | 29%         | 1,315        | 30%         | 8,753                  | 30%         | 1,249        | 30%         | 6,201                  | 27%         |
| <b>Total</b>                 | <b>4,602</b>                                      | <b>100%</b> | <b>30,091</b>          | <b>100%</b> | <b>4,389</b> | <b>100%</b> | <b>29,341</b>          | <b>100%</b> | <b>4,166</b> | <b>100%</b> | <b>22,718</b>          | <b>100%</b> |
| <b>Exports by Region</b>     |   |             |                        |             |              |             |                        |             |              |             |                        |             |
| North America <sup>(9)</sup> | 285   | 20%         | 2,276                  | 26%         | 241          | 18%         | 2,018                  | 23%         | 300          | 24%         | 1,672                  | 27%         |
| Latin America                | 68  | 5%          | 356                    | 4%          | 46           | 4%          | 382                    | 4%          | 16           | 1%          | 132                    | 2%          |
| Europe                       | 1,089   | 76%         | 6,060                  | 70%         | 1,028        | 78%         | 6,352                  | 73%         | 932          | 75%         | 4,397                  | 71%         |
| All others                   | 0   | 0%          | 0                      | 0%          | 0            | 0%          | 1                      | 0%          | 0            | 0%          | -                      | 0%          |

(9) Sales to Mexico are included in North America.

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### *Sales by Product*

The following table sets forth our sales breakdown by product in Brazil in the periods indicated:

|                                 | 2021 | 2022 | 2023 |
|---------------------------------|------|------|------|
| <b>Domestic Sales Breakdown</b> |      |      |      |
| Hot-rolled products             | 41%  | 41%  | 40%  |
| Cold-rolled products            | 14%  | 14%  | 12%  |
| Galvanized products             | 28%  | 29%  | 30%  |
| Tin plates products             | 10%  | 9%   | 9%   |
| Long steel                      | 7%   | 7%   | 9%   |

### *Sales by Industry*

We sell our steel products to manufacturers in several industries. The following table sets forth our breakdown by market segment of domestic volume shipped in the periods indicated:

|                        | 2021 | 2022   | 2023 |
|------------------------|------|--|------|
| <b>Sales Breakdown</b> |      | <i>(in percentages of total domestic volume shipped)</i> |      |
| Distribution network   | 32%  | 30%  | 32%  |
| Industrial             | 17%  | 21%  | 15%  |
| Packaging              | 11%  | 9%   | 9%   |
| Automotive             | 12%  | 12%  | 15%  |
| Home appliances        | 11%  | 7%   | 10%  |
| Construction           | 17%  | 21%  | 19%  |

We believe we have a particularly strong domestic and export position in the sale of tin plates products used for packaging in Latin America. Our customers for these products include some of the world's largest food processing companies, as well as many small and medium-sized entities. We also maintain a strong position in the sale of galvanized products for use in the automobile manufacturing, construction and home appliance industries in Brazil and abroad, supplied by CSN Porto Real and CSN Paraná. No single customer accounts for more than 10% of our net operating revenues.

For further information on steel sales, see "Item 5. Operating and Financial Review and Prospects-5A. Operating Results-Overview-Steel Market-Product Mix and Prices" and "-Results of Operations-Year 2023 Compared to Year 2022-Net Operating Revenues."

### *Seasonality*

Although steel demand is stronger in the second quarter of each year and weaker in the last quarter, our production is continuous throughout the year.

### *Long Steel - SWT*

Our long steel products are sold both in Germany (approximately 30%) and other countries, mainly in Europe (approximately 60%), for use in industrial, infrastructure, civil construction and engineering industries.

Our sales approach is to establish brand loyalty and to maintain our reputation of high-quality products and excellent delivery performance by developing long-term relationships with our customers. SWT focuses on meeting specific customer needs, developing solutions for both low temperature and high temperature resistant applications, as well as optimized section shapes for special applications.

Our commercial area is responsible for sales of all of our products worldwide. This area is divided into the direct sales team which is organized in 13 agencies located in Germany and in our core markets in Europe, the commercial back-office department (order management from entry via tracking to the final delivery and invoicing), logistics contracting (truck, rail, vessel, maritime, inventory worldwide) and a rail logistics department.

SWT does not possess its own distribution network, instead cooperating with the big steel distributors and traders in Europe and other countries. All of our sales are on an order-by-order basis. The delivery time is related to the logistics chain and varies between two to six weeks depending on the relevant Incoterms and section type. As a result, our production levels closely reflect our order logbook status. We forecast sales trends in both the European and export markets based on the historical data available from the last two years and the general economic outlook for the near future. We believe that our presence in the export market outside of Europe gives us more flexibility to optimize production and maximize our profitability.

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Sections are not sold based on uniform pricing in Europe, as wide differences exist in terms of size, quality and specifications. In general, exports are priced based on international spot prices of steel at the time of sale in U.S. dollars or euros, depending on the destination. Sales are normally paid within 30 days and, in the case of exports, usually backed by a letter of credit and an insurance policy. SWT's businesses are 100% covered by Euler Hermes risk insurance, a bank guarantee or a letter of credit. Sales are made primarily on cost and freight terms.

### ***Long Steel - Volta Redonda***

In 2013, we started the production of long steel in Volta Redonda. This plant has production capacity of 500 kt/year when fully operational, providing the domestic market with products for civil and industrial construction.

Divided in wire rod, rebar CSN 50 and rebar CSN 25, we developed our products using high technology and in accordance with the highest quality and sustainability standards.

Our commercial team has its own sales force dedicated to meet all the needs of the long steel market: small customers as well as large wholesalers. We count with strategically located distribution centers to deliver our products throughout Brazil. In order to provide a wide range of products for the civil construction segment, we include in our product portfolio, in addition to cement and structural section products derived from flat steel, products such as tiles and tubes, among others.

### ***Iron Ore***

Iron ore products are commercialized by our teams located in Brazil, Switzerland and Hong Kong. These three marketing units allow us to maintain close relations with our customers worldwide, understand the environment where they operate, monitor their requirements and provide all necessary assistance promptly. Market intelligence analysis, planning and administration of sales and third-party iron ore purchases are handled from Brazil by the staff in our Casa de Pedra mine and São Paulo headquarters, while our Switzerland and Hong Kong offices handle the export sales.

We supply our iron ore to the steel industry, and our main destinations are Brazil, Europe and Asia. Prevailing and expected levels of demand for steel products directly affect demand for iron ore. Demand for steel products is correlated to many factors, including GDP, global manufacturing production, urbanization, construction and infrastructure spending.

We believe our competitiveness has been improved by our customer service and market intelligence. It is paramount for us to have a clear understanding of our customers' businesses in order to address their needs, surpass their expectations and build long-term relationships. We have a customer-oriented marketing policy and specialized local personnel in direct contact with our customers in order to help determine the product mix that best suits each particular customer.

We first entered the international iron ore market in February 2007, upon completion of the first phase of the expansion of our coal seaport terminal in Itaguaí, in the state of Rio de Janeiro, which enabled us to handle and export iron ore and to load from our own facilities the first shipment of our iron ore products.

In 2023, our iron ore sales reached 42.7 million tons, of which 39.2 million tons were sales to third parties and 3.5 million tons were sales to our steel mills, which represents an increase of 27.8% compared to 2022. Total mining net revenue increased 36.8% in 2023, mainly due to higher volumes of iron ore produced and higher prices in the international market. The share of mining segment revenue in our total net revenue increased from 28.2% in 2022 to 37.7% in 2023.

In 2023, 80.6% of our iron ore export sales went to the Asian market, mainly China, and 7.9% were sold in the European market. Of our total sales volume to third parties, 94.4% were sinter feed and 4.4% lump ore.

As global iron ore markets are highly competitive, we focus on our flexibility, reliability and efficient manner of supplying iron ore to the world market.

Through our marketing offices, we have long-term relationships with most players in the steel industry in China, Japan, Taiwan, South Korea, Europe and Brazil.

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### **Cement**

We have a diverse customer base of approximately 25,000 customers, including construction material stores, home centers, concrete producers, construction companies, mortar industries and cement artifact producers.

The focus of our cement sales strategy is on the retail and bulk segments, in which we have a strong presence in sales points where we reinforce the quality of our product to final customers, and our technical product portfolio that is well recognized by the market.

### **Energy**

As part of our strategy in the energy segment, in April 2023, we entered into lease agreements with Itauba and Passo Real HPPs for a consortia formed by our companies to assure a fixed income to CEEE-G, assuring self-production surcharges relief to the members of the consortia which represents energy cost reduction.

The energy sales strategy for CEEE-G involves a combination of a 15-year power purchase agreement, or PPA, and rolling PPAs with short duration (of one to three years) and spot sales in order to maximize revenue.

The Floriano Complex, which is a solar wind project with an installed capacity of 1.2 GW, continues its development phase aiming to increase our energy capacity, which will support consumption increase and replace plants whose concession will expire in 2032.

### **Insurance**

We maintain several types of insurance policies as part of our risk management for each of our businesses and seek to follow industry practice regarding best coverage, which encompasses domestic and international (import and export) cargo transportation (road, rail, sea or air), life insurance, personal accidents, health, automobile, directors and officers, general liability, CAR (construction and erection risks), trade credit insurance, surety, named perils, ports and terminal liabilities.

We also have an insurance policy covering the operational risks, material damages and loss of profits of our following branches and subsidiaries: Presidente Vargas Steelworks, CSN Mineração and TECON. We annually renew this policy with domestic and foreign insurers and reinsurers. Our current policy, valid until September 2024, provides for limited indemnity of US\$525 million (for an insured amount of US\$14.9 billion) and a deductible of US\$310 million for material damages and 45 days to loss of profits.

In addition, we have policies for companies operating in our steel, mining, cement, energy and logistics segments, totaling a maximum guarantee limit of US\$240 million, each with its own deductible.

The coverage obtained in our insurance policies may not be sufficient to cover all risks or the extent of the risks we are exposed to. For more information, see "Item 3. Key Information-3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-Our insurance policies may not be sufficient to cover all our losses."

### **Intellectual Property**

We maintain a dedicated team to manage our intellectual property portfolio, which includes trademarks, patents, know-how, trade secrets and industrial designs. This team ensures adequate protection for our intellectual assets, the pursuit of best knowledge management practices and explores the possibility of new business generation through technology transfer agreements, among others.

Our intellectual property team also supports our innovation agenda through CSN Inova and provides the legal framework needed for the partnership agreements negotiated with third parties (including universities and research institutes) that are essential to strengthen our knowledge generation and foster technical cooperation for the development of new, improved and more sustainable processes, products and operations.

### **ESG - Environmental, Social and Governance Matters**

We are committed, in particular by means of our integrated sustainability policy, to enhance the sustainability of our businesses ethically, transparently and through continuous improvement in our management mechanisms to protect the environment and prevent the occurrence of pollution and accidents. Our initiatives consider all applicable laws and regulations and include employee training to foster a common vision of sustainable development and social responsibility. We aim to promote a positive relationship and engagement with the local communities where our operations are located.

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In furtherance of this commitment, we continuously evolve our ESG practices and invest in sustainability initiatives to mitigate the risks inherent in our business activities, present opportunities to enhance our processes and respond to the demands of an increasingly ESG-concerned market. These investments include processes and equipment that offer modern and reliable technologies for monitoring and control of environmental, health and safety risks.

The last couple of years were marked by important initiatives toward the growth and expansion of our operations and the development of our ESG agenda. In February 2021, we installed our ESG committee, which is a non-statutory advisory committee to our board of directors. Our ESG committee is responsible for (i) defining our ESG strategies, (ii) identifying ESG risks and opportunities, (iii) developing projects to further our innovation agenda and (iv) monitoring corporate projects in the following action pillars: sustainable finance, social practice, technology and operational sustainability, governance and diversity and inclusion.

We disclose detailed sustainability measures and data on our ESG webpage and in our annual integrated report on sustainability, which is available on our ESG webpage. The information on our ESG webpage and in our annual integrated report on sustainability is not part of, or incorporated by reference in, this annual report.

### ***Environmental Matters***

We continuously seek to transform natural resources into sources of economic prosperity through sustainable projects. In 2023, we continued our sustainability initiatives to mitigate and offset the environmental impacts of our activities by allocating R\$716 million to environmental initiatives. Our investments in environmental sustainability in 2023 were mainly related to: (i) operation, maintenance and retrofitting of environmental control equipment mainly related to air and water protection; (ii) development of environmental studies for permit applications; and (iii) environmental management and protection system.

### ***Climate Change***

Since 2013, we have conducted an inventory of greenhouse gas emissions, following the guidelines of the greenhouse gas Protocol. We have aimed to optimize our carbon management, risk mitigation and adaptation to climate change and, in 2023, for the 9<sup>th</sup> consecutive year, we received the Gold Seal for having reported the emissions from all our units and submitting them to external verification. All CNS's operational units located in Brazil and Germany utilize electricity from renewable sources. As a result, emissions from scope two, as per the market-based approach, are considered zero greenhouse gas protocol. Through CSN Energia, we are considered 100% self-sufficient in renewable energy, with new investments in renewable power plants planned.

Moreover, we annually report to the Carbon Disclosure Project or CDP, an international non-profit organization that seeks to further transparency of the environmental impact of companies' operations, specific information related to climate change and water security. The CDP rating as of February 2024, was A- for climate change and water security.

CSN's performance related to climate change reflects its adoption of the best practices and are aligned with recognized methodologies such as the task force on climate-related financial disclosures and task force on nature-related financial disclosures. In 2023, we initiated a climate vulnerability study to evaluate the existing physical risks and support our climate adaptation plan. In 2024, we intend to propose adaptation actions to support decision-making for the company's climate transition.

The Cement sector accounts for more than 40% of CSN's total emissions. In order to reduce its carbon dioxide emissions, CSN Cimentos took an important step by submitting a target to the science-based target initiative in December 2023. The target is expected to be approved by 2024 and consists of a 23% reduction in emission's intensity by 2030, based on the year of 2020, and the continued use of renewable energy by the cement plants. To set this new target, we integrated the decarbonization strategy of all our cement assets and updated the marginal abatement cost curve of the Cement Sector.

Our greenhouse gas reduction targets (measured as tCO<sub>2</sub>e / ton of production) considering our Scope one and Scope two greenhouse gas emissions, contemplate: (i) CSN's Mineração's aggregate reduction of 30% by 2035 and carbon neutrality by 2044; and (ii) in our steel production, an aggregate reduction of 20% by 2035. We expect these reductions in greenhouse gas emissions will result from our existing expansion and efficiency projects, and also demand specific investments in order to meet these targets.

Moreover, we are concluding a climate vulnerability study, considering different scenarios from the latest Intergovernmental Panel on Climate Change models, focusing on physical risks. Through the risk analysis conducted in the study, six physical risks were prioritized: (i) slope instability (mining); (ii) storms (mining); (iii) loss of internal supply of raw materials (mining-port); (iv) changes in wind patterns for the mining industry; (v) changes in wind patterns for the steel industry; (vi) storms for the energy industry. these six risks were selected for an economic cost analysis and prioritization in the climate adaptation plans.

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### *Water Resources*

Water is one of the primary natural resources for our production processes, especially for the steel and mining sectors. Based on risk assessment methodologies of the World Wildlife Fund's Water Risk Filter and the World Resources Institute's Aqueduct, since 2021, we began to analyze our exposure to water risks in all our production plants, considering our processes and nearby watersheds. We have been monitoring the risks associated with water scarcity to assess the potential impacts that our businesses may face in case of unavailability of this resource. To monitor the local aspects related to availability, quality, and ecological flow in the hydrographic basins, we set a goal to systematize and transparently present the volumes of water permitted, captured, and discharged from the main operational units of the CSN Group, relating them to the risks of water scarcity in the basins where they are located, by 2025.

In 2023, CSN Mineração redefined and extended its target date to achieve water efficiency goal. Throughout the year of 2023, the specialists team of the water and effluents thematic group of the ESG Committee detailed the water consumption curves considering the expansion projects of the Casa de Pedra site, in Congonhas, state of Minas Gerais. New iron ore beneficiation plants with new technologies will be installed over the next ten years, and high-quality product will undergo further beneficiation stages. Based on this assessment and following the best market practices, CSN Mineração defined a new commitment to maintain water intensity below 0.45 cubic meters of water captured per ton of ore produced until 2032, extending the target date compared to the previous goal set until 2030.

Due to operational investments made in recent years, the recirculation rate, which considers ore beneficiation operations and consumed drinking water, increased from 77.6% in 2018 to 88.2% in 2023. With the startup of the P15 Itabiritos plant, dams decommissioning projects, and other projects planned for phase one of the expansion plan for the coming years, we expect that the Casa de Pedra site will operate more efficiently in the coming years. Moreover, CSN Mineração also committed to achieve a 94% water recirculation rate by 2032.

### *Materials and Circular Economy*

In our integrated sustainability, health & safety and environment policy, we set forth the importance of our environmental management through principles to reduce, reuse and recycle materials in our processes in order to optimize the use of natural resources. These principles are inherent in our processes as a fully integrated company. For example, we reuse all of our blast furnace slag in our production of cement and all of our metal scrap in our production of long steel. We constantly evaluate solutions and implement technologies for material reuse in our production processes or in our supply chains.

Additionally, our special sales department has been increasingly seeking opportunities to sell unused materials and by-products, aiming for zero landfill waste and for internal reutilization. In 2023, the special sales department achieved over R\$203 million in revenue from commercializing unused materials and by-products.

In 2022, CSN Inova spun off Circula+, which is a marketplace for the sale of waste, scrap and unserviceable assets. Circula+ combines consulting and technology in a complete circular solution to generate greater liquidity, profitability and transparency in the sales process. In 2023, CSN Inova revenue increased 3.5 times when compared to 2022, transacting R\$4.5 million and ending the year with ten active clients.

Through our acquisition of LafargeHolcim (Brasil) S.A., we now own the Revalora platform, which is responsible for managing industrial and urban waste that can be used as an alternative fuel in cement kilns. The Revalora platform leverages our existing co-processing initiatives and strengthens our sustainable operations.

### *Biodiversity and Ecosystem Services*

We protect approximately 90,500 hectares of natural areas representing approximately four times the area occupied by our operations. In addition, for more than 20 years we have carried out programs for monitoring fauna and flora in the areas potentially impacted by our operations.

Our ESG committee has biodiversity as one of its priority agenda items and has formed a working group to develop action plans to protect the biomes where our operations are conducted. In 2023, we implemented the Biodiversity Index for Operations, which is based on the Biodiversity Indicator and Reporting System guide from the International Union for Conservation of Nature and measures the biodiversity condition of operational units.



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Moreover, in 2023, we established the integration of the process and mapping of critical risks related to climate and nature through a single matrix.

### *Tailings Dams*

All of our tailings dam structures meet the declaration of dam stability condition. Our tailings dam structures are biannually submitted to stringent audits and independent inspections in accordance with Brazilian regulations. The Casa de Pedra dam, which is the only active tailings dam structure we own, uses a downstream construction method, and has the primary function of capturing water and containing sediment in accordance with its license grant.

The operation of the tailings dam structure is carried out by strict operational parameters and limits, and by 24-hour monitoring system. The significant investments in filtering of tailings and piling of tailings enabled us to reach our ore beneficiation capacity in a sustainable manner, avoiding the use of tailings dams.

For more information on our dams, see “—Our Mining Segment—Dams.”

### **Social Matters**

#### *Human Rights*

Since 2020, we are signatory of the Global Compact, to which we committed to abide by its principles to support and respect the protection of human rights and to ensure that we are not complicit in any human rights violations. Moreover, we are committed to upholding human rights and adopts measures and tools to ensure and promote the protection and respect of all individuals to prevent, mitigate, and remedy any potential impacts that may violate human rights.

In 2021, we conducted an extensive benchmark and internal analysis focused on the development of a new human rights policy, which was implemented in 2022 and completed in 2023, with a formal human rights diligence process that took place in the municipality of Congonhas, state of Minas Gerais, where Casa de Pedra Mine is located. The work was developed based on the framework of the UN Guiding Principles for Business & Human Rights, used as the main tool to identify risks and impacts on human rights associated with our business activities.

#### *Gender Balance*

We promote a zero-tolerance commitment to any type of discrimination, as set forth in our Code of Conduct. We believe that an inclusive and diverse environment is critical to stimulate innovation and guarantee the continuity of our business. We also believe that an inclusive approach is essential to eliminate barriers in hiring and retaining women employees and executives and to reap the improved performance generated by gender diversity.

In 2020, CSN set a goal to double the female workforce by 2025, from 14% to 28%, focusing on its commitment to the UN Global Compact. In 2023, we reached the milestone of 23% female workforce. We also increased the female representation at our executive level from 13% in 2022 to 15% in 2023, in the board of director of CSN Mineração and CSN Cimentos, which now have two women members on their board of directors.

#### *Local Communities*

We monitor the social impacts of our operations in the communities where we are located. The socio-environmental impact studies we develop allow us to identify the intensity, duration, and actions necessary to minimize or mitigate social risks and impacts, considering the characteristics of each community and of our operations. We implement tailored action plans to mitigate the identified impacts.

Additionally, through the CSN Foundation, we partner with local communities to promote social, educational, and cultural development. In 2023, we invested R\$54 million in social responsibility projects. We granted scholarships, which benefited 5,714 young people and reached 349,510 people considering public presentations of our several programs.

#### *Safety and Health*

Safety is a top priority for us and, in 2023, we achieved our lowest frequency rate of injuries with or without lost time over the past ten years: 1.78 accidents / million hours worked. The successive improvement in frequency rate indicators reinforces our commitment to pursuit a rate of zero accidents. Our Health and Safety guidelines are based on best market practices, guided by regulatory standards and national and international recommendations. Additionally, through guidelines established in our policies and manuals, all direct and indirect employees are trained in actions and behaviors related to occupational safety, proactivity, legal compliance, hazard and risk mitigation and control, and the prevention of occupational accidents and illnesses.

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In 2022, CSN Cimentos began its adaptation process to comply with ISO 45.001:2018. Lusosider in Portugal and SWT in Germany hold Health Management System and Management System and Occupational Safety certifications by ISO 45.001:2018.

### **Governance Matters**

We continuously seek to develop mechanisms that improve our governance. In 2020, we instituted a sustainability, environment, health and safety executive department, which reports directly to our chief executive officer and focuses on implementing consistent governance throughout our corporate group.

#### *Compliance*

We have a Code of Conduct that reinforces our ethical standards and the values that apply to all of our employees, including executive officers and directors. Instances of non-compliance with our Code of Conduct or with other policies, whether by employees, executive officers, directors, suppliers, or service providers, are subject to disciplinary measures, ranging from verbal or written warnings to suspension or dismissal or, in the case of third parties, termination of the relationship. We maintain a whistleblower channel for reports of suspected instances of non-compliance with our Code of Conduct or with other policies. In 2023, 100% of our employees were trained in compliance, covering our Code of Conduct and Anti-Corruption Policy.

For more information on our Code of Conduct, see “Item 16. Reserved-16B. Code of Ethics.”

### **Regulatory Matters**

#### *Environmental Regulation*

We are subject to Brazilian federal, state and municipal environmental laws and regulations governing air emissions, water waste discharges, solid and hazardous waste handling and disposal, wildlife management, forest maintenance, dangerous products transportation and preservation of traditional communities. We are committed to controlling the substantial environmental impact caused by our steelmaking, mining, cement, energy and logistics operations, in accordance with international standards and in compliance with environmental laws and regulations in Brazil. We believe we are in material compliance with applicable environmental requirements. While the Brazilian government has authority to promulgate environmental regulations setting forth minimum standards of environmental protection, state and local governments have the power to enact more stringent environmental regulations.

We are subject to regulation and supervision by the Brazilian Ministry of Environment (*Ministério do Meio Ambiente - MMA*), the environmental national council (*Conselho Nacional do Meio Ambiente*), which is responsible for enacting technical regulations and environmental protection standards, and the Brazilian Institute of Environment and Renewable Natural Resources (*Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis - IBAMA*), which is responsible for enforcing environmental laws at the federal level. The environmental regulations of the state of Rio de Janeiro, in which the Presidente Vargas Steelworks and Cantagalo cement plant are located, are enforced by the state government of Rio de Janeiro and municipalities, and supervised by the state environment institute (*Instituto Estadual do Ambiente*), or INEA, and the municipal environmental secretariat of each of Volta Redonda and Cantagalo.

In the state of Minas Gerais, where our main mining operations and certain of our cement operations are located, we are subject to regulations and supervision by the Environmental Policy Council (*Conselho Estadual de Política Ambiental - COPAM*), the Regional Superintendent of Environment and Sustainable Development (*Superintendência Regional de Meio Ambiente - SUPRAM*), the Water Management Institute of Minas Gerais (*Instituto Mineiro de Gestão das Águas - IGAM*), the State Forestry Institute (*Instituto Estadual de Florestas - IEF*) and the State Environmental Foundation (*Fundação Estadual do Meio Ambiente - FEAM*), which are the competent bodies of the Secretary of State for the Environment and Sustainable Development of Minas Gerais (*Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável - SEMAD*). We are also subject to local regulators, including the municipal environmental secretariats of Congonhas and Belo Vale, Ouro Preto and Rio Acima for our mining operations, and Arcos, Barroso, Montes Claros and Pedro Leopoldo, for our cement operations.

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We are exposed to laws and regulations such as the law the state of Rio de Janeiro, through INEA, issued which requires steelmaking and cement facilities to present action plans to reduce greenhouse gas emissions when renewing or applying for operational licenses. At the federal level, the environmental national council (*Conselho Nacional do Meio Ambiente*), which is responsible for enacting technical regulations and environmental protection standards, issued Resolution No. 436/2011 to address air emissions that obliged steel companies to comply with certain emission standards as of December 2018, including adjustments in the filters of plant chimneys. Moreover, the Brazilian government has established a national policy for solid waste (*Política Nacional de Resíduos Sólidos*), which provides for strict guidelines for solid waste management and industry targets for reverse logistics as part of the environmental licensing process. Finally, a new regulatory framework for mining operations was issued in June 2018, which has imposed regulations on our mining operations, including requests for environmental recovery of areas and investments for the granting of mining concessions.

In the second half of 2022, we initiated cement operations in certain Brazilian states, and consequently, new regional environmental agencies started to regulate our activities, such as: superintendence of environmental administration (*Superintendência de Administração do Meio Ambiente*) and the executive water management agency (*Agência Executiva de Gestão das Águas do Estado da Paraíba*) in the state of Paraíba; institute of the environment and water resources (*Instituto do Meio Ambiente e Recursos Hídricos*) in the state of Bahia; Secretary of State for environment and sustainable development (*Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável*) in the state of Goiás; environmental company of the state of São Paulo (*Companhia Ambiental do Estado de São Paulo*); department of water and electric energy of the department of sanitation and water resources (*Departamento de Águas e Energia Elétrica da Secretaria de Saneamento e Recursos Hídricos*) in the state of São Paulo; institute of environment and water resources (*Instituto de Meio Ambiente e Recursos Hídricos*) and state water resources agency (*Agência Estadual de Recursos Hídricos*) in the state of Espírito Santo.

Specific goals and standards are established in operating permits or environmental accords issued to each company or plant. These specific operational conditions complement the standards and regulations of general applicability and are required to be observed throughout the duration of the permit or accord. The terms of such operating permits are subject to change and are likely to become stricter. All of our facilities currently have or are in the process of obtaining or renewing their operating permits.

Considering the current mining environment in Brazil following recent accidents of other mining companies in the cities of Mariana and Brumadinho, in the state of Minas Gerais, involving the breaking of upstream mining dams, changes in applicable laws or regulations could require us to modify our technologies and operations and to make unexpected capital expenditures. Capital expenditures that we have already made may not generate the returns we expected, if any. In addition, new or more stringent environmental licensing requirements for our project operations, specifically for our dams, could be imposed on us and we may encounter delays in obtaining environmental or other operating licenses, or not be able to obtain or renew them. These events and additional costs may have a negative impact on us and the return from our projects and may render certain projects economically or otherwise unfeasible. For more information, see “Item 3. Key Information-3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-Our activities depend on authorizations, concessions, licenses and permits, and changes in applicable laws, regulations or government measures could adversely affect us” and “-We are subject to environmental, health and safety incidents and current, new or more stringent regulations may result in liability exposure and increased capital expenditures.”

### **Mining Regulation**

Under the Brazilian Federal Constitution of 1988, or the Brazilian Constitution, all mineral resources in Brazil belong to the federal government. The Brazilian Constitution, the Brazilian Mining Code (*Código de Mineração*) enacted through Decree Law 227/1967, or the Mining Code, and mining regulations enacted through Decree 9,406/2018 impose various regulatory restrictions on mining companies relating to, among other things:

- manner in which mineral deposits must be exploited;
- health and safety of workers and the safety of residential areas located near mining operations;
- protection and restoration of the environment;
- prevention of pollution; and
- support of local communities where mines are located.

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The Mining Code also imposes certain notifications and reporting requirements.

Mining companies in Brazil can only prospect and mine pursuant to prospecting authorizations or mining concessions granted by the ANM. The ANM grants prospecting authorizations to a requesting party for an initial period of one to three years. These authorizations are renewable at the ANM's discretion, provided that the requesting party is able to show that the renewal is necessary for proper conclusion of prospecting activities. Upon completion of prospecting activities and geological exploration at the site, the holder of the prospecting authorization must submit a final report to the ANM. If the geological exploration reveals the existence of a mineral deposit that is technically and economically exploitable, the grantee has one year (which the ANM may extend) from approval of the report by the ANM to apply for a mining concession by submitting an economic exploitation plan or to transfer its right to apply for a mining concession to an unrelated party. When a mining concession is granted, the holder of such mining concession must begin on-site mining activities within six months. The ANM grants mining concessions for an indeterminate period of time lasting until the exhaustion of the mineral deposit. After extraction, the mineral products that are specified in the concession belong to the holder of the concession. With the prior approval of the ANM, the holder of a mining concession can transfer it to an unrelated party that is qualified to own concessions. Under certain circumstances, unrelated parties may challenge mining concessions.

After accidents involving the breaking of upstream mining dams operated by other mining companies in the cities of Mariana and Brumadinho in the state of Minas Gerais, the ANM and Brazilian environmental regulatory authorities have applied more stringent environmental licensing requirements for mining project operations, specifically for dams. For more information, see "Item 3. Key Information-3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-Our activities depend on authorizations, concessions, licenses and permits, and changes in applicable laws, regulations or government measures could adversely affect us" and "We are subject to environmental, health and safety incidents and current, new or more stringent regulations may result in liability exposure and increased capital expenditures."

### *Mining Concessions*

We operate our iron ore mining activities at Casa de Pedra mine under a mining concession known as *Manifesto de Mina* under Brazilian regulations, which gives us the right to extract the iron ore deposits existing within our property limits. Our iron ore mining activities at Engenho and Fernandinho mines are based on a concession by the MME, which grants us the right to exploit mineral resources from the mine for an indeterminate period of time lasting until the exhaustion of the mineral deposit. Our limestone and dolomite mining activities at Bocaina mine and our tin mining activities at Ariqueques (ERSA mine) are based on concessions under similar conditions.

The Manifesto de Mina for Casa de Pedra mine and the Engenho mining concession are held by CSN Mineração, while the Fernandinho mining concession and the mining rights of Cayman and Pedras Pretas are held by Minérios Nacional.

For further information on our concessions, see "4D. Property, Plant and Equipment."

### *Mineral Rights and Ownership*

Our mineral rights for Casa de Pedra mine include the mining concession, a beneficiation plant, roads, a loading yard and a railway branch, and are duly registered with the ANM. We have also been granted by the ANM easements in 19 mine areas located in the surrounding region. These areas are needed to expand our operations and as operating support areas. In addition, we have obtained and are in compliance with all environmental licenses and authorizations for our operations and projects at Casa de Pedra mine.

Quality requirements (chemical and physical) are the key "modifying factors" in the definition of ore reserves at Casa de Pedra and were properly accounted for by our mine planning department.

The Brazilian government charges us a royalty known as CFEM, which calculation considers gross revenue, excluding taxes on sales. The ANM is responsible for auditing mining companies and enacting regulations to ensure proper payment of CFEM.

Current CFEM rates vary between 1% and 3.5%, as follows:

- 1%: rocks, sand, gravel, clay and other minerals used in civil construction; ornamental rocks and mineral and thermal water;
- 1.5%: gold;
- 2%: diamond and other minerals;

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- 3%: bauxite, manganese, niobium and rock salt; and
- 3.5%: iron ore.

The Mining Code and ancillary mining laws and regulations also impose other financial obligations. For example, mining companies must compensate landowners for the damages and loss of income caused by the use and occupation of the land (either for exploitation or exploration) and must also share with landowners the results of their exploration (at a rate of 50% of the applicable CFEM). Mining companies must also enter into agreements with the Brazilian government to use public lands and eventually compensate the government for damages caused to such public lands. A substantial majority of our mines and mining concessions are on lands owned by us or on public lands for which we hold mining concessions.

### ***Antitrust Regulation***

We are subject to various laws in Brazil which seek to maintain a competitive commercial environment. Competition law and practice in Brazil are governed by Law No. 12,529, dated November 30, 2011, which came into force on May 30, 2012, and provided for significant changes in the Brazilian antitrust system's structure, including the creation of the Brazilian antitrust authority (*Conselho Administrativo de Defesa Econômica*), or CADE. This law introduced a mandatory pre-merger notification system, as opposed to the post-merger review system previously in force. CADE comprises an Administrative Tribunal of Economic Defense (*Tribunal Administrativo de Defesa Econômica*), a General-Superintendence (*Superintendência-Geral*) and a Department of Economic Studies (*Departamento de Estudos Econômicos*).

CADE is responsible for the control of anti-competitive practices in Brazil. If CADE determines that certain companies have acted collusively to raise prices, it has the authority to impose fines on the offending companies, prohibit them from receiving loans from Brazilian government sources and bar them from bidding on public projects. In addition, CADE has the authority to prevent, or impose certain conditions or restrictions to, mergers and acquisitions transactions (for instance, require a company to divest assets or adopt other measures that CADE deems appropriate to guarantee a competitive environment) should it determine that the relevant industry is insufficiently competitive or that the transaction creates a market concentration that can affect competition. For further antitrust-related information, see "Item 8. Financial Information-8A. Consolidated Statements and Other Financial Information-Legal and Administrative Proceedings."

### ***Protectionist Measures***

Over the past several years, exports of steel products from various countries and companies, including Brazil and us, have been the subject of anti-dumping, countervailing duty and other trade related investigations from importing countries. These investigations resulted in duties that limit our access to certain markets. Worldwide, our exports are subject to the protectionist measures summarized below.

#### *United States: Anti-dumping (AD) and Countervailing Duties (CVD)*

In the United States, we are subject to regulation and supervision by the U.S. Department of Commerce, or DOC, the ITC, the International Trade Administration, or ITA, and the Import Administration, or IA.

#### Cold-Rolled Products

In July 2015, AK Steel Corporation, ArcelorMittal USA LLC, Nucor Corporation, Steel Dynamics, Inc. and United States Steel Corporation filed antidumping and countervailing duty, or AD/CVD, petitions with respect to certain cold-rolled flat steel products from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom with the ITC and the DOC. In August 2015, the DOC initiated both AD/CVD investigations with respect to cold-rolled steel from Brazil. The final determination for AD and CVD orders regarding cold-rolled steel was issued in July 2016, imposing a rate of 11.31% for CVD and a rate of 19.56% for AD with a cash deposit of 15.49%.

In June 2021, the five year "sunset review" of the AD/CVD orders on cold-rolled steel from Brazil was initiated. In July 2022, the ITC announced the revocation of the AD and CVD orders for cold-rolled products imported from Brazil.

#### Hot-Rolled Products

In August 2015, AK Steel Corporation, ArcelorMittal USA LLC, Nucor Corporation, SSAB Enterprises, LLC, Steel Dynamics, Inc., and United States Steel Corporation filed AD/CVD petitions with respect to certain hot-rolled steel products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, Turkey, and the United Kingdom. In September 2015, the DOC initiated both AD/CVD investigations with respect to hot-rolled steel from Brazil and the ITC announced affirmative preliminary injury determinations with respect to hot-rolled steel imports from Brazil.

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The final determination for hot-rolled products was issued in July 2016, imposing a rate of 11.31% for CVD and a rate of 19.56% for AD with a cash deposit of 15.49%. The final determination for hot-rolled products was issued in August 2016, imposing a rate of 11.31% for CVD and a rate of 33.14% for AD with a cash deposit of 29.07%.

In 2021, the ITC initiated the five year "sunset review" of the AD and CVD orders on hot-rolled steel products from Brazil. In September 2022, the ITC announced the revocation of the AD and CVD orders regarding hot-rolled steel products imported from Brazil.

## Section 232

In April 2017, the President of the United States, Donald Trump, requested an investigation under Section 232 of the U.S. Trade Expansion Act to determine if steel imports were harming U.S. national security. As a result of this investigation, in March 2018, the U.S. government implemented Section 232 measures and imposed an ad valorem tariff of 25% on imported steel. Brazil obtained a temporary suspension of the measure until the end of April 2018, which was extended to the end of May 2018. After the suspension, Brazil entered into an agreement with the United States, which established quotas for semi-finished steel products based on average exports between 2015 and 2017 and quotas for finished steel products based on average exports between 2015 and 2017 with a reduction of 30%. Section 232 subjects us to a quota for exports of slabs, cold and hot-rolled steel sheets, pre-painted corrosion resistant, Al-Zn and tin mill products. While we do not believe Section 232 measures have materially affected our exports because the quotas are not always reached, we would expect that a lifting of these measures would result in increased exports to the United States depending on demand.

## *European Union: Anti-dumping*

In the European Union, we are subject to regulation and supervision by the European Commission.

## Hot-Rolled Products

In July 2016, the European Commission initiated an anti-dumping investigation concerning imports of certain hot-rolled flat steel products originating from Brazil, Iran, Russia, Serbia and Ukraine. The investigation was limited to a reasonable number of exporting producers by using a sample in accordance with Article 17(1) of Regulation (EU) 2016/1036 of the European Parliament. The criteria used to select the sample was the volume of the product concerned exported to the European Union during the investigation period. As a result, three companies, CSN, Usiminas and Arcelor Mittal, collectively responsible for 97% of total steel exports from Brazil to the European Union, were chosen as part of the sample subject to investigation.

In January 2017, the European Commission issued a regulation establishing that imports of hot-rolled flat steel products originating from Brazil and Russia be subject to customs registration, meaning that all imports cleared after January 7, 2017 would be exposed to the risk of retroactive collection of duties against Brazil at the end of the investigation.

The preliminary determination was issued in April 2017 by the European Commission, which opted not to impose provisional duties on the imports of hot-rolled products from Brazil into the European Union. In October 2017, the European Commission issued a final determination imposing definitive AD duties for the exports of hot-rolled steel products into the European Union from Brazil. The duties imposed were a tariff rate of 53.4 euros/ton for CSN, 63 euros/ton for Usiminas, 54.5 euros/ton for Arcelor Mittal and 55.8 euros/ton for Gerdau.

In October 2022, the European Commission initiated the five year "sunset review" of AD duties on imports of certain hot-rolled flat steel products originating from, among other countries, Brazil. The final result was issued in December 2023 maintaining the antidumping order for another five years.

## Tin Free Steel

In September 2021, the European Commission initiated an anti-dumping investigation concerning imports of electrolytic chromium coated steel (tin free steel) products originating from Brazil and China. The European Commission issued a preliminary determination in May 2022, opting not to impose provisional duties on the imports of hot-rolled products from Brazil into the European Union. In October 2022, the European Commission issued a final determination imposing definitive AD duties for the exports of electrolytic chromium coated steel products into the European Union from Brazil. The duties imposed were a tariff rate of €348.39/ton for CSN.

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### Safeguard Measures

Prompted by the United States' adoption of Section 232 measures, the European Union initiated, in April 2018, an investigation into safeguards for imports of 26 categories of steel products. In February 2019, a definitive E.U. regulation imposed safeguard measures on imports of hot-rolled, cold-rolled and tin mill products and imposed quotas for the next three years. The quota system is divided into specific quotas for countries which participation in exports is above 5% on all European Union imports, and global quotas for the countries which participation is below 5% of European Union imports. Unlike the U.S. quotas pursuant to Section 232, the E.U. quotas provide for imports above the quota, subject to a 25% tariff. Because our hot-rolled products are already subject to AD duties, these exports are unaffected by the E.U. quotas. In the case of our cold-rolled and tin mill products, because the E.U. quotas have not been reached since implemented, these exports have also been unaffected. In June 2021, the European Commission decided to extend the E.U. safeguard measures on certain steel products.

In December 2021, the European Commission published in the E.U. Official Journal a notice of initiation concerning a review of the safeguard measures applicable to imports of certain steel products, such review was concluded in 2022. In December 2022, the European Commission initiated a review to determine whether to terminate the steel safeguard measures one year earlier than its current end date in June 2024. Following its review, the European Commission will submit the proposal to the vote of E.U. member states.

The European Commission published on February 2024 a notice of initiation concerning the possible extension in time and review of the safeguard measures applicable to imports of certain steel products. The review investigation was prompted by a request for extension submitted by 14 member states which contains sufficient evidence suggesting that the safeguard measure continues to be necessary to prevent or remedy serious injury.

The European Commission may extend the measures until July 17, 2026. Since the measure in place will lapse on June 30, 2024, the European Commission must render its decision before this date.

### CBAM

The regulation 2023/956, establishing the Carbon Border Adjustment Mechanism (CBAM) aimed at combating carbon leakage from cement, iron, steel and aluminum, has entered into force in October 2023. The regulation institutes a carbon tax on these products originated on other countries and destined for trade within the EU. EU importers have to report import volumes and the quantity of greenhouse gases originated in the imported goods started from October 1, 2023. As this is a transition phase, no financial adjustment will be required at this time.

During the CBAM transition period, CBAM goods importers are subjected to a reporting obligation. The first CBAM report had to be submitted by January 31, 2024 (for imports in the fourth quarter of 2023). The last CBAM report must be submitted by January 31, 2026 (for imports in the fourth quarter of 2025).

The transition phase will serve as a learning period and it will allow the European Commission to collect useful information on embedded emissions to refine the methodology for the definitive period, which begins in 2026.

### Canada

In Canada, we are subject to regulation and supervision by the Canadian International Trade Tribunal, the Canada Border Services Agency and the Anti-dumping and Countervailing Directorate.

Since 2001, Canada has had an anti-dumping order in place relating to hot-rolled sheets and coils from Brazil. However, we are not currently affected by this anti-dumping order since we do not export hot-rolled sheets or coils to Canada.

### Brazil

In Brazil, we are subject to regulation and supervision by the MDIC, the Secretary of Foreign Trade (*Secretaria de Comércio Exterior*), and the Department of Trade Defense (*Departamento de Defesa Comercial*).

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### Ongoing Antidumping Investigations

***Tin mill products:*** In February 2024, the Brazilian Department of Trade Defense initiated an anti-dumping investigation concerning the imports of tin mill products (tin free steel and tin plate) originating from China.

***Pre-painted products:*** In March 2024, the Brazilian Department of Trade Defense initiated an anti-dumping investigation concerning the imports of pre-painted products originating from China.

For more information, see “Item 3. Key Information--3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-Protectionist and other measures adopted by foreign governments could adversely affect our export sales.”

### **Overview of Steel Industry**

#### ***Global Steel Industry***

The global steel industry comprises hundreds of steelmaking facilities divided into two major categories: integrated steelworks and non-integrated steelworks, depending on the method used for producing steel. Integrated plants, which accounted for approximately two-thirds of worldwide crude steel production in 2023, typically produce steel by smelting in blast furnaces the iron oxide found in ore and refining the iron into steel, mainly through the use of basic oxygen furnaces or, more rarely, in electric arc furnaces. Non-integrated plants (sometimes referred to as mini-mills), which accounted for approximately one-third of worldwide crude steel production in 2023, produce steel by melting scrap metal, occasionally complemented with other metallic materials, such as direct reduction iron or hot-briquette iron, in electric arc furnaces. Industry experts expect that a lack of a reliable and continuous supply of quality scrap metal, as well as the high cost of energy, may restrict the growth of mini-mills.

Steel continues to be the material of choice in the automotive, construction, machinery and other industries. Notwithstanding potential threats from substitute materials such as plastics, aluminum, glass and ceramics, especially for the automotive industry, steel continues to demonstrate its economic advantage.

In 2021, global crude steel production was 1,960 million tons, which represented an increase of 86 million tons, or 3.7%, as compared to 2020, due to an increase in crude steel production in all countries except China, Malaysia, Indonesia and Iran.

In 2022, global crude steel production was 1,879 million tons, which represented a decrease of 81 million tons, or (4.2)%, as compared to 2021, due to a decrease in crude steel production of the main steel producing countries, including China, Japan, United States, Russia and Ukraine.

In 2023, global crude steel production was 1,892 million tons and was stable as compared to 2022.

#### ***Brazilian Steel Industry***

Since the 1940s, steel has been of vital importance to the Brazilian economy. During the 1970s, significant government investments were made to provide Brazil with a steel industry able to support the country's industrialization boom. After a decade of investment scarcity in the sector in the 1980s, the government selected the steel sector as the first for privatization commencing in 1991, resulting in a more efficient group of companies operating today.

#### ***Privatization***

During almost 50 years of state control, the Brazilian flat steel sector was coordinated on a national basis under the auspices of Siderbrás, the national steel monopoly. The state had far less involvement in the non-flat steel sector, which has traditionally been made up of smaller private sector companies. The larger integrated flat steel producers operated as semi-autonomous companies under the control of Siderbrás and were each individually privatized between 1991 and 1993. We believe that the privatization of the steel sector in Brazil has resulted in improved financial performance, as a result of increased efficiencies, higher levels of productivity, lower operating costs and an increase in investment.

#### ***Domestic Demand***

Historically, the Brazilian steel industry has been affected by substantial fluctuations in domestic demand for steel. Although national per capita consumption varies with GDP, fluctuations in steel consumption tend to be more pronounced than changes in economic activity. Crude steel consumption per capita in Brazil has decreased from 147 kilograms in 2010 to 110 kilograms in 2019. It is considered low when compared to the levels of developed countries such as the United States and Germany.



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According to the IBGE, Brazil's GDP increased by 4.8%, 3.0% and 2.9% in 2021, 2022 and 2023, respectively. Crude steel production was 31.9 million tons in 2023, representing a decrease of 6.5% as compared to 2022, and domestic sales decreased 4.4% in 2023 to 19.4 million tons, due to the higher penetration of imports, with competitive prices mainly from China.

In 2021, Brazil's GDP grew by 4.8% and crude steel production increased 16% as compared to 2020, which represented an increase of 11.7% as compared to 2019. In 2022, Brazil's GDP grew by 3.0% and crude steel production contracted 5.8% as compared to 2021. Flat steel production contracted 10% compared to 2021 and semifinished products decreased of 6.7%. In 2023, Brazil's GDP grew by 2.9% and crude steel production contracted 6.5% as compared to 2022. Flat steel production contracted 7% compared to 2022 and semifinished products decreased of 7.0%.

The Brazilian flat steel sector is shifting production to the higher value-added consumer durable sector, which is highly dependent on domestic consumer confidence that, in turn, is affected by economic policies and certain expectations of the current government administration. Over the past years, automobile manufacturers made significant investments in Brazil. In 2023, the apparent consumption of steel in Brazil increased 1.5% compared to 2022 (representing a decrease of 9.3% compared to 2021).

### Market Participants and Competition

Both the worldwide and the Brazilian steel markets are intensely competitive. The primary competitive factors in these markets are quality, price, payment terms and customer service. Further, continuous advances in materials, sciences and resulting technologies have given rise to improvements in products such as plastics, aluminum, ceramics, glass and concrete, permitting them to serve as substitutes for steel for certain purposes.

#### Competition in the Global Steel Industry

In 2023, Brazil maintained its place as the largest producer of crude steel in South America, with a production output of 31.9 million tons and a 1.7% share of total global production, according to data from the World Steel Association, or WSA. In 2023, Brazil maintained the ninth position in the global steel production ranking, accounting for 76.2% of total production in South America.

We compete on a global basis with the world's leading steel manufacturers. We have positioned ourselves in the world market with a product mix characterized by high margins and strong demand, such as tin plate and galvanized products. We have relatively low-cost, and sufficient availability of, labor and energy resources, and own high-grade iron ore reserves. These global market advantages are partially offset by costs of transporting steel throughout the world, usually by ship. Shipping costs, which protect the domestic steel market, put pressure on our export prices. To maintain our position in the world steel market in light of the highly competitive international environment with respect to price, we must maintain our product quality and customer service at a high level. See "Regulatory Matters-Protectionist Measures" for a description of protectionist measures adopted by steel-importing countries that could adversely affect our competitive position in the global steel industry.

#### Competition in the Brazilian Steel Industry

Brazil's principal competitive advantages are its abundant supply of low-cost, high-grade iron ore and energy resources. Brazil also benefits from a vast internal market with large growth potential; a privatized industry making investments in plant and equipment; and deep-water ports that permit the operation of large ships and facilitate access to export markets.

According to IABr, the Brazilian steel industry comprises 31 mills managed by 11 corporate groups, with an aggregate installed annual capacity of approximately 51 million tons, producing a full range of flat, long, carbon, stainless and specialty steel.

The following table sets forth the production of crude steel by Brazilian companies in the periods indicated:

|                       | 2021 | (in millions of tons) | 2022 |
|-----------------------|------|-----------------------|------|
| <b>Production</b>     |      |                       |      |
| <b>Flat Steel</b>     |      |                       |      |
| Gerdau                |      | 6.9                   | 6.5  |
| Usiminas              |      | 3.2                   | 2.7  |
| ArcelorMittal Tubarão |      | 7.1                   | 6.6  |

|                   | 2021                         | 2022        |
|-------------------|------------------------------|-------------|
|                   | <i>(in millions of tons)</i> |             |
| CSN               | 4.3                          | 3.8         |
| <b>Long Steel</b> |                              |             |
| Ternium Brasil    | 4.5                          | 4.4         |
| Other             | 10.1                         | 10.1        |
| <b>Total</b>      | <b>36.1</b>                  | <b>34.1</b> |

Source: IABr

\*2023 data was not available as of the date of this annual report.

#### Capacity Utilization

Installed capacity in Brazil in 2023 was estimated at 51.5 million tons.

#### Exports/Imports

Brazil has been playing an important role in the export market, primarily as an exporter of semi-finished products. The Brazilian steel industry has taken several steps towards expanding its capacity to produce value-added products. The Brazilian steel industry has experienced periods of overcapacity, cyclicality and intense competition during the past several years. Demand for finished steel products, as measured by domestic apparent consumption, has consistently fallen short of total supply (defined as total production *plus* imports). In 2023, steel imports reached 5.02 million tons, which represented an increase of 52% as compared to 2022, and steel exports reached 11.7 million tons, or a slight decrease of 8.8%, as compared to 2022.

For information on the production by the largest Brazilian steel companies, see “-Market Participants and Competition-Competition in the Brazilian Steel Industry.”

#### Overview of Mining Industry

The Brazilian mining industry is focused on the extraction of iron, copper, gold, aluminum, nickel and niobium, which provides a surplus in Brazil's trade balance, seizing vast natural mineral reserves and creating a high number of direct and indirect jobs. In 2023, the Brazilian mining industry accounted for 10% of Brazil's total exports and 35% of Brazil's trade balance. In 2023, iron ore exports represented 87%, or US\$30.6 billion, of the Brazilian mining industry's total exports.

According to The Commodity Exchange Inc., or Comex, in 2023, China was the country that most imported from the Brazilian mining industry, having imported a total of US\$20.8 billion. Of the total exports of the Brazilian mining industry in 2023, 87% were related to iron ore, 10% to copper, 1% to precious metals and 2% to others.

Brazil is well-positioned as a supplier of the world's iron ore demand. In 2023, Brazil accounted for 24% of the global production of iron ore, with a production of 453.2 million metric tons, in each case according to the global research and consulting firm Wood Mackenzie.

In addition, according to the MME, Brazil's total iron ore reserves represented a volume of 34 billion metric tons in 2023, which accounted for approximately 18% of global iron ore reserves, evidencing the importance of Brazil to the global iron ore extraction sector.

Brazilian iron ore is considered to be high quality and contains a low level of contaminants in its composition. Due to these characteristics, exported iron ore has gained ground in international markets, particularly in China, where recent regulatory changes have led Chinese steel producers to turn to higher quality iron ore.

Furthermore, as a result of the depreciation of the *real*, iron ore prices have become more competitive due to the increased purchasing power of international players that purchase Brazilian iron ore. This sets a favorable scenario for us since most of our mining production costs are denominated in *reais* while our mining revenues are mostly denominated in U.S. dollars, which increases the margin of our products.

Extracted iron ore can be used to manufacture several types of steel, so there is a strong correlation between steel production and the consumption of iron ore.

#### Overview of Cement Industry

Cement is one of the main inputs used in construction and, as a result, the cement industry is affected by trends and dynamics in the civil construction market, which is, in turn, acutely subject to macroeconomic developments. In particular, GDP growth and decreased interest rates result in increased credit availability, which fuels demand in the civil construction market.

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The civil construction market in Brazil is affected by infrastructure and affordable housing projects, which account for a significant portion of Brazilian civil construction demand. The Green and Yellow Housing Program (*Programa Casa Verde e Amarela*), led by the Brazilian federal government to address Brazil’s housing deficit, is directed at affordable housing projects, which account for a significant portion of civil construction in Brazil. As of December 31, 2023, there was a deficit of approximately 6.3 million residential units in Brazil, according to the Union of Real Estate Purchase, Sale and Administration Companies (*Sindicato das Empresas de Compra, Venda e Administração de Imóveis*), or SECOVI.

In addition, infrastructure in Brazil presents ample room for development. Although Brazil was the ninth largest economy in the world in 2023, in terms of GDP and according to the World Bank, significant infrastructure bottlenecks present an important opportunity for civil construction and, consequently, for demand for cement.

**4C. Organizational Structure**

We conduct our business directly and through subsidiaries. For more information on our organizational structure, see note 10 to our audited consolidated financial statements included elsewhere in this annual report.

**4D. Property, Plant and Equipment**

Our principal executive offices are located in the city of São Paulo, state of São Paulo, and our main production operations are located in the city of Volta Redonda, state of Rio de Janeiro. Presidente Vargas Steelworks, our steel mill, is an integrated facility covering approximately four km squared and is located in the city of Volta Redonda, state of Rio de Janeiro. Our iron ore, limestone and dolomite mines are located in the state of Minas Gerais, which borders the state of Rio de Janeiro to the north. Each of these mines lies within 500 km of, and is connected by rail and paved road to, the city of Volta Redonda.

The table below sets forth certain material information regarding our properties as of December 31, 2023. For more information, see note 11 to our audited consolidated financial statements included elsewhere in this annual report.

| Description  | Activity                     |                                     | Country | State             | City               | Title         |
|--------------|------------------------------|-------------------------------------|---------|-------------------|--------------------|---------------|
| CSN          | Presidente Vargas Steelworks | Steel Mill                          | Brazil  | Rio de Janeiro    | Volta Redonda      | Owned         |
| CSN          | CSN Paraná                   | Galvanized and Pre-Painted Products | Brazil  | Paraná            | Araucária          | Owned         |
| CSN          | CSN Porto Real               | Galvanized Steel Producer           | Brazil  | Rio de Janeiro    | Porto Real         | Owned         |
| CSN          | Service Center               | Distributor                         | Brazil  | São Paulo         | Mogi das Cruzes    | Owned         |
| CSN          | Service Center               | Distributor                         | Brazil  | Bahia             | Camaçari           | Owned         |
| CSN          | Thermoelectric Plant         | Energy                              | Brazil  | Rio de Janeiro    | Volta Redonda      | Owned         |
| CSN          | Long Steel Plant             | Long steel Manufacturer             | Brazil  | Rio de Janeiro    | Volta Redonda      | Owned         |
| CSN          | Distribution Center          | Distributor                         | Brazil  | Rio Grande do Sul | Canoas             | Third Parties |
| CSN          | Steel Distribution Center    | Distributor                         | Brazil  | Minas Gerais      | Contagem           | Third Parties |
| CSN          | Distribution Center          | Steel Distributor                   | Brazil  | Rio Grande do Sul | Caxias do Sul      | Third Parties |
| CSN          | Distribution Center          | Steel                               | Brazil  | São Paulo         | Jacaré             | Third Parties |
| CSN          | Distribution Center          | Steel Distributor                   | Brazil  | Bahia             | Camaçari           | Third Parties |
| CSN          | Distribution Center          | Steel Distributor                   | Brazil  | Santa Catarina    | Joinville          | Third Parties |
| CSN          | Distribution Center          | Distributor                         | Brazil  | São Paulo         | Vargem G. Paulista | Third Parties |
| CSN          | Office                       | Office                              | Brazil  | São Paulo         | São Paulo          | Third Parties |
| CSN Cimentos | Distribution Center          | Cement Distributor                  | Brazil  | São Paulo         | Mogi das Cruzes    | Owned         |
| CSN Cimentos | Distribution Center          | Cement Distributor                  | Brazil  | Minas Gerais      | Uberlândia         | Owned         |
| CSN Cimentos | Arcos Mine                   | Limestone Mine                      | Brazil  | Minas Gerais      | Arcos              | Owned         |

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| Description                               | Activity                       |                     | Country  | State               | City                          | Title                   |
|---|--------------------------------|---------------------|----------|---------------------|-------------------------------|-------------------------|
| CSN Cimentos                              | Clinker and Cement Plant       | Cement Manufacturer | Brazil   | Minas Gerais        | Arcos                         | Owned                   |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | São Paulo           | Mauá                          | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | São Paulo           | Ribeirão Preto                | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | São Paulo           | Americana                     | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | São Paulo           | São José dos Campos           | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | São Paulo           | Osasco                        | Third Parties           |
| CSN Cimentos                              | Cement Plant                   | Cement Manufacturer | Brazil   | Rio de Janeiro      | Volta Redonda                 | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | Rio de Janeiro      | Rio de Janeiro (Arará)        | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | Rio de Janeiro      | Rio de Janeiro (Campo Grande) | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | Rio de Janeiro      | Queimados                     | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | Rio de Janeiro      | Itaboraí                      | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | Rio de Janeiro      | Barra Mansa                   | Third Parties           |
| CSN Cimentos                              | Distribution Center            | Cement Distributor  | Brazil   | Minas Gerais        | Arcos                         | Third Parties           |
| CSN Cimentos                              | Mine                           | Limestone Mine      | Brazil   | Paraíba             | Pitimbu                       | Owned                   |
| Companhia Metalúrgica Prada               | Service Center                 | Distributor         | Brazil   | São Paulo           | Mogi das Cruzes               | Owned                   |
| Companhia Metalúrgica Prada               | Service Center                 | Distributor         | Brazil   | São Paulo           | Bebedouro                     | Owned                   |
| Companhia Metalúrgica Prada               | Steel Can Manufacturer         | Packaging           | Brazil   | São Paulo           | São Paulo                     | Owned                   |
| Companhia Metalúrgica Prada               | Steel Can Manufacturer         | Packaging           | Brazil   | Minas Gerais        | Uberlândia                    | Owned                   |
| Companhia Metalúrgica Prada               | Metallic Packaging Plant       | Packaging           | Brazil   | Rio de Janeiro      | Resende                       | Third Parties           |
| Companhia Metalúrgica Prada               | Metallic Packaging Plant       | Packaging           | Brazil   | Rio Grande do Sul   | Pelotas                       | Third Parties           |
| Companhia Metalúrgica Prada               | Metallic Packaging Plant       | Packaging           | Brazil   | Rio de Janeiro      | Barão de Juparanã             | Owned                   |
| Companhia Metalúrgica Prada               | Distribution Center            | Steel Roll          | Brazil   | São Paulo           | Salto                         | Third Parties           |
| Companhia Metalúrgica Prada               | Distribution Center            | Distributor         | Brazil   | São Paulo           | Piracicaba                    | Third Parties           |
| Companhia Metalúrgica Prada               | Distribution Center            | Distributor         | Brazil   | Minas Gerais        | Contagem                      | Third Parties           |
| CSN Mineração                             | Iron Ore Mine                  | Iron Ore Mine       | Brazil   | Minas Gerais        | Congonhas                     | Owned and Third Parties |
| CSN Mineração                             | Ouro Preto Mine                | Iron Ore Mine       | Brazil   | Minas Gerais        | Ouro Preto                    | Owned                   |
| CSN Mineração                             | TECAR - Coal Terminal          | Iron Ore Shipment   | Brazil   | Rio de Janeiro      | Itaguaí                       | Third Parties           |
| Minérios Nacional                         | Fernandinho Mine               | Iron Ore Mine       | Brazil   | Minas Gerais        | Rio Acima                     | Third Parties           |
| ERSA                                      | ERSA Office                    | Tin Mine            | Brazil   | Rondonia            | Ariquemes                     | Owned                   |
| ERSA                                      | ERSA Mine                      | Tin Mine            | Brazil   | Rondonia            | Itapuã do Oeste               | Owned                   |
| Companhia Siderúrgica Nacional, LLC       | CSN LLC Office                 | Office              | USA      | Illinois            | Chicago                       | Third Parties           |
| Lusosider                                 | Lusosider                      | Flat Steel Producer | Portugal | Seixal              | Seixal                        | Owned                   |
| SWT                                       | SWT                            | Steel Profile       | Germany  | Saalfeld-Rudolstadt | Unterellenborn                | Owned                   |
| Consórcio Usina Hidrelétrica de Igarapava | Hydroelectric Facility         | Energy              | Brazil   | São Paulo           | Igarapava                     | Owned                   |
| Itá Energética S.A.                       | Hydroelectric Facility         | Energy              | Brazil   | Rio Grande do Sul   | Aratiba                       | Owned                   |
| TECON                                     | TECON - Terminal de Containers | Logistics           | Brazil   | Rio de Janeiro      | Itaguaí                       | Third Parties           |
| MRS                                       | Railway                        | Railway Logistics   | Brazil   | Several             | Several                       | Third Parties           |
| FTL                                       | Railway                        | Railway Logistics   | Brazil   | Several             | Several                       | Third Parties           |

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| Description             | Activity                                |   | Country | State               | City                     | Title         |
|-------------------------|---|---|---------|---------------------|--------------------------|---------------|
| TLSA                    | Railway                                 | Railway Logistics                       | Brazil  | Several             | Several                  | Third Parties |
| Elizabeth Cimentos S.A. | Cement Plant                            | Cement Manufacturer                     | Brazil  | Paraíba             | Alhandra                 | Owned         |
| Elizabeth Cimentos S.A. | Distribution Center                     | Cement Distributor                      | Brazil  | Bahia               | Salvador                 | Third Parties |
| CSN Cimentos            | Cargo Terminal                          | Cargo Terminal                          | Brazil  | São Paulo           | Ribeirão Preto           | Owned         |
| CSN Cimentos            | Cargo Terminal                          | Cargo Terminal                          | Brazil  | Pernambuco          | Recife                   | Third Parties |
| CSN Cimentos            | Cargo Terminal                          | Cargo Terminal                          | Brazil  | Rio Grande do Norte | Macaíba                  | Third Parties |
| CSN Cimentos            | Rio Blender e Cargo Terminal            | Rio Blender e Cargo Terminal            | Brazil  | Rio de Janeiro      | Rio de Janeiro           | Owned         |
| CSN Cimentos            | Cement plant and limestone mine         | Cement plant and limestone mine         | Brazil  | Rio de Janeiro      | Cantagalo                | Owned         |
| CSN Cimentos            | Cargo Terminal                          | Cargo Terminal                          | Brazil  | Minas Gerais        | Barbacena                | Owned         |
| CSN Cimentos            | Cement plant Capoeira Grande            | Cement plant Capoeira Grande            | Brazil  | Minas Gerais        | Barroso                  | Owned         |
| CSN Cimentos            | Small hydroelectric power plant Macacos | Small hydroelectric power plant Macacos | Brazil  | Minas Gerais        | Sacramento               | Owned         |
| CSN Cimentos            | Cement plant and limestone mine         | Cement plant and limestone mine         | Brazil  | Minas Gerais        | Montes Claros            | Owned         |
| CSN Cimentos            | Cement plant and Matozinhos Mine        | Cement plant and Matozinhos Mine        | Brazil  | Minas Gerais        | Pedro Leopoldo           | Owned         |
| CSN Cimentos            | Clay mine                               | Clay mine                               | Brazil  | Minas Gerais        | Matozinhos               | Owned         |
| CSN Cimentos            | Limestone extraction                    | Limestone extraction                    | Brazil  | Minas Gerais        | Prados                   | Owned         |
| CSN Cimentos            | Cement plant                            | Cement plant                            | Brazil  | Paraíba             | Caaporã                  | Owned         |
| CSN Cimentos            | Cement grinding                         | Cement Grinding                         | Brazil  | Bahia               | Candeias                 | Owned         |
| CSN Cimentos            | Cement grinding and limestone mine      | Cement grinding and limestone mine      | Brazil  | Goias               | Cocalzinho de Goias      | Owned         |
| CSN Cimentos            | Cement grinding                         | Cement grinding                         | Brazil  | Espirito Santo      | Serra / Vitória          | Owned         |
| CSN Cimentos            | Cement grinding and aggregate           | Cement grinding and aggregate           | Brazil  | São Paulo           | Sorocaba                 | Owned         |
| CSN Cimentos            | Aggregate                               | Aggregate                               | Brazil  | São Paulo           | Mairiporã                | Owned         |
| CSN Cimentos            | Aggregate                               | Aggregate                               | Brazil  | São Paulo           | Cajamar                  | Owned         |
| CSN Cimentos            | Aggregate                               | Aggregate                               | Brazil  | São Paulo           | Barueri                  | Owned         |
| CSN Cimentos            | Concrete plant                          | Concrete plant                          | Brazil  | São Paulo           | São José dos Campos      | Third Parties |
| CSN Cimentos            | Concrete plant                          | Concrete plant                          | Brazil  | São Paulo           | São Vicente              | Owned         |
| CSN Cimentos            | Concrete plant                          | Concrete plant                          | Brazil  | São Paulo           | Guarujá                  | Owned         |
| CSN Cimentos            | Cargo Terminal and Concrete plant       | Cargo Terminal and Concrete plant       | Brazil  | São Paulo           | Santo André              | Owned         |
| CSN Cimentos            | Office                                  | Office                                  | Brazil  | São Paulo           | São Paulo (Verbo Divino) | Owned         |
| Metalgráfica Iguaçú     | Manufacture of metal packaging          | Manufacture of metal packaging          | Brazil  | Paraná              | Ponta Grossa             | Owner         |
| Metalgráfica Iguaçú     | Manufacture of metal packaging          | Manufacture of metal packaging          | Brazil  | Goias               | Goiania                  | Third Parties |
| CEEE-G                  | PCH Capigui                             | Energy                                  | Brazil  | Rio Grande do Sul   | Marau                    | Third Parties |
| CEEE-G                  | PCH Forquilha                           | Energy                                  | Brazil  | Rio Grande do Sul   | Maximiliano de Almeida   | Third Parties |
| CEEE-G                  | PCH Guarita                             | Energy                                  | Brazil  | Rio Grande do Sul   | Ervál Seco               | Third Parties |
| CEEE-G                  | PCH Herval                              | Energy                                  | Brazil  | Rio Grande do Sul   | Santa Maria do Herval    | Third Parties |

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| Description                                | Activity                                 |                                   | Country | State               | City                   | Title         |
|--|--|-----------------------------------|---------|---------------------|------------------------|---------------|
| CEEE-G                                     | PCH Ijuizinho                            | Energy                            | Brazil  | Rio Grande do Sul   | Eugênio de Castro      | Third Parties |
| CEEE-G                                     | PCH Ivai                                 | Energy                            | Brazil  | Rio Grande do Sul   | Júlio de Castilhos     | Third Parties |
| CEEE-G                                     | PCH Passo do Inferno                     | Energy                            | Brazil  | Rio Grande do Sul   | São Francisco de Paula | Third Parties |
| CEEE-G                                     | PCH Santa Rosa                           | Energy                            | Brazil  | Rio Grande do Sul   | Santa Rosa             | Third Parties |
| CEEE-G                                     | PCH Toca                                 | Energy                            | Brazil  | Rio Grande do Sul   | São Francisco de Paula | Third Parties |
| CEEE-G                                     | UHE Canastra / PCH Bugres                | Energy                            | Brazil  | Rio Grande do Sul   | Canela                 | Third Parties |
| CEEE-G                                     | UHE Ernestina                            | Energy                            | Brazil  | Rio Grande do Sul   | Tio Hugo               | Third Parties |
| CEEE-G                                     | UHE Itaúba                               | Energy                            | Brazil  | Rio Grande do Sul   | Pinhal Grande          | Third Parties |
| CEEE-G                                     | UHE Jacuí (Leonel Brizola - Maia Filho)  | Energy                            | Brazil  | Rio Grande do Sul   | Salto do Jacuí         | Third Parties |
| CEEE-G                                     | UHE Passo Real                           | Energy                            | Brazil  | Rio Grande do Sul   | Salto do Jacuí         | Third Parties |
| CEEE-G                                     | Reservatório Blang                       | Energy                            | Brazil  | Rio Grande do Sul   | São Francisco de Paula | Third Parties |
| CEEE-G                                     | Reservatório Divisa                      | Energy                            | Brazil  | Rio Grande do Sul   | São Francisco de Paula | Third Parties |
| CEEE-G                                     | Reservatório João Amado                  | Energy                            | Brazil  | Rio Grande do Sul   | Três Passos            | Third Parties |
| CEEE-G                                     | Reservatório Salto                       | Energy                            | Brazil  | Rio Grande do Sul   | São Francisco de Paula | Third Parties |
| CEEE-G                                     | Sede administrativa Salto do Jacuí       | Office                            | Brazil  | Rio Grande do Sul   | Salto do Jacuí         | Third Parties |
| CEEE-G                                     | UHE D. Francisca <sup>(1)</sup>          | Energy                            | Brazil  | Rio Grande do Sul   | Nova Palma             | Third Parties |
| Companhia Energética Chapecó               | Hydroelectric Plant <sup>(2)</sup>       | Hydroelectric Plant               | Brazil  | Santa Catarina      | Ipuacu                 | Third Parties |
| Brasil Central Energia                     | Small Hydroelectric Power Station        | Small Hydroelectric Power Station | Brazil  | Mato Grosso         | Brasnorte              | Third Parties |
| Santa Ana Energética                       | Small Hydroelectric Power Station        | Small Hydroelectric Power Station | Brazil  | Santa Catarina      | Angelina               | Third Parties |
| CERAN - Companhia Energética Rio das Antas | UHE - Monte Claro <sup>(3)</sup>         | Energy                            | Brazil  | Rio Grande do Sul   | Monte Claro            | Third Parties |
| EOL Ventos do Sul                          | Parque Eólico dos Índios <sup>(4)</sup>  | Windy Energy                      | Brazil  | Rio Grande do Sul   | Osório                 | Third Parties |
| EOL Ventos do Sul                          | Parque Eólico Sangradouro <sup>(5)</sup> | Windy Energy                      | Brazil  | Rio Grande do Sul   | Osório                 | Third Parties |
| EOL Ventos do Sul                          | Parque Eólico Osório <sup>(6)</sup>      | Windy Energy                      | Brazil  | Rio Grande do Sul   | Osório                 | Third Parties |
| Jaguari Energética                         | PCH - Furnas de Segredo <sup>(7)</sup>   | Energy                            | Brazil  | Rio Grande do Sul   | Jaguari                | Third Parties |
| CERAN - Companhia Energética Rio das Antas | UHE - 14 de Julho <sup>(8)</sup>         | Energy                            | Brazil  | Rio Grande do Sul   | Bento Gonçalves        | Third Parties |
| CERAN - Companhia Energética Rio das Antas | UHE - Castro Alves <sup>(9)</sup>        | Energy                            | Brazil  | Rio Grande do Norte | Castro Alves           | Third Parties |

(1) 15% of participation.

(2) 9% of participation.

(3) 30% of participation.

(4) 10% of participation.

(5) 10% of participation.

(6) 10% of participation.

(7) 10.5% of participation.

(8) 30% of participation.

(9) 30% of participation.

For information on environmental matters with respect to certain of the facilities described above, see “Item 8. Financial Information-8A. Consolidated Statements and Other Financial Information-Legal and Administrative Proceedings.” In addition, for information on our plans to construct, expand and improve our facilities, see “-4B. Business Overview-Investments and Divestitures-Acquisition Activity” and note 21 to our audited consolidated financial statements included elsewhere in this annual report.

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### Item 4A. Unresolved Staff Comments

Since December 2023, we have received comment letters from the SEC regarding certain mining disclosures contained in our annual report on Form 20-F for the fiscal year ended December 31, 2022, filed on April 27, 2023, to which we timely responded and, on April 25, 2024, we filed an amendment to our 2022 annual report in order to reflect the clarifications and updates requested by the SEC. The SEC comment process remains ongoing, and we cannot assure you that the SEC will be satisfied with our amendment, that it will not have additional comments or that it will not require us to file another amendment to our 2022 annual report.

### Item 5. Operating and Financial Review and Prospects

The following discussion should be read in conjunction with our audited consolidated financial statements included elsewhere in this annual report.

#### 5A. Operating Results

##### Overview

##### *Brazilian Macroeconomic Scenario*

As a company with most operations and a large portion of its sales in Brazil, we are affected by the general macroeconomic conditions in Brazil. The rate of economic growth in Brazil is important in determining our own growth capacity and results of operations.

The following table sets forth select Brazilian macroeconomic indicators for the periods indicated:

|  | Year ended December 31, |          |           |
|--|-------------------------|----------|-----------|
|  | 2021                    | 2022     | 2023      |
| GDP growth (contraction) rate  | 4.8%                    | 3.0%     | 2.9%      |
| Inflation (IPCA) <sup>(1)</sup>  | 10.1%                   | 5.8%     | 4.7%      |
| Inflation (IGP-M) <sup>(2)</sup>   | 17.8%                   | 5.5%     | (3.2)%    |
| CDI <sup>(3)</sup>   | 4.4%                    | 12.4%    | 13.0%     |
| Appreciation (depreciation) of the <i>real</i> against the U.S. dollar (end of period) | (7.4)%                  | (6.5)%   | (7.2)%    |
| Exchange rate at the end of period (US\$1.00)  | R\$5.581                | R\$5.218 | R\$4.8413 |
| Average exchange rate (US\$1.00)   | R\$5.340                | R\$5.165 | R\$4.995  |
| Unemployment rate <sup>(4)</sup>   | 13.2%                   | 9.3%     | 7.8%      |

Sources: IBGE, Fundação Getúlio Vargas, Central Bank and CETIP.

(1) The IPCA is measured by the IBGE.

(2) The IGP-M is measured by the Fundação Getúlio Vargas.

(3) The Interbank Deposit Rate, or CDI, represents the average interbank deposit rate performed during a given day in Brazil (accrued as of the last month of the period, annualized).

(4) The unemployment rate (*Pesquisa Nacional por Amostra de Domicílios*) is measured by the IBGE.

##### *Effects of Exchange Rate Fluctuations*

Our export revenues are substantially denominated in U.S. dollars and our domestic revenues are denominated in Brazilian *reais*.

A significant portion of our cost of products sold is commoditized raw materials, the prices of which are denominated in U.S. dollars. The balance of our cost of products sold and our cash operating expenses (*i.e.*, operating expenses apart from depreciation and amortization) are denominated in *reais*.

The depreciation of the *real* against the U.S. dollar has the following effects on our results of operations:

- domestic revenues tend to be lower (in comparison with prior years), partially offset by an increase in foreign market sales;
- the impact of *real* denominated costs of products sold and operating costs tends to be lower; and
- financial expenses increase to the extent our exposure to U.S. dollar-denominated debt is not protected.

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However, to the extent our future export transactions are hedged by our U.S. dollar denominated debt, we recognize our foreign exchange variation generated from debt used as a hedge instrument directly in net equity as other comprehensive income, which we charge against income at the time the future export transactions occur.

The appreciation of the *real* against the U.S. dollar has the following effects on our results of operations:

- foreign revenues tend to be lower (in comparison with prior years), partially offset by an increase in domestic market sales;
- the impact of *real* denominated costs of products sold and operating costs tends to be higher; and
- financial expenses decrease to the extent our exposure to U.S. dollar-denominated debt is not protected. However, to the extent our future export transactions are hedged by our U.S. dollar denominated debt, we recognize our foreign exchange variation generated from debt used as a hedge instrument directly in net equity as other comprehensive income, which we charge against income at the time the future export transactions occur.

The impact of fluctuations in the exchange rate of the *real* against other currencies on our results of operations can be seen in the “foreign exchange and monetary gain (loss), net” line in our income statement, although that amount is partially offset by the net financial income (expenses) attributable to the profit (or loss) on the derivative transactions of our foreign currency-denominated debt. In order to minimize the effects of exchange rate fluctuations, we may use derivative transactions, including currency swap and foreign currency option agreements. For a discussion on the possible impact of exchange rate fluctuations on our principal financial instruments and positions, see “Item 11. Quantitative and Qualitative Disclosures About Market Risk.”

### *Effects of Inflation and Interest Rates*

Inflation measured by the IPCA index was 10.1%, 5.8% and 4.7% in 2021, 2022 and 2023, respectively, and was 17.8%, 5.5% and (3.2)%, respectively, as measured by the IGP-M index.

Inflation affects our financial performance by increasing our costs and expenses denominated in *reais* that are not linked to the U.S. dollar. Our cash costs and operating expenses are substantially denominated in *reais* and have tended to follow the Brazilian inflation ratio, because our suppliers and service providers generally increase or decrease prices to reflect Brazilian inflation. In addition, certain of our *real*-denominated debt is indexed to consider the effects of inflation. Under this debt, the principal amount is generally adjusted with reference to inflation indices. A significant portion of our *real*-denominated debt bears interest based on the CDI rate, which is partially adjusted for inflation. The CDI rate as of December 31, 2021, 2022 and 2023 was 4.4%, 12.4% and 13.0%, respectively.

### *Steel Market*

In 2021, 2022 and 2023, our steel segment represented 62.8%, 66.1% and 50.0% of our net revenues, respectively, and 45.3%, 45.7% and 14.3% of our gross profit, respectively. In 2023, 72.7% of our steel revenues were from domestic sales in Brazil and 27.3% were from sales abroad, as compared to 70.2% and 29.8%, respectively, in 2022.

According to the WSA, global crude steel production was 1.89 billion tons in 2023, representing a slight decrease of 0.0% compared to 2022 and a decrease of 3.8% compared to 2021. In 2023, China was responsible for 1,019.1 million tons, or about 54%, of the global output, maintaining the same levels of 2022. India's crude steel production in 2023 was 140.7 thousand tons, representing an increase of 12.2% compared to 2022. In the European Union, production was 126.3 million tons in 2023, representing a decrease of 7.4% compared to 2022. In the United States, crude steel production was 80.7 million tons in 2023, representing an increase of 0.2% compared to 2022.

According to IABr, domestic crude steel production was 31.9 million tons in 2023, or a 6.5% decrease as compared to 2022, while rolled steel output was 21.8 million tons in 2023, or a 7.0% decrease as compared to 2022.

Domestic steel product consumption in Brazil was 23.9 million tons in 2023, or a 1.5% increase compared to 2022, while domestic sales decreased 4.4% to 19.4 million tons. Annual imports to Brazil were 5.0 million tons, or a 50% increase as compared to 2022, and exports decreased 1.8%, from 11.9 million tons in 2022 to 11.7 million tons in 2023.

The WSA estimates that global steel demand, including China, totaled 1.8 billion tons in 2023, which represents an increase of 1.8% as compared to 2022. Crude steel production decreased in 2023 in: South America by (5.7)%, North America by (1.7)% and European Union by (7.4)% in each case as compared to 2022. Asia and Oceania increased the production by 0.7% in 2023.



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*Supply and Demand*

Prices of steel are sensitive to (i) changes in worldwide and local demand, which in turn are affected by worldwide and country-specific economic cycles, and (ii) available production capacity. While the export price of steel (which is denominated in U.S. dollars or euros, depending on the export destination) is the spot price, there is no exchange trading of steel or uniform pricing. Unlike other commodity products, steel is not completely fungible due to wide differences in terms of size, chemical composition, quality and specifications, all of which impact prices. Many companies (including us) discount their list prices for regular customers, making actual transaction prices difficult to determine.

Historically, export prices and margins have been lower than domestic prices and margins because of the logistics costs, taxes and tariffs involved in exports, not all of which we can pass onto customers. The portion of our production that we export depends on domestic demand, exchange rate fluctuations and how favorable the prices that can be charged in the international markets are.

*Product Mix and Prices*

Our steel products fall into four categories: hot-rolled, cold-rolled, coated (zinc coated, Al-Zn or painted) and tin mill (tin free steel and tin plate).

We forecast sales trends in both domestic and foreign markets monthly based on data from preceding months. We rely on our own information system to keep up with market developments in order to respond swiftly to fluctuations in demand.

We consider our flexibility in shifting between domestic and foreign markets, and our ability to monitor and optimize inventory levels in light of changing demand, as key to our success. The following table sets forth a break-down of our sales volume by product:

|                       | Tons         |              |              | Sales Volumes |             |             | % of Sales Volumes |               |             |
|-----------------------|--------------|--------------|--------------|---------------|-------------|-------------|--------------------|---------------|-------------|
|                       | 2021         | 2022         | 2023         | In Market*    |             | 2023        | 2021               | Total<br>2022 | 2023        |
|                       |              |              |              | 2021          | 2022        |             |                    |               |             |
| <b>Domestic sales</b> |              |              |              |               |             |             |                    |               |             |
| Hot-rolled            | 1,312        | 1,266        | 1,173        | 41%           | 41%         | 40%         | 29%                | 29%           | 28%         |
| Cold-rolled           | 444          | 421          | 355          | 14%           | 14%         | 12%         | 10%                | 10%           | 9%          |
| Galvanized            | 872          | 887          | 875          | 27%           | 29%         | 30%         | 19%                | 20%           | 21%         |
| Tin plate             | 327          | 274          | 260          | 10%           | 9%          | 9%          | 7%                 | 6%            | 6%          |
| Long steel            | 221          | 227          | 254          | 7%            | 7%          | 9%          | 5%                 | 5%            | 6%          |
| <b>Subtotal</b>       | <b>3,176</b> | <b>3,075</b> | <b>2,917</b> | <b>100%</b>   | <b>100%</b> | <b>100%</b> | <b>69%</b>         | <b>70%</b>    | <b>70%</b>  |
| <b>Sales abroad</b>   |              |              |              |               |             |             |                    |               |             |
| Slabs                 | -            | 8            | -            | 0%            | 1%          | 0%          | 0%                 | 0%            | 0%          |
| Hot-rolled            | 95           | 68           | 92           | 7%            | 5%          | 7%          | 2%                 | 2%            | 2%          |
| Cold-rolled           | 32           | 36           | 55           | 2%            | 3%          | 4%          | 1%                 | 1%            | 1%          |
| Galvanized            | 481          | 418          | 479          | 34%           | 32%         | 38%         | 10%                | 10%           | 11%         |
| Tin plate             | 79           | 65           | 18           | 6%            | 5%          | 1%          | 2%                 | 1%            | 0%          |
| Long steel            | 740          | 719          | 605          | 52%           | 55%         | 48%         | 16%                | 16%           | 15%         |
| <b>Subtotal</b>       | <b>1,427</b> | <b>1,315</b> | <b>1,249</b> | <b>100%</b>   | <b>100%</b> | <b>100%</b> | <b>31%</b>         | <b>30%</b>    | <b>30%</b>  |
| <b>Total sales</b>    |              |              |              |               |             |             |                    |               |             |
| Slabs                 | -            | 8            | -            |               |             |             | 0%                 | 0%            | 0%          |
| Hot-rolled            | 1,407        | 1,334        | 1,265        |               |             |             | 31%                | 30%           | 30%         |
| Cold-rolled           | 476          | 457          | 411          |               |             |             | 10%                | 10%           | 10%         |
| Galvanized            | 1,353        | 1,305        | 1,354        |               |             |             | 29%                | 30%           | 32%         |
| Tin plate             | 406          | 339          | 278          |               |             |             | 9%                 | 8%            | 7%          |
| Long steel            | 960          | 946          | 859          |               |             |             | 21%                | 22%           | 21%         |
| <b>Total</b>          | <b>4,603</b> | <b>4,389</b> | <b>4,166</b> |               |             |             | <b>100%</b>        | <b>100%</b>   | <b>100%</b> |

\*% of sales volume in the market means the participation of each product line in domestic sales and sales abroad.

As part of our strategy, we seek to increase the portion of our sales attributable to higher value-added coated products, particularly galvanized flat steel and tin plate products. Galvanized products are directed at the automotive, construction and home appliance industries. Tin plate products are used by the steel packaging market.

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|                             | Net Operating Revenues |               |               |                             |             |             |             |             |             |
|-----------------------------|------------------------|---------------|---------------|-----------------------------|-------------|-------------|-------------|-------------|-------------|
|                             |                        |               |               | % of net operating revenues |             |             |             |             |             |
|                             | 2021                   | 2022          | 2023          | 2021                        | In Market*  | 2023        | 2021        | Total       | 2023        |
| <i>(in millions of R\$)</i> |                        |               |               |                             |             |             |             |             |             |
| <b>Domestic sales</b>       |                        |               |               |                             |             |             |             |             |             |
| Hot-rolled                  | 7,676                  | 7,122         | 5,324         | 36%                         | 35%         | 32%         | 26%         | 24%         | 23%         |
| Cold-rolled                 | 2,930                  | 2,518         | 1,860         | 14%                         | 12%         | 11%         | 10%         | 9%          | 8%          |
| Galvanized                  | 6,349                  | 6,531         | 5,352         | 30%                         | 32%         | 32%         | 21%         | 22%         | 24%         |
| Tin plate                   | 2,956                  | 2,910         | 2,555         | 14%                         | 14%         | 15%         | 10%         | 10%         | 11%         |
| Long steel                  | 1,126                  | 1,065         | 1,117         | 5%                          | 5%          | 7%          | 4%          | 4%          | 5%          |
| Other products              | 362                    | 441           | 307           | 2%                          | 2%          | 2%          | 1%          | 2%          | 1%          |
| <b>Subtotal</b>             | <b>21,400</b>          | <b>20,588</b> | <b>16,516</b> | <b>100%</b>                 | <b>100%</b> | <b>100%</b> | <b>71%</b>  | <b>70%</b>  | <b>73%</b>  |
| <b>Sales abroad</b>         |                        |               |               |                             |             |             |             |             |             |
| Slabs                       | -                      | 25            | -             | 0%                          | 0%          | 0%          | 0%          | 0%          | 0%          |
| Hot-rolled                  | 633                    | 379           | 402           | 7%                          | 4%          | 6%          | 2%          | 1%          | 2%          |
| Cold-rolled                 | 190                    | 212           | 265           | 2%                          | 2%          | 4%          | 1%          | 1%          | 1%          |
| Galvanized                  | 3,495                  | 3,030         | 2,514         | 40%                         | 35%         | 41%         | 12%         | 10%         | 11%         |
| Tin plate                   | 528                    | 604           | 140           | 6%                          | 7%          | 2%          | 2%          | 2%          | 1%          |
| Long steel                  | 3,699                  | 4,371         | 2,765         | 43%                         | 50%         | 45%         | 12%         | 15%         | 12%         |
| Other products              | 147                    | 132           | 116           | 2%                          | 2%          | 2%          | 0%          | 0%          | 1%          |
| <b>Subtotal</b>             | <b>8,691</b>           | <b>8,753</b>  | <b>6,201</b>  | <b>100%</b>                 | <b>100%</b> | <b>100%</b> | <b>29%</b>  | <b>30%</b>  | <b>27%</b>  |
| <b>Total sales</b>          |                        |               |               |                             |             |             |             |             |             |
| Slabs                       | 0                      | 25            | 0             | 0%                          | 0%          | 0%          | 0%          | 0%          | 0%          |
| Hot-rolled                  | 8,309                  | 7,501         | 5,726         | 28%                         | 26%         | 25%         | 28%         | 26%         | 25%         |
| Cold-rolled                 | 3,120                  | 2,731         | 2,124         | 10%                         | 9%          | 9%          | 10%         | 9%          | 9%          |
| Galvanized                  | 9,843                  | 9,561         | 7,867         | 33%                         | 33%         | 35%         | 33%         | 33%         | 35%         |
| Tin plate                   | 3,485                  | 3,515         | 2,695         | 12%                         | 12%         | 12%         | 12%         | 12%         | 12%         |
| Long steel                  | 4,824                  | 5,436         | 3,882         | 16%                         | 19%         | 17%         | 16%         | 19%         | 17%         |
| Other products              | 510                    | 573           | 423           | 2%                          | 2%          | 2%          | 2%          | 2%          | 2%          |
| <b>Total</b>                | <b>30,091</b>          | <b>29,341</b> | <b>22,718</b> | <b>100%</b>                 | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

\*% of sales volume in the market means the participation of each product line in domestic sales and sales abroad.

**Mining Market**

The beginning of 2023 was marked by a lifting of the COVID zero policies in China among a series of economic stimulus to reach the country's GDP target by the end of the year and reignite the several sectors such as the civil construction, manufacturing, automotive and others. These measures had a positive short-term effect, but weren't enough to prevent a slowdown in growth, especially in the property market, which was historically the main consumer of steel. By the second half of the year, the world saw an increase in the steel production in China with higher blast furnaces rates due to several economic packages from the Chinese government. One of the main objectives of the economic packages was to boost the consumption of goods, the manufacturing and infrastructure sectors in order to mitigate the deceleration of the property market sector and dissipate major risks of not reaching the GDP targets. Since the stimulus did not respond to a domestic recovery, it promoted the growth of China's steel exports to other countries, which represented an increase of 36% compared to 2022. Chinese annual iron ore imports increased to 1,168 billion tons in 2023, as compared to 1,108 billion tons in 2022, and the global seaborne iron ore market increased to 1,164 billion tons in 2023, as compared to 1,091 billion tons in 2022.

For more information regarding updates in the Chinese market, see "Item 3. Key Information--3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-Adverse economic conditions in China and an increase in global iron ore production capacity could materially and adversely affect us."

In 2021, 2022 and 2023, our mining segment represented 38%, 28% and 38% of our net revenues, respectively, and 47%, 41% and 60% of our gross profit, respectively. In 2023, 89% of our mining revenues came from exports and 11% from the domestic market, as compared to 86% and 14%, respectively, in 2022.

**Cement Market**

In 2021, 2022 and 2023, our cement segment represented 3.0%, 6.4% and 9.9% of our net revenues, respectively, and 2.4%, 6.4% and 7.2% of our gross profit, respectively.

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**Energy and Logistics Markets**

The performance of our energy and logistics segments is directly related to the performance of our steel and mining segments. In 2021, 2022 and 2023, these segments represented an aggregate of 5.0%, 6.6% and 7.6% of our net revenues, respectively, and an aggregate of 3.4%, 6.7% and 10.6% of our gross profit, respectively. A material portion of the revenues in these segments is derived from our steel and mining operations, which utilize our logistics network and energy output.

**Accounting for Mining Production Used in Our Steel Production**

We are currently self-sufficient for the iron ore used in our steel production, except for pellets. We extract iron ore from our mines owned by CSN Mineração, which mines, in 2023, provided approximately 3.5 million tons of iron ore. We sell the remainder of our iron ore production to third parties in Brazil and abroad.

We record the cost of iron ore for our steel production on our income statement in cost of products sold at its extraction cost *plus* transport cost from the mine. In 2021, 2022 and 2023, these costs were R\$2,939 million, R\$1,488 million and R\$1,198 million, respectively.

**Critical Accounting Policies**

We prepare our consolidated financial statements in accordance with IFRS, as issued by the IASB. In preparing our consolidated financial statements, we make estimates concerning a variety of matters, some of which are highly uncertain, and our estimates involve judgments we make based on the information available to us. For more information, see note 2.b to our audited consolidated financial statements included elsewhere in this annual report.

**Recently Issued Accounting Pronouncements Not Adopted by Us**

The standards, amendments to standards and IFRS interpretations issued by the IASB that are not yet effective and were not early adopted by us for the year ended December 31, 2023 are described in note 2.c to our audited consolidated financial statements included elsewhere in this annual report.

**Results of Operations**

The following table presents certain financial information with respect to our results of operations for each of the years ended December 31, 2021, 2022 and 2023:

|  | Year ended December 31,                            |                |                |   |
|--|--|----------------|----------------|---|
|  | 2021   | 2022           | 2023           | 2023 <sup>(1)</sup>                                 |
|  | <i>(in millions of R\$, except per share data)</i> |                |                | <i>(in millions of US\$, except per share data)</i> |
| <b>Net operating revenues</b>                                    | <b>47,912</b>                                      | <b>44,362</b>  | <b>45,437</b>  | 9,385   |
| Cost of products sold  | (25,837)   | (31,054)       | (33,475)       | (6,914)   |
| <b>Gross profit</b>  | <b>22,075</b>                                      | <b>13,308</b>  | <b>11,962</b>  | <b>2,471</b>  |
| <b>Operating expenses</b>  |  |                |                |   |
| Selling  | (2,372)  | (2,576)        | (3,729)        | (770)   |
| General and administrative                                       | (588)  | (674)          | (761)          | (157)   |
| Equity in results of affiliated companies                        | 183  | 238            | 351            | 73  |
| Other expenses   | (1,716)  | (2,908)        | (3,087)        | (638)   |
| Other income   | 2,958  | 253            | 450            | 93  |
| <b>Total</b>   | <b>(1,535)</b>                                     | <b>(5,666)</b> | <b>(6,776)</b> | <b>(1,399)</b>                                      |
| <b>Operating income</b>  | <b>20,540</b>                                      | <b>7,642</b>   | <b>5,186</b>   | <b>1,072</b>  |
| <b>Non-operating income (expenses), net</b>                      |  |                |                |   |
| Financial income   | 1,167  | (78)           | 1,656          | (342)   |
| Financial expenses   | (3,111)  | (3,437)        | (5,807)        | (1,199)   |
| <b>(Loss) income before taxes</b>                                | <b>18,596</b>                                      | <b>4,127</b>   | <b>1,035</b>   | <b>214</b>  |
| <b>Income tax</b>  |  |                |                |   |
| Current  | (4,241)  | (1,538)        | (1,036)        | (215)   |
| Deferred   | (759)  | (421)          | (404)          | 83  |
| <b>Net income (loss) for the period</b>                          | <b>13,596</b>                                      | <b>2,168</b>   | <b>403</b>     | <b>82</b>   |
| <b>Net income (loss) attributable to noncontrolling interest</b> | <b>1,337</b>                                       | <b>614</b>     | <b>721</b>     | <b>149</b>  |
| <b>Net income (loss) attributable to CSN</b>                     | <b>12,259</b>                                      | <b>1,554</b>   | <b>(318)</b>   | <b>(66)</b>   |
| Basic earnings per common share                                  | 8.90654  | 1.17108        | (0.23996)      | (0.04957)   |
| Diluted earnings per common share                                | 8.906540   | 1.17108        | (0.23996)      | (0.04957)   |

(1) Translated solely for the convenience of the reader at the rate of R\$4.8413 to US\$1.00, which was the U.S. dollar selling rate as of December 31, 2023, as reported by the Central Bank.

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**Year 2023 Compared to Year 2022**

We maintain integrated operations in five business segments: steel, mining, logistics, cement and energy. We manage and control the performance of our various business segments considering our proportional interest in our jointly controlled entity, MRS, reflected in the figures presented below.

Our consolidated results for the years ended December 31, 2022 and 2023 by business segment are presented below:

|  | Year ended December 31, 2022 |               |            |                        |            |              |                                    | Consolidated  |
|--|------------------------------|---------------|------------|------------------------|------------|--------------|------------------------------------|---------------|
|  | Steel                        | Mining        | Port       | Railway <sup>(1)</sup> | Energy     | Cement       | Corporate Expenses/<br>Elimination |               |
|  | <i>(in millions of RS)</i>   |               |            |                        |            |              |                                    |               |
| <b>Net revenue</b>   |                              |               |            |                        |            |              |                                    |               |
| Domestic market  | 20,588                       | 1,700         | 308        | 2,312                  | 293        | 2,820        | (4,064)                            | 23,957        |
| Foreign market   | 8,753                        | 10,825        |            |                        |            |              | 827                                | 20,405        |
| <b>Total net revenue</b>   | <b>29,341</b>                | <b>12,525</b> | <b>308</b> | <b>2,312</b>           | <b>293</b> | <b>2,820</b> | <b>(3,237)</b>                     | <b>44,362</b> |
| Cost of sales and services   | (23,256)                     | (7,105)       | (221)      | (1,507)                | (287)      | (1,974)      | 3,296                              | (31,054)      |
| <b>Gross profit</b>  | <b>6,085</b>                 | <b>5,420</b>  | <b>87</b>  | <b>805</b>             | <b>6</b>   | <b>846</b>   | <b>59</b>                          | <b>13,308</b> |
| Selling, general and administrative expenses                             | (1,314)                      | (352)         | (33)       | (153)                  | (44)       | (386)        | (967)                              | (3,250)       |
| Other operating (income) expenses, net                                   | (778)                        | (450)         | (14)       | 34                     | 39         | (105)        | (1,380)                            | (2,654)       |
| Equity in results of affiliated companies                                |                              |               |            |                        |            |              | 238                                | 238           |
| <b>Operating result before net financial income (expenses) and taxes</b> | <b>3,993</b>                 | <b>4,618</b>  | <b>40</b>  | <b>685</b>             | <b>1</b>   | <b>355</b>   | <b>(2,051)</b>                     | <b>7,642</b>  |

(1) Railway logistics in our segment break-down includes our investee MRS, which is not consolidated in our audited consolidated financial statements and is reflected only in equity in results of affiliated companies.

|  | Year ended December 31, 2023 |               |            |                        |            |              |                                    | Consolidated  |
|--|------------------------------|---------------|------------|------------------------|------------|--------------|------------------------------------|---------------|
|  | Steel                        | Mining        | Port       | Railway <sup>(1)</sup> | Energy     | Cement       | Corporate Expenses/<br>Elimination |               |
|  | <i>(in millions of RS)</i>   |               |            |                        |            |              |                                    |               |
| <b>Net revenue</b>   |                              |               |            |                        |            |              |                                    |               |
| Domestic market  | 16,516                       | 1,804         | 266        | 2,645                  | 546        | 4,511        | (4,209)                            | 22,079        |
| Foreign market   | 6,201                        | 15,331        | -          | -                      | -          | -            | 1,827                              | 23,359        |
| <b>Total net revenue</b>   | <b>22,717</b>                | <b>17,136</b> | <b>266</b> | <b>2,645</b>           | <b>546</b> | <b>4,511</b> | <b>(2,382)</b>                     | <b>45,438</b> |
| Cost of sales and services   | (21,008)                     | (9,932)       | (249)      | (1,493)                | (441)      | (3,644)      | 3,292                              | (33,475)      |
| <b>Gross profit</b>  | <b>1,709</b>                 | <b>7,204</b>  | <b>17</b>  | <b>1,152</b>           | <b>104</b> | <b>866</b>   | <b>910</b>                         | <b>11,963</b> |
| Selling, general and administrative expenses                             | (1,219)                      | (421)         | (11)       | (219)                  | (58)       | (558)        | (2,005)                            | (4,490)       |
| Other operating (income) expenses, net                                   | (1,065)                      | (975)         | (1)        | 10                     | 189        | (254)        | (542)                              | 2,637         |
| Equity in results of affiliated companies                                | -                            | -             | -          | -                      | -          | -            | 351                                | 351           |
| <b>Operating result before net financial income (expenses) and taxes</b> | <b>(574)</b>                 | <b>5,808</b>  | <b>6</b>   | <b>944</b>             | <b>235</b> | <b>55</b>    | <b>(1,286)</b>                     | <b>5,186</b>  |

(1) Railway logistics in our segment break-down includes our investee MRS, which is not consolidated in our audited consolidated financial statements and is reflected only in equity in results of affiliated companies.

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### *Net Operating Revenues*

Net operating revenues increased R\$1,075 million, or 2.4%, from R\$44,362 million in 2022 to R\$45,437 million in 2023, due to record sales of iron ore in the year and the growth of the cement operation.

Net domestic operating revenues decreased R\$1,879 million, or 8.5%, from R\$23,957 million in 2022 to R\$22,078 million in 2023, due to the decrease in sales volume and prices in the steel segment.

Net revenues of exports and sales abroad increased R\$2,954 million, or 12.6%, from R\$20,405 million in 2022 to R\$23,359 million in 2023, due mainly to higher iron ore prices and an increase in sales volume in our mining segment.

### Steel

Steel net operating revenues decreased R\$6,623.5 million, or 22.6%, from R\$29,341.0 million in 2022 to R\$22,717.5 million in 2023. Sales volume decreased 5.1%, from 4,391.7 million tons in 2022 to 4,166.1 million tons in 2023. Steel net domestic operating revenues decreased R\$4,072.0 million, or 19.8%, from R\$20,588.2 million in 2022 to R\$16,516.3 million in 2023. Steel net revenues of exports and sales abroad decreased R\$2,551.6 million, or 29.2%, from R\$8,752.8 million in 2022 to R\$6,201.2 million in 2023, due to lower steel prices and sales volume.

### Mining

Mining net operating revenues increased R\$4,610.5 million, or 36.8%, from R\$12,525.1 million in 2022 to R\$17,135.6 million in 2023, due to an increase of 28% in sales volume, from 33.3 million tons in 2022 to 42.7 million tons in 2023. In 2023, iron ore production reached 42.7 million tons, which represented a 26.6% increase over the same period in 2022, which proves the operational excellence achieved by the company throughout the year.

### Cement

Our net operating revenues from the cement segment increased 60.0%, from R\$2,819.6 million in 2022 to R\$4,510.6 million in 2023, mainly due to a 75.8% increase in sales volume. This increase in sales volume was due to the capturing of synergies from the consolidation of LafargeHolcim (Brasil) S.A.'s operations as of September 2022.

### Energy

Our net operating revenues from the energy segment increased 86.2%, from R\$293.0 million in 2022 to R\$546 million in 2023, mainly due to the consolidation of CEEE's operations in 2023.

### Logistics

In 2022, net operating revenues from railway logistics were R\$2,311.8 million and net operating revenues from port logistics were R\$308.0 million, while in 2023, net operating revenues from railway logistics were R\$2,644.9 million and net operating revenues from port logistics were R\$265.9 million. In 2023, port logistics handled 1,100 tons of steel products, 35 tons of general cargo, 58,000 containers and 659 tons of bulk.

### *Cost of Products Sold*

Cost of products sold increased R\$2,421 million, or 7.2%, from R\$31,054 million in 2022 to R\$33,475 million in 2023, mainly in the mining segment with the strong increase in sales volume and purchase volume, leveraged by prices of iron ore, which effects were partially offset by a reduction in steel sales volumes.

### Steel

Steel costs of products sold decreased 9.7%, from R\$23,256.3 million in 2022 to R\$21,008.0 million in 2023, mainly due to lower sales volume in the period.

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The following table sets forth a breakdown of our steel production costs in the periods presented. Except for coal and coke, which we import, and certain metals (such as aluminum, zinc and tin) with domestic prices linked to international prices, our production costs are mostly denominated in *reals*.

|                               | 2022                 |              | 2023                 |              | Variation 2023 v. 2022 |              |
|-------------------------------|----------------------|--------------|----------------------|--------------|------------------------|--------------|
|                               | (in millions of R\$) | (in R\$/ton) | (in millions of R\$) | (in R\$/ton) | (in millions of R\$)   | (in R\$/ton) |
| <b>Raw materials</b>          | <b>13,410</b>        | <b>3,596</b> | <b>9,556</b>         | <b>2,941</b> | <b>(3,854)</b>         | <b>(655)</b> |
| Iron ore                      | 1,488                | 399          | 1,198                | 368          | (290)                  | (31)         |
| Coal                          | 2,433                | 652          | 1,653                | 508          | (780)                  | (144)        |
| Coke                          | 4,367                | 1,171        | 2,480                | 763          | (1,187)                | (408)        |
| Metals                        | 988                  | 265          | 733                  | 226          | (255)                  | (39)         |
| Outsourced slabs              | 840                  | 225          | 1,255                | 388          | 415                    | 163          |
| Pellets                       | 2,120                | 596          | 1,500                | 461          | (620)                  | (135)        |
| Scrap                         | 221                  | 59           | 64                   | 19           | (157)                  | (40)         |
| Other                         | 952                  | 255          | 673                  | 208          | (279)                  | (47)         |
| <b>Labor</b>                  | <b>987</b>           | <b>265</b>   | <b>1,107</b>         | <b>340</b>   | <b>120</b>             | <b>75</b>    |
| <b>Other production costs</b> | <b>4,691</b>         | <b>1,258</b> | <b>5,179</b>         | <b>1,594</b> | <b>488</b>             | <b>336</b>   |
| Energy / fuel                 | 1,768                | 474          | 1,664                | 513          | (104)                  | 39           |
| Services and maintenance      | 930                  | 249          | 1,201                | 369          | 271                    | 120          |
| Tools and supplies            | 633                  | 170          | 672                  | 207          | 39                     | 37           |
| Depreciation                  | 966                  | 259          | 1,086                | 334          | 120                    | 75           |
| Other                         | 394                  | 106          | 566                  | 171          | 162                    | 65           |
| <b>Total</b>                  | <b>19,088</b>        | <b>-</b>     | <b>15,842</b>        | <b>-</b>     | <b>(3,246)</b>         | <b>-</b>     |

### Mining

Our mining costs of products sold increased R\$2,826.5 million, or 39.8%, from R\$7,105.4 million in 2022 to R\$9,931.9 million in 2023, mainly due to an increase of 9,332 tons in sales volume and higher purchases made in the period.

### Cement

Cost of products sold attributable to our cement segment increased R\$1,669.9 million, or 328.5%, from R\$1,974.4 million in 2022 to R\$3,644.4 million in 2023, mainly due to the 75.8% increase in sales volume as a result of our acquisition of LafargeHolcim.

### Energy

Cost of products sold attributable to our energy segment increased R\$153.9 million, or 53.6%, from R\$287.3 million in 2022 to R\$441.3 million in 2023, mainly due to the update of the energy contracts and the acquisition of CEEE-G in the fourth quarter of 2022.

### Logistics

Cost of services attributable to our logistics segment increased R\$14.1 million, or 0.8%, from R\$1,727.5 million in 2022 to R\$1,741.7 million in 2023, mainly due to adjustments in fuel prices.

### Gross Profit

Gross profit decreased R\$1,346 million, or 11.3%, from R\$13,308 million in 2022 to R\$11,962 million in 2023, with an impact on gross margin of 3.6 p.p., mainly due to difficulties faced in the steel segment throughout the year.

### Steel

Gross profit in the steel segment decreased R\$4,375.2 million, or (71.9)%, from R\$6,084.7 million in 2022 to R\$1,709.5 million in 2023, due to the reasons discussed above.

### Mining

Gross profit in the mining segment increased R\$1,784.1 million, or 32.9%, from R\$5,419.7 million in 2022 to R\$7,203.8 million in 2023, due to the reasons discussed above.

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### Cement

Gross profit in the cement segment increased R\$21.1 million, or 2.5%, from R\$845.1 million in 2022 to R\$866.2 million in 2023, due to the reasons discussed above.

### Energy

Gross profit in the energy segment increased R\$98.8 million, or 1,734.5%, from R\$5.7 million in 2022 to R\$104.5 million in 2023, due to the reasons discussed above.

### Logistics

Gross profit in the logistics segment increased R\$277.0 million, or 31.0%, from R\$892.2 million in 2022 to R\$1,169.2 million in 2023, due to the reasons discussed above.

### *Selling, General and Administrative Expenses*

Selling, general and administrative expenses increased R\$1,240.0 million, or 27.6%, from R\$3,249.9 million in 2022 to R\$4,490.0 million in 2023. Selling expenses increased R\$1,153 million, or 30.9%, from R\$2,575.4 million in 2022 to R\$3,729.0 million in 2023, mainly due to a decrease in volume sold pursuant to cost, insurance and freight - CIF agreements, which effects were partially offset by an increase in average freight rates. General and administrative expenses increased R\$86.7 million, or 11.5%, from R\$674.1 in 2022 to R\$760.8 million in 2023.

### *Other Operating Income (Expenses)*

Other net operating income (expenses) decreased R\$17.4 million, or (0.7)%, from a net operating expense of R\$2,654.6 million in 2022 to a net operating expense of R\$2,637.2 million in 2023.

Other operating income remained relatively stable at R\$450.0 million in 2023, compared to R\$253.2 in 2022, mainly due to (i) R\$79.7 million relating to the update of Usiminas share's fair value, and (ii) the gain on the sale of Consortium Machadinho in the aggregate amount of R\$114.8 million.

Other operating expenses remained relatively stable at R\$3,087.2 million in 2023, compared to R\$2,907.8 million in 2022, mainly due to R\$174.8 million of idleness in stocks and paralyzed equipment, partially offset by R\$334.3 million of cash flow hedge accounting realized.

### *Equity in Results of Affiliated Companies*

Equity in results of affiliated companies increased R\$113.2 million, or 32.2%, from a gain of R\$237.9 million in 2022 to a gain of R\$351.1 million in 2023, mainly due to an increase in the net income of our investee MRS.

### *Operating Income*

Operating income decreased R\$2,455 million, or (47.3)%, from R\$7,641.5 million in 2022 to R\$5,186.7 million in 2023, due to the reasons discussed above.

### *Net Financial Income (Expenses)*

Net financial expenses increased R\$636.3 million, or 15.3%, from R\$3,515.0 million in the period ended December 31, 2022 to R\$4,151.3 million in period ended December 31, 2023, mainly due to an increase of (i) R\$1,506.4 million in gains on our shares in Usiminas and (ii) R\$62.7 in income from financial investments, which effects were partially offset by (a) R\$1,069.3 million in interest expense on borrowings, financing and debentures, (b) R\$21.5 million in interest expenses on drawn/forfeiting risk operations, and (c) R\$1,190.4 million in foreign exchange results.

### *Income Taxes*

Income tax expense in Brazil refers to federal income tax and social contribution. The statutory rates for these taxes applicable to the periods presented were 25% for federal income tax and 9% for social contribution. Adjustments are made to income in order to reach the effective tax expense or benefit for each fiscal year. As a result, our effective tax rate is volatile among fiscal periods.

At statutory rates, we had an income tax and social contribution expense of R\$1,403.0 million in 2022 and R\$352 million in 2023, which represents 34% of our income before taxes. After adjustments to meet the effective income tax rates, we recorded an income tax and social contribution expense of R\$1,958.8 million in 2022 and R\$632.7 million in 2023. Expressed as a percentage of pretax income, our effective income tax rate was 47.5% in 2022 and 61.1% in 2023. In 2023, in order to meet the effective income tax rate, we had a negative net adjustment of R\$337 million, mainly due to a negative impact of R\$181 million in tax on the results of subsidiaries at different rates or not taxed and R\$92 million in transfer pricing adjustments and profits outside of Brazil.

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It is not possible to predict future adjustments to federal income tax and social contribution statutory rates, as they depend on interest on shareholders' equity, tax incentives and non-taxable factors, including income from offshore operations and tax losses from offshore operations.

For further information, see note 18.a to our audited consolidated financial statements included elsewhere in this annual report.

### Net Income for the Year

In 2023, we recorded net income of RS403.0 million, as compared to RS2,167.7 million in 2022. The decrease of RS1,764.7 million, or 81.4%, was due to the reasons discussed above.

### Year 2022 Compared to Year 2021

For this discussion, see our annual report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on April 27, 2023.

### Reconciliation of Net Income for the Year to EBITDA

|                                     | 2021          | Year ended December 31, |              |                       |
|-------------------------------------|---------------|-------------------------|--------------|-----------------------|
|                                     |               | 2022                    | 2023         | 2023 <sup>(1)</sup>   |
|                                     |               | (in millions of RS)     |              | (in millions of US\$) |
| Net income                          | 13,596        | 2,168                   | 403          | 83                    |
| Depreciation/amortization/depletion | 2,115         | 2,792                   | 3,291        | 680                   |
| Income tax and social contribution  | 5,000         | 1,959                   | 633          | 131                   |
| Net financial income                | 1,944         | 3,515                   | 4,151        | 857                   |
| <b>EBITDA<sup>(2)</sup></b>         | <b>22,655</b> | <b>10,434</b>           | <b>8,478</b> | <b>1,751</b>          |

(1) Translated solely for the convenience of the reader at the rate of RS4.8413 to US\$1.00, which was the U.S. dollar selling rate as of December 31, 2023, as reported by the Central Bank.

(2) We calculate EBITDA as net income (loss) for the period plus net financial income (expenses), income tax and social contribution, depreciation and amortization and results from discontinued operations.

For more information on our presentation of the non-IFRS measure of EBITDA, see "Presentation of Financial and Other Information-Non-IFRS Financial Measure."

## 5B. Liquidity and Capital Resources

### Overview

Our main uses of funds are capital expenditures and debt repayments. We have historically met these requirements with cash generated by our operating activities and through the issuance of short and long-term debt instruments. In 2023, we met our cash needs primarily through a combination of operating cash flow, cash and cash equivalents on hand and newly issued long-term debt instruments in order to repay the portion of our total debt maturing in 2023.

In addition, we periodically review acquisition and investment opportunities and, if a suitable opportunity arises, we conduct selected acquisitions and investments to implement our business strategy. We generally make our investments directly or through subsidiaries, jointly controlled entities or affiliated companies, and fund these investments through internally generated funds, the issuance of debt or a combination of these.

### Sources of Funds and Working Capital

#### Cash Flows

Cash and cash equivalents increased to RS16,046 million as of December 31, 2023, as compared to cash and cash equivalents of RS11,991 million as of December 31, 2022.



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### *Operating Activities*

Cash provided by operating activities increased R\$5,250 million, or 257.0%, from R\$2,042 million in 2022 to R\$7,292 million in 2023, mainly due to the R\$1,765 million decrease in our net income, adjusted by R\$811 million in certain reconciling items that do not represent cash receipts or disbursements, such as the negative change of R\$1,525 million in the fair value of our Usiminas shares, reflected in our net income that did not affect our cash provided by operating activities, and the positive change of R\$991 million in charges on loans and financing granted, as well as depreciation and amortization expenses, deferred income taxes, foreign exchange variations and minor other changes that, in the aggregate, amount to R\$1,345 million.

Additionally, we had net changes in certain operating assets and liabilities, including an increase of R\$1,642 million in trade receivables, a decrease of R\$820 million in taxes recoverable, an increase of R\$2,291 million in taxes payable, a decrease of R\$1,113 million in interest payments and a decrease of R\$1,129 million in suppliers, which effects were partially offset by an increase of R\$2,038 million in inventories and an increase of R\$5,065 million in advance of customers, as well as a decrease of R\$1,027 million as settlement of our Platts iron ore index hedge and a negative change of our receipt of R\$370.0 million pursuant to a compulsory loan in 2022.

### *Investing Activities*

Cash used in investing activities was R\$4,589 million in 2023 and cash provided by investing activities was R\$11,455 million in 2022. The increase of R\$6,865 million in cash used in investing activities was mainly due to payments of R\$8,547.3 million to acquire equity interests in certain companies in 2022 (see "Item 4. Information on the Company-4B. Business Overview-Investments and Divestitures-Acquisition Activity"), and a decrease of R\$1,056 million to acquire certain property, plant and equipment. These effects were partially offset by our receipt of cash and equivalents in the amount of R\$1,206 million in the context of these acquisitions made in 2022 and the increased of R\$324 million in the context of other acquisitions. Additionally, in 2022, we received R\$230 million in income from financial investments and receipt of sale of equity interest.

### *Financing Activities*

Cash provided by financing activities was R\$1,323 million in 2023 and cash used by financing activities was R\$4,747 million in 2022. This decrease of R\$3,423 million in cash provided by financing activities was mainly due to (i) a decrease of R\$939 million in debt amortization payments in 2023, as compared to 2022 and (ii) a decrease of R\$4,549 million in new borrowings, financing and debentures. These effects were partially offset by (iii) a decrease of R\$224 million in dividends and interest on shareholders' equity paid in 2023, as compared to 2022.

### **Trade Accounts Receivable Turnover Ratio**

Our trade accounts receivable turnover ratio, which is the ratio between our trade accounts receivable and our net operating revenues, measured in days of sales, was 20 days, 23 days and 23 days as of December 31, 2021, 2022 and 2023, respectively.

### **Inventory Turnover Ratio**

Our inventory turnover ratio, which we measure by dividing our inventories by our annualized cost of products sold, measured in days of cost of products sold, was 140 days, 119 days and 91 days as of December 31, 2021, 2022 and 2023, respectively.

### **Trade Accounts Payable Turnover Ratio**

Our trade accounts payable turnover ratio, which we measure by dividing our trade accounts payable by our cost of products sold, measured in days of cost of products sold, was 134 days, 143 days and 136 days as of December 31, 2021, 2022 and 2023, respectively. This decrease in extension of payment terms reflects our renegotiation of commercial terms with our suppliers and contractors.

### **Liquidity Management**

Given the capital intensive and cyclical nature of our industry and the generally volatile Brazilian macroeconomic environment, we retain cash on hand to run our operations and to meet our short-term financial obligations. As of December 31, 2023, cash and cash equivalents were R\$16,252 million, as compared to R\$11,991 million as of December 31, 2022 and R\$16,646 million as of December 31, 2021.

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As of December 31, 2023, our short-term and long-term indebtedness accounted for 16.9% and 83.1%, respectively, of our total debt, and the average life of our existing debt was equivalent to approximately 54 months.

### Capital Expenditures and Investments

In 2023, we had capital expenditures and investments of R\$4,523 million, mainly as follows:

- R\$1,954 million in our steel segment: productivity and modernization projects to improve performance, including major overhauls of coke batteries, automation and efficiency improvements, maintenance and spare parts across all of our steel facilities.
- R\$1,549 million in our mining segment: mining expansion projects, investments in tailings filtering and expansion of the Itaguaí port.
- R\$730 million in our cement segment: sustaining projects in our Barroso, Arcos, Volta Redonda, Pedro Leopoldo, Caaporã, Alhandra and Montes Claros units.
- R\$290 million in our logistics and energy segments.

### Debt and Derivative Instruments

As of December 31, 2022 and 2023, our total debt (composed of current and non-current portions of borrowings and financings) was R\$40,919 million and R\$44,859 million (including transactions costs), respectively, which represents 187.6% and 227.9% of shareholders' equity as of December 31, 2022 and 2023, respectively. As of December 31, 2023, our short-term debt (comprising current borrowings and financings, which includes the current portion of long-term debt) was R\$7,613 million and our long-term debt (comprising non-current borrowings and financings) was R\$37,245 million.

As of December 31, 2023, approximately 39.6% of our debt was denominated in *reais* and substantially all of the remaining balance was denominated in U.S. dollars. Our policy is to protect ourselves against foreign exchange losses and interest rate losses on our debt, which we do through hedge accounting.

The following table sets forth our borrowings, financing and debentures, which we record at amortized cost:

|   | As of December 31, 2023 |                         |
|---|-------------------------|-------------------------|
|   | Current liabilities     | Non-current liabilities |
|   | (in millions of R\$)    |                         |
| <b>Debt agreements in the international market</b>        |                         |                         |
| <b>Variable interest:</b>                                 |                         |                         |
| <b>US\$</b>   |                         |                         |
| Prepayment  | 548                     | 6,576                   |
| <b>Fixed interest:</b>                                    |                         |                         |
| <b>US\$</b>   |                         |                         |
| Bonds, perpetual bonds, facility, CCE and ACC             | 2,080                   | 17,816                  |
| <b>EUR</b>  |                         |                         |
| Facility  | 328                     | 114                     |
|   | <b>2,956</b>            | <b>24,506</b>           |
| <b>Debt agreements in Brazil</b>                          |                         |                         |
| <b>Variable interest:</b>                                 |                         |                         |
| <b>R\$</b>  |                         |                         |
| BNDES/FINAME, debentures, NCE and CCB                     | 4,746                   | 13,265                  |
| <b>Total borrowings and financing</b>                     | <b>7,702</b>            | <b>37,771</b>           |
| Transaction costs and issue premiums                      | (88)                    | (526)                   |
| <b>Total borrowings and financing + transaction costs</b> | <b>7,614</b>            | <b>37,245</b>           |

For more information, see notes 13 and 14 to our audited consolidated financial statements included elsewhere in this annual report.

### Debt Maturity Profile

In February 2022, CSN Resources S.A. issued US\$500.0 million in aggregate principal amount of 5.875% senior notes due 2032, guaranteed by us. We used part of the proceeds from this issuance in our repurchase of US\$300.0 million in aggregate principal amount of 2026 notes. In May 2022, CSN Mineração obtained a US\$375.0 million syndicated loan, secured by the Italian export credit agency *Servizi Assicurativi del Commercio Estero* - SACE, with a ten-year maturity schedule. In June 2022, CSN Mineração issued non-convertible debentures in an aggregate principal amount of R\$1,400.0 million. In the nine months ended September 30, 2022, CSN Cimentos obtained financings in an aggregate principal amount of R\$2,500.0 million in order to complete its acquisition of LafargeHolcim (Brasil) S.A.

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In October 2022, we issued non-convertible debentures, in a single series, in an aggregate principal amount of R\$1,500.0 million. The debentures have a 62-month term and accrue interest at a rate of 100% of the average daily interbank rate (*depósito interfinanceiro*) plus 2.50% per annum. We used the net proceeds from this issuance to repay certain bank credit notes and for working capital.

In addition, in November 2022, we issued non-convertible debentures, in a single series, in an aggregate principal amount of R\$460.0 million. The debentures have a five-year term and accrue interest at a rate of 100% of the average daily interbank rate (*depósito interfinanceiro*) plus 1.90% per annum. We used the net proceeds from this issuance in our acquisition of CEEE-G (see "Item 4. Information on the Company-4B. Business Overview-Investments and Divestitures-Acquisition Activity").

In December 2022, CEEE-G issued non-convertible debentures in an aggregate principal amount of R\$1,900.0 million. The debentures have a two-year term and accrue interest at a rate of 100% of the average daily interbank rate (*depósito interfinanceiro*) plus 2.35% per annum. The debentures are fully guaranteed by us.

In December 2022, our subsidiary Companhia Metalúrgica Prada issued non-convertible debentures in an aggregate principal amount of R\$130.0 million. The debentures have a two-year term and accrue interest at a rate of 100% of the average daily interbank rate (*depósito interfinanceiro*) plus 2.35% per annum. The debentures are fully guaranteed by us.

In January 2023, CSN Mineração entered into a long-term supply of iron ore agreement with the Swiss trader Glencore International AG, pursuant to which Glencore prepays up to US\$500.0 million, with respect to the supply of approximately 13 million tons of iron ore over four years, commencing in 2024. In June 2023, CSN Mineração entered into an amendment to the advance agreement in the amount of US\$300.0 million for the additional supply of 6.3 million tons of iron ore. The disbursement will occur when certain conditions precedent are met, which are customary for this type of transaction.

In March 2023, we signed a pre-payment export financing agreement, in the aggregate amount of US\$1.4 billion for a term of twelve years. Up to US\$980.0 million will be granted by Japan Bank for International Cooperation and up to US\$420.0 million will be granted by a syndicate of banks. The agreement is part of our strategy to finance growth using financial instruments for long-term projects, including our project to build a new pellet feed plant in our Casa de Pedra mine. The consummation of this transaction is subject to the fulfillment of customary conditions precedent, including the signing of an offtake agreement with a Japanese customer for part of the volume contracted.

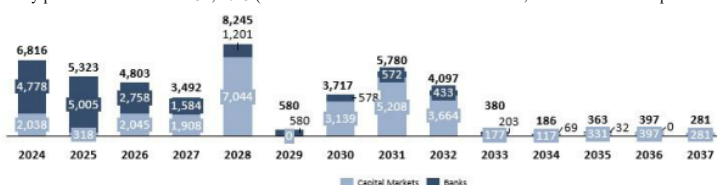
In July 2023, Cargill International Trading Pte Ltd. concluded a prepayment of US\$200.0 million to CSN Mineração for the supply of 4.3 million tons of iron ore during four years with six ships per year with 180,000 tons each, totaling 24 ships for the period of the contract.

In October 2023, we entered into an export credit note (*nota de crédito de exportação* - NCE) in an aggregate principal amount of R\$680.0 million. The export credit note accrues interest at the Brazilian interbank deposit (*certificado de depósito interbancário*) rate, which is an average of interbank overnight rates in Brazil, plus 2.11% per annum, and one-third of the aggregate principal amount matures in each of 2026, 2027 and 2028.

In December 2023, CSN Resources S.A. issued US\$500.0 million in aggregate principal amount of 8.875% senior notes due 2030, guaranteed by us. We used part of the proceeds from this issuance in our repurchase of US\$117.0 million in aggregate principal amount of the 7.625% 2026 notes.

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The following chart sets forth our debt maturity profile as of December 31, 2023 (amounts do not consider accrued interest, transaction costs or premiums on issuance):



The following table sets forth the maturity profile of our long-term debt as of December 31, 2023, gross of transaction costs and premiums on issuance:

| Maturity     | Principal Amount<br>(in millions of RS) |
|--------------|---|
| 2024         | 6,816.0                                 |
| 2025         | 5,323.4                                 |
| 2026         | 4,803.2                                 |
| 2027         | 3,491.6                                 |
| 2028         | 8,244.4                                 |
| 2029         | 579.8                                   |
| 2030         | 3,717.0                                 |
| 2031         | 5,780.2                                 |
| 2032         | 4,096.7                                 |
| After 2032   | 1,734.8                                 |
| <b>Total</b> | <b>44,587.1</b>                         |

We expect to fully pay, using cash flows from operating activities or new financings, or refinance the portions of our indebtedness due in 2024 to 2026.

**Contractual Obligations**

The following table presents our long-term contractual obligations as of December 31, 2023:

|  | Total         | Less than 1 year | Payment due by period |               |                   |
|--|---------------|------------------|-----------------------|---------------|-------------------|
|  |               |                  | 1-3 years             | 3-5 years     | More than 5 years |
| <i>(in millions of RS)</i>                       |               |                  |                       |               |                   |
| <b>Contractual Obligations</b>                   |               |                  |                       |               |                   |
| Long-term accrued finance charges <sup>(1)</sup> | 16,776        | 3,597            | 7,671                 | 2,708         | 2,800             |
| Taxes payable in installments                    | 230           | 132              | 43                    | 4             | 51                |
| Long-term debt <sup>(2)</sup>                    | 44,859        | 7,614            | 13,394                | 8,718         | 15,133            |
| "Take-or-pay" contracts                          | 10,308        | 2,620            | 5,142                 | 549           | 1,727             |
| Derivatives swap agreements <sup>(3)</sup>       | 61            | 0                | 60                    | -             | 1                 |
| Leasing agreements <sup>(4)</sup>                | 733           | 137              | 268                   | 114           | 214               |
| <b>Purchase Obligations</b>                      |               |                  |                       |               |                   |
| Raw materials <sup>(5)</sup>                     | 5,416         | 5,176            | 236                   | 4             | -                 |
| Maintenance <sup>(6)</sup>                       | 3,387         | 1,765            | 1,537                 | 85            | -                 |
| Utilities/fuel <sup>(7)</sup>                    | 10,267        | 1,949            | 1,799                 | 1,308         | 5,211             |
| <b>Total</b>                                     | <b>92,037</b> | <b>22,990</b>    | <b>30,150</b>         | <b>13,490</b> | <b>25,137</b>     |

- (1) These accrued finance charges refer to the cash outflow related to the contractual interest expense of our long-term debt and were calculated using the contractual interest rates taken forward to the maturity dates of each contract.
- (2) These amounts were presented net of transaction costs and issue premiums.
- (3) Derivative swap agreements were calculated based on market prices as of December 31, 2023.
- (4) Refers to TECON, TECAR and FTL concessions agreements.
- (5) Refers mainly to purchases of coal, tin, aluminum and zinc, which comprise part of the raw materials for steel manufacturing and take-or-pay contracts.
- (6) We have outstanding contracts with several contractors in order to maintain our plants in good operating condition; due to the strong demand for specialized maintenance service, the term of some of these contracts is for more than one year.
- (7) Refers mainly to natural gas, power supply and cryogenics, which are provided by limited suppliers and with some of whom we maintain long-term contracts.

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### Off-Balance Sheet Arrangements

In addition to the debt that is reflected on our balance sheet, we have the following guarantees of debt of other companies and “take-or-pay” contractual obligations:

#### Guarantees of Debt

We guarantee 100% of the loans granted by BNDES and Banco do Nordeste/FNE to TLISA and 48% of the debentures held by FDNE and issued by TLISA. The aggregate principal amount outstanding under the loans and debentures guaranteed by us as of December 31, 2023 was R\$1.1 billion.

Under the TLISA Investment Agreement we and our partners, Valec and FDNE, agreed that if the construction of Northeastern Railway System II requires funds in addition to the budget agreed on, they will be provided by us or third parties under trackage right agreements.

#### “Take-or-Pay” Contractual Obligations

The following table sets forth our payment obligations under our “take-or-pay” agreements for the years presented:

| Type of service  | 2023         | 2024         | Payments in the period      |              | After 2026   | Total         |
|--|--------------|--------------|-----------------------------|--------------|--------------|---------------|
|  |              |              | 2025                        | 2026         |              |               |
|  |              |              | <i>(in millions of R\$)</i> |              |              |               |
| Transportation of iron ore, coal, coke, steel products, cement and mining products | 2,068        | 1,979        | 2,006                       | 1,606        | 2,064        | 7,655         |
| Supply of power, natural gas, oxygen, nitrogen, argon and iron ore pellets         | 583          | 594          | 508                         | 411          | 677          | 2,190         |
| Processing of slag generated during pig iron and steel production                  | 23           | 23           | -                           | -            | -            | 23            |
| Manufacturing, repair, recovery and production of ingot casting machine units      | -            | -            | -                           | -            | -            | -             |
| Oil storage and handling   | 3            | 1            | 0                           | -            | -            | 1             |
| Labor and consultancy services   | 31           | 24           | 24                          | 24           | 97           | 169           |
| <b>Total</b>   | <b>2,708</b> | <b>2,621</b> | <b>2,538</b>                | <b>2,041</b> | <b>2,838</b> | <b>10,038</b> |

#### MRS

Following is a description of our take-or-pay contractual obligations under our outstanding agreements with MRS:

##### Transportation of Iron Ore, Coal and Coke to Volta Redonda

In 2023, the volume set for iron ore and pellets was 6.8 mkt and the volume set for coal, coke and other smelter products was 3.2 mkt, with a guarantee of payment of at least 85% of forecast annual revenue.

##### Transportation of Iron Ore for Export from Itaguaí

In 2023, the volume set for iron ore was 40.5 mkt, with a guarantee of payment of at least 85%. We may increase by up to 10% or decrease by up to 15% the volume set in the agreement every year, considering the volume informed in the previous year.

##### Transportation of Steel Products

The agreement covers the transportation of steel products from the Presidente Vargas Steelworks to third-party terminals and customers. In 2023, the volume set for steel products was 1.8 mkt, with a guarantee of payment of at least 80%.

##### Cement Transportation

This agreement covers transportation of bagged cement from the cement plant at Presidente Vargas to our terminals. In 2023, the volume set was 1,147.5 kt, with a guarantee of payment of at least 80%.

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### Ferrovias Centro Atlântica

Following is a description of our take-or-pay contractual obligations under our outstanding agreements with Ferrovias Centro Atlântica. The calculation of “take-or-pay” contracts with Ferrovias Centro Atlântico considers the total volume performed in clinker and limestone contracts, regardless of the percentage transported of each.

#### Transportation of Limestone

This agreement covers transportation of limestone from the city of Arcos to the city of Volta Redonda. In 2023, the volume set under this agreement was 1.8 mkt, with 100% of performance volume guaranteed.

#### Transportation of Clinker

This agreement covers transportation of clinker products from the city of Arcos to the city of Volta Redonda. In 2023, the volume set under this agreement was 660 kt, with 100% of performance volume guaranteed.

The calculation of amounts under our “take-or-pay” contracts with Ferrovias Centro Atlântico considers the total volume transported of clinker and limestone, regardless of the percentage transported of each.

### **Supply of Energy, Natural Gas, Oxygen, Nitrogen, Argon and Iron Ore Pellets**

We also consume significant amounts of oxygen, nitrogen, hydrogen, argon and other gases at the Presidente Vargas Steelworks. These gases are supplied by a third party under a long-term contract from its gas production facilities located on the Presidente Vargas Steelworks site. To secure gas supply (oxygen, nitrogen and argon), in 1994, we signed a “take-or-pay” agreement with White Martins pursuant to which we are committed to acquire at least 88% of the gas volume guaranteed in the contract, which has been extended until the end of 2026, and has an extension option for the end of 2028 for hydrogen and an extension option for the end of 2043 for oxygen, nitrogen and argon.

### **5C. Research and Development, Patents and Licenses, Etc.**

We have more than 70 years of research, development and innovation experience and were the first Brazilian steelmaker to produce coated and pre-painted steels. Innovation is a fundamental part of our strategy as a pioneer in process, product and commercial solutions in the businesses in which we operate. We remain committed to quality and a continuous search for initiatives that deliver greater added value to our customers and stakeholders.

Innovation is a strategic pillar for CSN and a lever for sustainable growth. Since 2018, the Company has been strengthening CSN Inova, an innovation platform that catalyzes the transformation of our businesses towards management that is even more focused on ESG.

With four work pillars focused on resolving the CSN’s challenges, CSN Inova has complementary tools to implement innovation strategies with impact in the short, medium and long term. Aiming to decarbonize CSN’s production processes and generate more efficiency in our operations, CSN Inova prioritizes development projects, partnerships and investments in technologies and solutions for industry 4.0, new production routes, digital transformation, data science, new materials and the circular economy.

On the first front, CSN Inova Open conducts a systemic and collaborative innovation process, aimed at solving strategic challenges that represent a high operational, socio-environmental and financial impact for the Company. The challenges currently prioritized are reducing the consumption of fossil fuels and electricity, increasing the availability of assets, reducing logistical expenses, digitizing and optimizing processes for decision-making based on data, new products and materials, environmental recovery and reuse of waste and new forms of payment and financing to increase sales.

The innovation management methodology considers the elements of open innovation and is based on an in-depth diagnosis, which involves mapping processes in the Company’s various segments, areas and operations, including the analysis of pain points and related indicators. Based on these diagnoses, pilot projects (with reduced scope and quick implementation) are built and executed to test technologies and solutions that adhere to the mapped challenges. After evaluating these pilots using measurable indicators, the initiatives are escalated in an organized manner within the CSN Group’s businesses.

In 2023, of the 73 initiatives underway, 33 were in the planning phase, 23 were piloted and 17 were being scaled, which demonstrates the maturity of CSN Inova’s portfolio. The main objective of innovation management is to prioritize challenges and projects that are in fact relevant to the company, and such prioritization is carried out based on strategic alignment with the business, the materiality matrix, technological maturity, economic potential and, above all, in operational and financial indicators.

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On the second front, CSN Inova Ventures is one of the first Brazilian corporate venture capital vehicles focused on industry 4.0. and responsible for bringing the Group closer to startups and solutions in Brazil and abroad, in addition to agents that are a reference in the venture capital ecosystem, investment funds and accelerators. The objective is to capture the best investment opportunities in disruptive technologies with high growth potential that allow the transition from traditional industries to a more intelligent, connected and sustainable future.

CSN Inova Ventures' thesis focuses on companies in the seed, series a and series b stages, whose solution is aligned with one of the investment verticals, also having part of its capital committed to adjacent opportunities. In 2023, part of the portfolio investees of CSN Inova Ventures operated and acted together with the Group.

CSN Inova Ventures ended 2023 with nine companies in its portfolio, with investments made through contributions between R\$1 million and R\$10 million, with new contributions expected to be made throughout 2024, maintaining the focus in investment verticals, defined according to the operational challenges of the CSN Group.

Furthermore, as of the constitution of the ESG Committee in February 2021, CSN Inova Ventures has also consolidated itself as one of the corporate venture capital vehicles in the world whose ESG Transition is integrated to act as a tool of transition, seeking technologies, strategy and main objectives of each of the Group's material sustainability topics. The integration of CSN Inova Ventures' activities into the socio-environmental transition strategy contributes to the Group's agility in accelerating its sustainability agenda.

On the third front, aiming to ensure the continuity of our operations and the evolution of our development purpose, CSN Inova Bridge is responsible for the integrated management of our ESG innovation strategy, working together with various leaders and areas of businesses to identify how, with whom and what are the main challenges and transition opportunities related to our materiality matrix. The ESG committee, which advises our board of directors, for example, is the result of extensive research on governance models in sustainability and innovation in public companies, banks and funds conducted by CSN Inova Bridge. The ESG committee operates as a socio-environmental innovation laboratory, whose risks and opportunities are discussed based on our sustainability materiality matrix in a systemic, integrated, experimental and participatory manner. Always in a network and with multidisciplinary teams from the operation to the corporate level, it unlocks and leverages resources for critical structural projects, mobilizes the connection between knowledge from the social innovation ecosystem and trains employees in order to stimulate the dissemination and scale of the culture of sustainability. In addition, it centralizes the ESG communication activities of the businesses, in an effort to gradually establish transparent communication with its stakeholders.

Finally, on the fourth front, CSN Inova Tech evaluates technologies and executes projects for the development of technological routes. In 2023, more than 15 different types of technologies related to new technological routes and new materials/fuels were evaluated.

In 2023, there were significant advances in projects for the use of green hydrogen in the steel industry, such as the implementation of Utis, which is a process for reduction of fossil fuel consumption with the use of hydrogen to optimize combustion for clinker kiln, technology and the Selene Project, which aims to decarbonize a rolling mill unit with the production of renewable hydrogen. The construction of the first application of Utis technology at UPV is in its final phase, with the technology scheduled to start in the first semester of 2024.

Additionally, in 2023, progress was made in the development of new technological routes for the processing of steel slag, and the assessment of technologies for the production of cold-agglomerated pellets and briquettes without the use of fossil fuels.

CSN Inova Tech also acts as a radar for trends in the most promising technologies for the sectors in which CSN operates. In the initiative started last year, mapping carbon capture solutions, significant progress has been made, with pilot projects expected to commence in the year 2024.

Finally, for challenges where technologies are at lower maturity levels and require research and development (R&D), CSN Inova Tech is bringing businesses closer to universities and research centers in Brazil and abroad, fostering the creation of projects for technology development.

## **5D. Trend Information**

The worldwide outlook for iron ore in 2023 was driven by China's macroeconomic environment comprising not only the governmental interventions through its stimulus packages, but also the high utilization capacity of its steel plants, inventory levels that remained below historical averages and a surge in steel exports. The commodities' price dynamics resulted in greater outcomes for the mining sector, with higher production and sales volumes to cover the strong demand. On the other hand, the production subsidies on the Chinese steel market increased price competitiveness in Brazil, bringing a weaker domestic dynamic and a challenging internal scenario.

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Crude steel production was resilient and stable in 2023 as compared to 2022, with the Chinese market accounting for over 50% of the global volume produced, offsetting the decrease in Europe. This situation increased the traction to the price of iron ore, along with a period with lower demand. The trend for 2024 is the maintenance of a solid activity level, with the Chinese government's incentives boosting several strategic sectors such as consumption, manufacturing, infrastructure and automakers, and helping to offset and mitigate the slowdown seen in the civil construction and a sluggish demand in real estate and property market, which increases the risks of a decrease in iron ore demand. This situation will continue to add pressure to the Brazilian steel market, with a still relevant penetration of imported products from China.

On the iron ore supply side, the challenges in the first half of the year due to heavy rains and mudslides in railways were surpassed. Looking ahead for 2024, great demand will likely continue with a somewhat tight supply-demand dynamics for the iron ore industry. This scenario should keep the price of iron ore above historical averages.

In Brazil, the recent decreases in interest rates are helping to unlock different infrastructure projects and structured construction. According to the Brazilian National Union of the Cement Industry (*Sindicato Nacional da Indústria do Cimento - SNIC*), cement sales reached 62 million tons in 2023, a number practically stable when compared to 2022. In addition, the Brazilian government elected in 2022 has expressed interest in strengthening housing programs for low-income families, which we expect will provide important growth opportunities for the cement segment.

This scenario reflects an accommodation of the market after a cycle of high growth, still limited by a very high interest rate when looking at the year as a whole. On the other hand, the market remains very resilient and shows positive trends for 2024 as it is already possible to observe positive signs coming from incentive federal programs, such as *Programa de Aceleração do Crescimento* and *Minha Casa Minha Vida*, in addition to the effects of a sharper drop in interest rates. The positive sign of GDP growth should also boost cement sales this year, helping to improve the pricing outlook for this industry.

For more information, see "Item 3. Key Information-3D. Risk Factors-Risks Relating to Brazil-Developments and the perception of risk in other countries, especially other emerging market countries, may adversely affect the trading price of Brazilian securities, including our common shares and the ADSs," "Item 3. Key Information-3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-We are exposed to substantial changes in commodities prices, including oil prices, which significantly affect the prices of our inputs and the prices of our products, and may adversely affect us" and "-Measures adopted by, or conflicts between, foreign governments could adversely affect us."

### **5E. Critical Accounting Estimates**

Not applicable.

### **Item 6. Directors, Senior Management and Employees**

#### **6A. Directors and Senior Management**

##### **General**

We are managed by our board of directors (*conselho de administração*), which consists of up to eleven members (one of whom is nominated as the chairperson by the other members), and our board of executive officers (*diretoria executiva*), which consists of two to nine executive officers (one of whom is the chief executive officer). In accordance with our bylaws (*estatuto social*), each director is elected for a term of two years by our shareholders at an annual shareholders' meeting. Our bylaws require our employees to be represented by one director on the board of directors. The members of our board of executive officers are appointed by our board of directors for a two-year term.

Our board of directors is responsible for setting general guidelines and policies for our business and our board of executive officers is responsible for the implementation of such guidelines and policies and for our day-to-day operations. As of the date of this annual report, our board of directors comprises five members, and our board of executive officers comprises our chief executive officer and five executive officers.



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Our board of directors holds at least six ordinary meetings per year and extraordinary meetings whenever necessary.

Our directors and executive officers as of the date of this annual report are:

| Name                               | Position                                       | Age <sup>(1)</sup> | First Elected on   | Last Elected on    |
|------------------------------------|--|--------------------|--------------------|--------------------|
| <b>Board of Directors</b>          |  |                    |                    |                    |
| Benjamin Steinbruch                | Member   | 70                 | April 23, 1993     | April 28, 2023     |
| Fabiam Franklin                    | Member   | 56                 | April 28, 2016     | April 28, 2023     |
| Yoshiaki Nakano                    | Member   | 79                 | April 29, 2004     | April 28, 2023     |
| Antonio Bernardo Vieira Maia       | Member   | 64                 | April 30, 2013     | April 28, 2023     |
| Miguel Ethel Sobrinho              | Member   | 77                 | April 26, 2019     | April 28, 2023     |
| <b>Board of Executive Officers</b> |  |                    |                    |                    |
| Benjamin Steinbruch                | Chief Executive Officer                        | 70                 | April 30, 2002     | September 22, 2021 |
| Antonio Marco Campos Rabello       | Chief Financial and Investor Relations Officer | 51                 | March 18, 2024     | March 18, 2024     |
| Marcelo Cunha Ribeiro              | Executive Officer                              | 46                 | September 29, 2017 | September 22, 2021 |
| David Moise Salama                 | Executive Officer                              | 57                 | August 2, 2011     | September 22, 2021 |
| Luis Fernando Barbosa Martinez     | Executive Officer                              | 60                 | August 2, 2011     | September 22, 2021 |
| Alexandre de Campos Lyra           | Executive Officer                              | 62                 | March 2, 2023      | March 2, 2023      |
| Stephan Heinz Josef Victor Weber   | Executive Officer                              | 62                 | June 7, 2021       | September 22, 2021 |
| Rogério Bautista da Nova Moreira   | Executive Officer                              | 47                 | March 18, 2024     | March 18, 2024     |

(1) Age as of the date of this annual report.

The next election for our board of directors is expected to take place in April 2025.

## Board of Directors

Following is a brief biography of the members of our board of directors:

**Benjamin Steinbruch.** Mr. Steinbruch has been a member of our board of directors since April 1993 and our chief executive officer since April 2002. He is in charge of our mining, railways and institutional strategy. He also holds the position of chairman of the board of directors and executive officer of most of the companies that are directly or indirectly controlled by us. In the past five years, he has served as first vice president of the Federation of Industries of the state of São Paulo (*Federação das Indústrias do Estado de São Paulo*), or FIESP, member of FIESP's Superior Strategic Board, advisor to the Robert Simonsen Institute, chairman of the board of directors of Nacional Minérios S.A. (merged into CSN Mineração in 2015), TLSA and FTL. Mr. Steinbruch graduated from the Fundação Getúlio Vargas - FGV/SP Business School and specialized in marketing and finance also at Fundação Getúlio Vargas - FGV/SP.

**Fabiam Franklin.** Mr. Franklin is a member of our board of directors. He was a member of the board of directors of the Brazilian Association of Metallurgy and Mining (*Associação Brasileira de Metalurgia, Materiais e Mineração*) from 2015 to 2017. He also coordinated the CSN Financial Education Program from 2008 to 2017, and he has been working at the company as a production general manager since November 2002. Mr. Franklin graduated in metallurgical engineering from Universidade Federal Fluminense - UFF/RJ and specialized in reduction metallurgy at the McMaster University, Hamilton, Canada. He holds a master's in business management from Fundação Dom Cabral - Belo Horizonte/MG and a master's degree in economics from IBMEC.

**Yoshiaki Nakano.** Mr. Nakano has been a member of our board of directors since April 2004, and a member of our audit committee since June 2005, serving as chairman of the audit committee since October 2017. He also holds the position of member of the board of directors of certain companies that are directly or indirectly controlled by us. In the past five years, Mr. Nakano was a professor of economics at Fundação Getúlio Vargas - FGV/SP and has served as director of the School of Economics of Fundação Getúlio Vargas - FGV/SP since 2003. He was also a member of the Economy Superior Council (*Conselho Superior de Economia* - COSEC) of FIESP/Instituto Roberto Simonsen and a board member of the Fundação de Amparo à Pesquisa do Estado de São Paulo - FAPESP, until 2015. Previously, Mr. Nakano served as Special Secretary for Economic Affairs in the Ministry of Finance and as Finance Secretary of the State of São Paulo. Mr. Nakano graduated in business administration from Fundação Getúlio Vargas and has a master's in business administration and a Ph.D. from Cornell University.

**Antonio Bernardo Vieira Maia.** Mr. Maia was elected member of our board of directors in April 2013 and has been a member of our audit committee since August 2013. He served as chairman of the audit committee from May 2014 to October 2017. He was also a member of our Financial Committee from October 2014 to December 2016. He graduated in business and public administration from Fundação Getúlio Vargas.

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*Miguel Ethel Sobrinho.* Mr. Sobrinho has been a member of our board of directors since April 2019 and a member of our audit committee since May 2019. He also holds the position of member of the board of directors of certain companies that are directly or indirectly controlled by us. He graduated in production engineering from the Polytechnical School of the University of São Paulo and holds a master's in business administration from the School of Economics and Administration of the University of São Paulo. He was a professor of project and investment analysis at the School of Economics and Administration of the University of São Paulo and member of the Curator Board and founder of the Administration Institute Foundation of the University of São Paulo.

## **Board of Executive Officers**

Following is a brief biography of the members of our board of executive officers:

*Benjamin Steinbruch.* See “-Board of Directors.”

*Antonio Marco Campos Rabello.* Mr. Rabello has held the position of chief financial officer at the company since March 18, 2024, being responsible for the treasury, controllership, tax and accounting areas, accumulating the functions of investor relations officer. Prior to joining the company, he served as Unipar's chief financial and investor relations officer between 2022 and 2024. He also held the position of chief financial officer at Novonor from 2018 to 2022; at Odebrecht engineering and construction, from 2013 to 2018; at Novonor Energia, from 2011 to 2013; and at Ocyan, between 2008 and 2011. In addition, between 2003 and 2008 he worked at Braskem as manager and controllership officer. He holds a degree in business administration from the University of Salvador and a master's in business administration and finance from Fundação Getúlio Vargas.

*Marcelo Cunha Ribeiro.* Mr. Ribeiro was elected as an executive officer in September 2017. He was our chief financial officer and our chief investor relations officer from March 2018 until March 2024. He is a member of the board of directors and an executive officer of certain companies that are directly or indirectly controlled by us. Prior to joining us, Mr. Ribeiro was chief financial officer of St. Marche Group, vice president of finance and investor relations of Restoque Comércio e Confeções de Roupas S.A., chief financial officer of Grupo SBF (GP Investimentos Ltd.) and held other director positions at several companies. Mr. Ribeiro graduated in production engineering from the University of São Paulo and has a master's in business administration from Harvard Business School.

*David Moise Salama.* Mr. Salama was elected as an executive officer in August 2011 and is in charge of the real estate, insurance and credit areas. He has been with us since 2006, having acted as investor relations officer. He also holds the position of member of the board of directors and executive officer of certain companies that are directly or indirectly controlled by us. Mr. Salama graduated in accounting and has a master's in business administration in finance, both from the School of Economics, Business and Accounting of the University of São Paulo. He complemented his academic education by attending the Oxford Advanced Management and Leadership Program of Saïd Business School at Oxford University, England, and the Harvard Law School Program on Negotiation at Harvard University.

*Luis Fernando Barbosa Martinez.* Mr. Martinez was elected as an executive officer and has been an effective member of August 2011. He is in charge of the commercial and logistics areas of the steel, cement and special sales segment. He has been with us since 2002, having previously acted as sales officer. He also holds the position of member of the board of directors and executive officer of certain companies that are directly or indirectly controlled by us. Mr. Martinez graduated with a degree in Metallurgical Engineering from Instituto Mauá de Tecnologia, has a graduate degree in industrial management from the School of Production Engineering of the University of São Paulo and completed the Corporate Management Development Program at Alcan Aluminum Limited in Montreal, Canada. In addition, he is certified as an experienced board member by the Brazilian Institute of Corporate Governance (*Instituto Brasileiro de Governança Corporativa*), or the IBGC.

*Alexandre de Campos Lyra.* Mr. Lyra joined us as executive director in March 2023, and is responsible for the production area of our steel segment. From 1999 to 2022, Mr. Lyra held various positions at Vallourec Soluções Tubulares Brasil S.A., such as president from 2009 to 2022, vice-president from 2014 to 2022, member of the global management committee, director of operations, general manager of marketing and sales of industrial tubes and marketing superintendent. From 2016 to 2018, Mr. Lyra was president of IABr. Mr. Lyra holds a degree in metallurgical engineering and a master's degree in materials science, each from the Instituto Militar de Engenharia, and a PhD in metallurgy from the University of Aachen in Germany.

*Stephan Heinz Josef Victor Weber.* Mr. Weber joined us as executive officer in June 2021 and is responsible for investments. Before joining us, he served as chief executive officer of Scorpium Gold Brasil S.A., three Scorpium Gold Mineração S.A. and Brasil Calcarium S.A., from 2018 to 2021. He has also served, in Brazil and abroad, in companies in the steel and mining industry, including African Minerals, Anglo American and Rio Tinto. Mr. Weber holds a degree in metallurgical engineering from the Federal University of Ouro Preto and a master's degree in metallurgical engineering from the Federal University of Minas Gerais. In addition, he completed a program in global business from the Saïd Business School at Oxford University in the United Kingdom.

*Rogério Bautista da Nova Moreira.* Mr. Moreira joined us as chief legal officer in March 2024. Mr. Moreira held the position of chief legal and governance officer at Odebrecht Engenharia e Construção S.A., from 2022 to 2024; Novonor S.A., from 2019 to 2022; and OR Empreendimentos Imobiliários S.A., from 2016 to 2019. He was chief legal officer at Odebrecht Energia S.A., from 2012 to 2016, lawyer at Construtora Norberto Odebrecht S.A. from 2008 to 2012, and legal manager at Braskem S.A. from 2002 to 2008. He also has more than five years of experience as a member of the board of directors of the following companies: OEC S.A., Odebrecht Transport S.A., Ocyan S.A., OR Emp. and Participações S.A., Braskem S.A., Lagoa da Barra S.A., Odebrecht Comercializadora de Energia S.A., and Santo Antônio Energia S.A. He holds a degree in law from the Catholic University of Salvador, a master's degree and a postgraduate degree in tax law from the Pontifical Catholic University of São Paulo. He holds a master's in business in administration from Fundação Getúlio Vargas- FGV/SP.

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### Indemnification of Officers and Directors

There is no provision for or prohibition against the indemnification of officers and directors under Brazilian law or our bylaws. Pursuant to Brazilian Corporate Law, officers are generally not individually liable for acts performed within the course of their duties. Subject to the terms of the indemnity agreements entered into by us and our directors and officers, we may indemnify, or maintain liability insurance covering, our directors, officers and certain key employees against liabilities incurred in connection with their respective positions with us.

### 6B. Compensation

In 2023, the total compensation paid by us to all members of our board of directors and board of executive officers for services in all capacities was R\$43.0 million, which includes salaries, bonuses, profit sharing arrangements and benefits, such as medical care, pension plan contributions and life insurance, among others. In 2023, the aggregate compensation paid by us to all members of our fiscal committee for services rendered was R\$0.6 million.

See “-6D. Employees” for a brief description of our profit sharing arrangements.

### 6C. Board Practices

#### Fiscal Committee

Under Brazilian Corporate Law, shareholders may request the appointment of a fiscal committee (*conselho fiscal*), which is a corporate body independent of management and our external auditors. The primary responsibility of the fiscal committee is to monitor management’s activities, review financial statements and report findings to shareholders. As of the date of this annual report, we have a fiscal committee in place, which was most recently elected by our annual shareholders’ meeting in April 2024, with a term until our next annual shareholders’ meeting in April 2025. Our fiscal committee comprises three effective members and three alternate members, of which one effective member and the respective alternate were appointed by our minority shareholders.

The effective members of our fiscal committee as of the date of this annual report are:

| Name                        | Position   | Age <sup>(1)</sup> | First Elected on | Last Elected on |
|-----------------------------|------------|--------------------|------------------|-----------------|
| Angélica Maria de Queiroz   | Chairwoman | 67                 | June 29, 2018    | April 26, 2024  |
| André Coji                  | Member     | 60                 | June 29, 2018    | April 26, 2024  |
| Wilfredo João Vicente Gomes | Member     | 54                 | April 26, 2024   | April 26, 2024  |

(1) Age as of the date of this annual report.

Following is a brief biography of the members of our fiscal committee:

*Angélica Maria de Queiroz.* Ms. Queiroz has been the chairwoman of our fiscal committee since February 2022 (she was previously an alternate member and then an effective member since June 2018). She is an associate director of the Brazilian Public Policy Debate Center (*Centro de Debate de Políticas Públicas - CDPP*) and has been a member of the advisory board of the Brazilian Institute of Management and Turnaround (*Instituto Brasileiro de Gestão e Tecnologia - IBGT*) since 2005, a founding partner of Clear Horizon in 2002, a strategy consultant for national and international companies (focused on supply and distribution, production, sales and finance) and member of the fiscal committee of the non-governmental organization *Américas Amigas*. Ms. Queiroz was an independent consultant for our audit committee from 2011 to 2017. She holds a degree in economic sciences from the Pontifical Catholic University of Rio de Janeiro and a postgraduate degree in finance from Fundação Getúlio Vargas in Rio de Janeiro.

*André Coji.* Mr. Coji has been a member of our fiscal committee since June 2018. In the last five years, Mr. Coji served as an effective member of the board of directors of Via Varejo S.A. and he was treasury director for a non-profit organization, Unibes, and a member of the advisory board of several Brazilian families, responsible for asset management, fiscal planning, tax and succession planning. Mr. Coji graduated in business administration from Fundação Getúlio Vargas and in law from the University of São Paulo. He has also a board of directors’ certificate from the IBGC.

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*Wilfredo João Vicente Gomes.* Mr. Gomes has been a member of our fiscal committee since April 2024. He holds a degree in business administration from Federal University of Santa Catarina, a degree in finance and controllership from FEAN-SC, and a specialization degree in corporate governance from Fundação Dom Cabral. Since 2003, he was in charge of the Multicorp holding, which includes the companies of OneWG Multicomunicação, the largest publicity agency in Santa Catarina. He acted as independent board member of Centrais Elétricas de Santa Catarina from 2015 to 2024 and of AES Eletropaulo from 2016 to 2017. Since April 2021, he serves as board member of BRADESPAR.

### **Audit Committee**

In June 2005, we appointed an audit committee (*comitê de auditoria*), which comprises independent members of our board of directors with a term of office of two years, with reelection permitted. Our audit committee is responsible for recommending to our board of directors the appointment of independent auditors, reporting on our auditing policies and our annual audit plan prepared by our internal auditing team, as well as monitoring and evaluating the activities of our independent auditors. Our audit committee has also been tasked with identifying, prioritizing and submitting actions to be implemented by our executive officers, analyzing our annual report and financial statements and making recommendations to our board of directors. Our audit committee comprises Mr. Yoshiaki Nakano, Mr. Antonio Bernardo Vieira Maia and Mr. Miguel Ethel Sobrinho. As of the date of this annual report, our audit committee is assisted by an external consultant. All members of our audit committee satisfy the audit committee membership independence requirements set forth by the SEC and the NYSE. All members of our audit committee have been determined by our board of directors to qualify as an "audit committee financial expert" within the meaning of the rules adopted by the SEC relating to the disclosure of financial experts on audit committees in periodic filings pursuant to the Exchange Act.

Our audit committee holds at least one ordinary meeting every three months and extraordinary meetings whenever necessary.

For information on the date of election and term of office of the members of our board of directors and board of executive officers, see "--6A. Directors and Senior Management."

### **Service Contract**

We permit our directors to continue to participate in our employee pension plan after ceasing to be a director.

### **6D. Employees**

As of December 31, 2021, 2022 and 2023, we had 24,660, 26,766 and 29,563 employees, respectively. As of December 31, 2023, 4,084 of our employees were members of the Metalworkers Union of Volta Redonda, affiliated with Força Sindical, which is a national union. We believe we have a good relationship with Força Sindical. We have collective bargaining agreements, renewable annually in May of each year. In addition, we have members affiliated with other unions, such as the Engineers' Union, with five members, and the Camaçari Workers' Union, with a total of seven members. In all other companies controlled by us, including ERSa, CSN Mineração, FTL and TUSA, we have a total of 128 unionized employees.

We maintain an employee profit sharing plan. All employees participate in this plan and earn bonuses based on our consolidated results, on the results of our business units.

We are the main sponsor of a non-profit entity, *Caixa Beneficente dos Empregados da CSN*, created in July 1960, whose main objective is to pay benefits that complement the government's social security benefits to our former employees. As a sponsor, we carry out transactions involving the payment of contributions and recognition of actuarial obligations determined in defined benefit plans. For more information, see note 30 to our audited consolidated financial statements included elsewhere in this annual report.

### **6E. Share Ownership**

The Steinbruch family, which includes Mr. Benjamin Steinbruch, our chairman and chief executive officer, holds an indirect majority ownership interest in Vicunha Aços S.A. and Rio Iaco Participações S.A., our controlling shareholders.

Our executive officers and the members of our board of directors directly held an aggregate of 501,502 of our outstanding common shares as of December 31, 2023.

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### 6F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

### Item 7. Major Shareholders and Related Party Transactions

#### 7A. Major Shareholders

In March 2023, the holding companies of our controlling shareholders underwent a reorganization, which did not result in a change of control. As of December 31, 2023, our capital stock comprised 1,326,093,947 common shares, each of which entitles its holder to one vote at our shareholders' meetings. Our major shareholders do not have different voting rights from our other shareholders. For more information, see "Item 3. Key Information-3D. Risk Factors-Risks Relating to Our Common Shares and the ADSs-Our controlling shareholder has the ability to direct our business and affairs and its interests could conflict with yours."

The following table sets forth, as of December 31, 2023, the number of our common shares owned by our major shareholders:

|  | Common Shares<br>Shares Owned | Percent of<br>Outstanding Shares |
|--|-------------------------------|----------------------------------|
| Vicunha Aços S.A. <sup>(1)</sup>           | 543,617,803                   | 40.99%                           |
| Rio Iaco Participações S.A. <sup>(1)</sup> | 45,706,242                    | 3.45%                            |
| CFL Ana Participações S.A.                 | 135,904,451                   | 10.25%                           |
| Others                                     | 600,865,451                   | 45.31%                           |
| <b>Total</b>                               | <b>1,326,093,947</b>          | <b>100.00%</b>                   |

(1) Owned indirectly by the Steinbruch family, which includes Mr. Benjamin Steinbruch, a member of our board of directors and our chief executive officer.

#### 7B. Related Party Transactions

Our transactions with related parties consist of (i) transactions with subsidiaries, jointly controlled entities, associates, exclusive funds and other related parties; and (ii) transactions with other unconsolidated related parties.

Following is an overview of the types of related party transactions we enter into:

- Our commercial and financial transactions with our subsidiaries, jointly controlled entities, associates, exclusive funds and other related parties are carried out at market prices and under market conditions, based on common terms and rates applicable to third parties.
- We maintain relations with other unconsolidated related parties, which include, among others, CBS Previdência, Fundação CSN, Banco Fibra, Ibis Participações e Serviços Ltda., Partifib Projetos Imobiliários Ltda., Vicunha Imóveis Ltda., Vicunha Serviços Ltda.

In addition, we guarantee certain indebtedness of related parties. For more information, see "Item 5. Operating and Financial Review and Prospects-5B. Liquidity and Capital Resources-Off-Balance Sheet Arrangements-Guarantees of Debt."

We maintain internal controls to detect, prevent and address potential conflicts of interest in our transactions, including those with related parties, in order to ensure that all transactions are appropriately documented, characterized and accounted for. Our related party transactions are subject to approval based on our best interest and market terms and conditions. For more information on our related party transactions, see note 22 to our audited consolidated financial statements included elsewhere in this annual report.

#### 7C. Interests of Experts and Counsel

Not applicable.

### Item 8. Financial Information

#### 8A. Consolidated Statements and Other Financial Information

See our audited consolidated financial statements included elsewhere in this annual report.

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### **Legal and Administrative Proceedings**

In the ordinary course of our business, we are party to several administrative, judicial and arbitration proceedings, which we believe are incidental and arise out of our regular course of business. We have established provisions for all amounts in dispute that represent a probable risk of loss based on the legal opinion of our internal and external legal counsel. We have not established provisions for any amounts in dispute that represent a possible or remote risk of loss based on the legal opinion of our internal and external legal counsel. For more information, see “Item 3. Key Information-3D. Risk Factors-Risks Relating to Us and the Industries in Which We Operate-We are exposed to the risks of litigation.”

#### ***Labor Contingencies***

As of December 31, 2023, we and our subsidiaries were defendants in 10,825 labor claims, for which we recorded a provision of R\$366.6 million. Most of these claims relate to alleged subsidiary and/or joint liability with respect to our independent contractors, salary equalization, health hazard premiums and hazardous duty premiums, overtime pay, health plan, indemnity claims resulting from other alleged occupational diseases or on-the-job accidents, breaks between working hours and differences in profit sharing from 1997 to 1999 and from 2001 to 2003.

We update our provisions for labor contingencies as a result of the closing of lawsuits and our constant revision of accounting estimates, which consider, among other factors, the nature of the claims involved.

#### ***Civil Contingencies***

Our civil contingencies relate mainly to indemnity claims resulting from contractual disputes and collections, claims for damages and compensation related to our commercial and industrial activities and real estate disputes. As of December 31, 2023, we had recorded a provision of R\$775 million for these civil contingencies.

#### ***Tax Contingencies***

Our main tax contingency relates to a tax assessment notice involving R\$15,606 million (as of December 31, 2023) issued against us for an alleged failure to submit to taxation a capital gain resulting from the alleged sale of 40% of our shares in former subsidiary Namisa (merged into our subsidiary CSN Mineração as of December 31, 2015) to the Asian Consortium. In May 2017, the São Paulo regional judgment office (*Delegacia Regional de Julgamento*), which is a lower administrative court, issued a decision cancelling the tax assessment notice. This decision was reversed and the tax assessment was upheld by the second level administrative court - the Administrative Board of Tax Appeals (*Conselho Administrativo de Recursos Fiscais*), or CARF. We have challenged the merits of the tax assessment at the judicial level before and obtained an injunction against any immediate assessment. In April 2018, a federal court of tax enforcement set aside a portion of our assets, including buildings, equipment, land, vehicles, fixtures and furniture, as collateral for our potential liability under this proceeding, which we replaced with certain other assets in 2020. At the end of 2019, the court issued a decision favorable to us and cancelled the CARF judgment at the administrative level due to legal nullities and, as of the date of this annual report, the case is pending final judgment by the second level judicial court. Our assessment remains that our risk of loss is possible.

This same tax assessment notice resulted in another contingency issued against Namisa (merged into our subsidiary CSN Mineração as of December 31, 2015) involving R\$4,147 million, as of December 31, 2023. This tax assessment is for income tax and social contribution not paid due to allegedly improper goodwill amortization from 2008 to 2011. In May 2013, the São Paulo regional judgment office issued a decision favorable to us and cancelled the tax assessment notice, which decision was confirmed by CARF. After an appeal filed by the Federal Prosecutor's Office, the Superior Chamber of CARF reversed the decision and reinstated the tax assessment, but there remains a pending issue to be decided by the lower administrative authorities regarding the qualified penalty. We challenged the formal requirements of the Federal Prosecutor's Office's appeal at the judicial level. In 2020, we filed an annulment lawsuit to contest the merits of the tax assessment and entered into an agreement (*negócio jurídico processual*) that was approved by the court. Following the closing of the administrative proceeding, tax enforcement was ordered and, pursuant to the agreement we entered into, we will present certain collateral and installment payments.

In December 2018, another contingency related to allegedly improper goodwill amortization from 2013 to 2014 was issued against Namisa. This tax assessment demands the payment of income tax and social contribution involving approximately R\$1,268 million, as of December 31, 2023. In June 2019, we filed our appeal to CARF, which issued a decision favorable to us in December 2019. This decision is subject to appeal to the Superior Chamber of CARF and the case is pending final judgment.

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In addition, we received tax assessment notices in December 2015 and December 2016 for RS813 million and RS1,311 million as of December 31, 2023, respectively, for an allegedly improper deduction of interest expenses in pre-payment contracts between us and Namisa. With regards to the December 2015 tax assessment, after a partially favorable decision issued by CARF that reduced the amount of the tax assessment, we filed an annulment lawsuit to challenge to remainder of the tax assessment, which is pending judgment. The Federal Prosecutor's Office filed a tax foreclosure, to which we presented a response that is pending judgment. With regards to the December 2016 tax assessment, we filed an annulment lawsuit to contest the tax assessment, which is pending judgment. The Federal Prosecutor's Office filed a tax foreclosure, to which we presented a response that is pending judgment.

### **Antitrust**

In October 1999, we received a fine from CADE claiming that certain practices adopted by us and other Brazilian steel companies before 1997 allegedly constituted a cartel. We challenged the cartel allegation and the imposition of the fine in court and, in June 2003, obtained a partially favorable decision by a federal trial court of first instance. CADE appealed the lower court decision and, in June 2010, the federal court reversed the lower trial court's decision and confirmed the cartel allegation, as well as the fine imposed by CADE in the amount of RS65 million. We appealed the decision of the appellate court to the Brazilian Superior Court of Justice, which upheld the ruling in favor of CADE. We subsequently appealed the decision of the Superior Court of Justice to Brazil's Supreme Court and, as of the date of this annual report, we are awaiting the enforcement procedure to start.

In April and July 2012, CADE issued certain injunctive orders limiting our ability to, among other things, increase our equity stake in Usiminas or exercise our voting rights with respect to the shares already owned. In April 2014, CADE issued its decision and a Performance Commitment Agreement (*Termo de Compromisso de Desempenho*), or TCD, was executed between CADE and us. Under the terms of CADE's decision and the TCD, we must reduce our equity stake in Usiminas within a specified timeframe. The timeframe and reduction percentages are confidential. Furthermore, our political rights in Usiminas would continue suspended until we reach the thresholds established in the TCD.

In March 2016, we applied to CADE to partially suspend the TCD so as to exercise certain rights, namely appointing independent directors and members of the fiscal committee, which request CADE granted and following which, at Usiminas' annual general shareholders' meeting in April 2016, we appointed two independent directors and one independent member of Usiminas' fiscal committee, as well as their respective alternates. The 2016 appointments are under litigation and, although there has been no judicial order overturning or otherwise suspending their effects, since 2016 we have been unable to appoint new members to Usiminas' fiscal committee. CADE denied our request for exception in April 2018. In 2019, CADE approved an amendment to the TCD, in order to establish a new timeframe for us to reduce our equity stake in Usiminas. In April 2021, we requested an additional extension of this timeframe and, in September 2022, CADE approved our request, which terms remain confidential.

Usiminas filed a *mandamus* against CADE, seeking to suspend the effects of the September 2022 decision. In July 2023, the federal court suspended CADE's decision and established a different deadline for us to conclude the divestment. Usiminas, CADE and we filed appeals against the ruling, which was subsequently dismissed. We intend to appeal this decision.

### **Northeastern Railway System Proceedings**

The TCU initiated proceedings in 2016 questioning the legality of the governmental authorizations for the segregation of the Northeastern Railway System into two sub-railway systems: Northeastern Railway System I (in operation by FTL) and Northeastern Railway System II (under construction by TLSA). According to the claim, the Brazilian federal government should have undergone a new bidding process to grant the concession for the construction of the new tracks of the Northeastern Railway System (Northeastern Railway System II).

We are unable to anticipate the outcome of this proceeding. The consequences of an unfavorable decision may include the loss by TLSA of the concession for Northeastern Railway System II, the imposition of additional investments in developing this sub-railway system and the acceleration of loans granted to TLSA, for which we are guarantors. See "Item 5. Operating and Financial Review and Prospects-5B. Liquidity and Capital Resources-Off-Balance Sheet Arrangements-Guarantees of Debt." In addition, even if we are entitled to any indemnification in connection with a termination of the TLSA concession agreement for our investments in developing Northeastern Railway System II, this indemnification may be insufficient to cover our costs, expenses or losses and may be paid long after a decision terminating the concession, if at all.

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In the course of this proceeding, the TCU approved an injunction suspending further disbursements by government agencies, including the state-owned railway company Valec and FDNE, for the development of Northeastern Railway System II, which has adversely affected the pace of construction of the new tracks.

In 2019, we revised the engineering project for the development of Northeastern Railway System II and delivered an update regarding the completed and ongoing project phases in order to validate our budget and revise our schedule, which has not been altered since then.

Additionally, in 2013, ANTT initiated proceedings claiming that FTL did not meet certain transportation targets for the Northeastern Railway System I in 2013 and seeking to terminate the TAC executed by FTL that year, which had settled all claims of non-compliance by us with respect to the original concession agreement of the Northeastern Railway System until 2012. This proceeding resulted in the reopening of the administrative proceeding which began in 2012 for ANTT to evaluate the occurrence of any relevant breach to FTL's concession agreement.

Following a valuation conducted by ANTT, ANTT concluded that FTL did not comply with the TAC regarding its failure to meet 2013 production targets. ANTT recommended that the Brazilian federal government terminate the FTL concession agreement and initiate an administrative proceeding before the Superintendence of Infrastructure and Railroad Cargo Transport Services (*Superintendência de Infraestrutura e Serviços de Transporte Ferroviário de Cargas*). FTL has appealed, and the federal government issued a final decision, which ruled to proceed without the recommendation issued by ANTT.

Furthermore, in 2017, ANTT also initiated proceedings claiming that TLSA did not comply with certain of its obligations arising from its concession agreement. ANTT's technical area and board, in a unilateral opinion, concluded that TLSA breached its contractual obligations under the concession agreement and recommended that the Brazilian federal government terminate TLSA's concession to operate the Northeastern Railway System II.

In September 2020, we filed a request for reconsideration and suspension of the injunction with the TCU. We requested that the TCU's understanding be revised in order for disbursements by government agencies to be immediately released or, alternatively, that disbursements by the government agency FINOR be immediately released. These disbursements would provide reimbursement of the amounts already proved to have been applied in the project, and which we understand are not subject to suspension by the TCU.

In July 2021, the ANTT approved a regulatory budget of R\$8.9 billion, which amount was revised in December 2021, following a request for reconsideration, to R\$10.8 billion.

In November 2022, after TCU determined the repeal of the injunction suspending further disbursements by government agencies, TLSA required and received R\$70.0 million from FINOR and is negotiating the receipt the FDNE disbursement.

In December 2022, after long negotiations with ANTT, TCU and federal government leaders of Brazil about the continuity of the project and effective solutions for the problems, TLSA achieved excellent results by signing the first amendment with the grantor of the Northeastern Railway System II concession to redefine the project scope, which resulted in a project with prevision the current 1,206 km because devolution of stretches between Salgueiro - Porto Suape and a deadline due in December 2029.

In November 2023, TLSA received R\$811 million from FDNE. The Northeastern Railway System II represents one of the Brazilian federal government's most significant strategic initiatives with respect to the economic and social development of the Northeastern region of Brazil.

With respect to the Northeastern Railway System I, which is operated by our subsidiary FTL, the concession contract for the Northeastern Railway System I remains valid in all its terms until 2027, with a request for extension of the contract under analysis by the federal government.

## **Environmental Proceedings**

Our main environmental contingencies comprise: (i) notices of alleged environmental infractions; (ii) annulment lawsuits arising from fines; and (iii) public civil actions. As of December 31, 2023, we had recorded an aggregate provision of R\$41.2 million relating to these environmental contingencies.



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### *Environmental Proceedings Related to Presidente Vargas Steelworks and Volta Redonda*

In September 2018, we signed a TAC with the state of Rio de Janeiro through the Secretary of State for the Environment and Sustainability (*Secretaria de Estado do Ambiente e Sustentabilidade - SEAS*), INEA and the State Environmental Control Commission (*Comissão Estadual de Controle Ambiental - CECA*), with the commitment to carry out new studies and investments to update the environmental control equipment of Presidente Vargas Steelworks, thereby maintaining its full operations. In parallel, INEA issued an AAF, valid until October 2024, that authorizes the regular operations of Presidente Vargas Steelworks during its compliance with the TAC. The TAC contemplates investments of approximately R\$303 million in environmental projects and actions in the region until August 2024 and represents our commitment to the sustainability of our activities and to the communities of Volta Redonda and the surrounding region.

In July 2012, the Rio de Janeiro State Prosecutor's Office filed a public civil action against us claiming that we must (i) remove all waste disposed in an area used as an industrial landfill in the city of Volta Redonda and (ii) relocate 750 residences located in the adjacent neighborhood Volta Grande IV Residential. In August 2013, the Federal Prosecutor's Office filed a judicial civil proceeding against us based on these same claims. In both cases, the court denied these requests but ordered that we present a timetable to investigate the area and, if necessary, to remediate the potential issues raised by the Rio de Janeiro State Prosecutor's Office. We presented a timetable considering the conclusion of all studies related to our investigation, including a risk assessment and intervention plan, which were concluded in April 2014. In January 2019, the Superior Court of Justice ordered that both lawsuits be decided by the federal court. We have also received, as of the date of this annual report, 51 notices for lawsuits brought by certain homeowners at Volta Grande IV Residential, claiming indemnification for alleged moral and material damages, and, in January 2020, an additional public civil action was filed against us relating to adverse health effects allegedly caused by water contamination from our operations. We presented our defense in October 2021 and the court ordered that this public civil action be ruled upon together with the prior proceedings. As of the date of this annual report, this proceeding is in the evidentiary phase.

In April 2013, INEA fined us R\$35 million in relation to Volta Grande IV Residential, in response to which we filed an annulment action in January 2014 to the Tenth Public Treasury Court of the Capital District (Rio de Janeiro). INEA, in response, filed a fiscal execution action in May 2014 for enforcement of the fine. The fiscal execution action is suspended until judgment is rendered in the annulment action, which in turn is also suspended until the expert examination that will be carried out as part of the public civil action filed in 2012 by the Federal Prosecutor's Office.

In addition, we are defendants, together with certain current and former members of our management, in a criminal action alleging our failure to adopt precautionary measures required by INEA regarding the risk of environmental damage in the Volta Grande IV neighborhood in the city of Volta Redonda. This criminal action was dismissed at first instance and, as of the date of this annual report, is pending judgment by the court upon the appeal of the Federal Prosecutor's Office.

In July 2018, the Federal Prosecutor's Office and the Rio de Janeiro State Prosecutor's Office filed a public civil action against us, Harsco Metals Ltda. and INEA, for immediate removal of slag piles, owned by us and operated by Harsco Metals Ltda., in the city of Volta Redonda that adjoin the Paraíba do Sul River. The plaintiffs claim inadequate environmental control measures and lack of enforcement by INEA. Relief sought includes cleaning of the entire effluent collection chute, presentation of the volume of slag stored in the area, presentation of a project to control atmospheric emissions of slag piles and partial embargo of the activity, material damages and collective moral damages.

A preliminary injunction was granted to require us, Harsco Metals Ltda. and INEA to immediately limit the amount of slag received monthly, as well as the height of the piles at four meters. Any non-compliance with the preliminary injunction may result in fines of approximately US\$600,000 per month. We filed an appeal against this preliminary injunction, which is pending a final decision. In 2022, the proceeding was suspended according to the Federal Prosecutor's request, due to the interest of the parties to enter into a TAC.

Concerning other allegedly contaminated areas in Volta Redonda, the Federal Prosecutor's Office has filed three additional public civil actions for the environmental remediation and indemnification of certain areas, as well as for moral and material damages of residents of neighboring areas. These actions are in an early stage and, following our environmental studies to determine possible environmental damage and to ensure our compliance with all applicable laws, we presented our defense in each of these public civil actions.

In June 2015, the Federal Prosecutor's Office filed a public civil action against us, INEA and the state of Rio de Janeiro in the federal court in Volta Redonda seeking (i) suspension of our sintering activities at Presidente Vargas Steelworks, (ii) to have INEA abstain from renewing or granting any license to us until we comply with applicable law and (iii) moral and material damages allegedly caused by water and atmospheric pollution deriving from noncompliant operations. As of the date of this annual report, we have presented our defense and await the next steps in the proceeding.

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### *Other Environmental Proceedings*

In the late 1980s, the Federal Prosecutor's Office, the Rio de Janeiro State Prosecutor's Office and the Macaense Association filed four public civil actions against us for alleged environmental contamination and pollution of the Paraíba do Sul River, allegedly caused by our industrial activity in the area. The court ruled against us and demanded that we compensate the environmental damage caused. We appealed this decision to the Superior Court of Justice, which upheld our appeal and returned the proceeding to its initial stage in order to carry out expert investigations, which are still ongoing.

We are also party to two public civil actions filed against us by the Federal Prosecutor's Office and the Rio de Janeiro State Prosecutor's Office in the federal court of Volta Redonda seeking moral and material damages due to alleged environmental damage caused in the 1980s and 1990s by our use of certain landfills in Volta Redonda without the appropriate environmental license. One of these claims is in the approximate amount of R\$300.0 million. In December 2021, after presenting our defense, the court ordered a conciliatory session to clarify technical matters relating to the environmental management of the area with INEA, as well as suspension of the proceedings pending completion of the environmental management schedule of the area until 2023. In 2023, the process resumed progress and is, as of the date of this annual report, awaiting INEA's conclusion.

In 2009 and 2010, we signed agreements with the Public Prosecutor's Office regarding environmental liabilities caused by coal mining in the Southern Region of the state of Santa Catarina until the 1990s. The environmental liabilities covered by the agreements include restoration of certain areas. Our compliance with the agreement was questioned in 2015 by the Public Prosecutor's Office, which may seek to impose fines, freeze our bank accounts or initiate a criminal investigation. In June 2018, we settled a new judicial agreement in order to extend the deadlines for this restoration. We expect to enter into a third agreement with government authorities and other parties involved in this claim in order to set cost-effective and functional standards for restoration.

In December 2019, the Public Prosecutor's Office filed a public civil action against TECON and INEA to suspend the environmental licensing process of TECON's container terminal until completion of the study on the environmental support capacity of the Sepetiba Bay. In December 2019, the court rejected the preliminary injunction requested by the Public Prosecutor's Office to suspend the licensing process. As of the date of this annual report, the proceeding is pending decision by the court.

In June 2019, we filed a lawsuit to contest a notification from INEA regarding suspension of the solid bulk operations at TECON due to these operations allegedly not being within the scope of permitted activities under TECON's operating license. We also requested a preliminary injunction, which was granted, to suspend the effects of the notification and to continue operations pending final judgment of the lawsuit. As of the date of this annual report, we are awaiting the parties' comments on the expert witness opinion on the matter. The proceeding remains in the initial phase.

In April 2021, CSN Mineração and TECON were fined by the municipality of Itaguaí, state of Rio de Janeiro, for alleged non-compliance with environmental legislation and embargo terms on port operations. On the same day, the embargo terms were canceled by the municipality, but the fines were maintained. CSN Mineração and TECON proposed an annulment action against the municipality to cancel the fines and bans. The proceeding remains in the initial phase.

In 2015, CSN Cimentos Brasil, formerly LafargeHolcim, aiming to guarantee the operation of the limestone mine until a new license was issued, filed an annulment action to invalidate the infraction notices issued by the state and federal environmental agencies due to alleged lack of environmental license in the cement plant located in Pedro Leopoldo, state of Minas Gerais. An injunction was granted in the same year, which remains in effect. As a result, CSN Cimentos is allowed to continue its operations and is not obligated to pay any fines. The proceeding remains in the initial phase. We filed for an operating license, that has not been granted yet by the environmental agency. As a result of an accident involving a Brazilian mining company in November 2015, the state of Minas Gerais filed judicial proceedings against several mining companies, including us, based on a State Dam Inventory disclosed in 2014. The state seeks to investigate structures that do not provide technical stability guaranteed by an external auditor or which stability has not been attested to.

We are party to public civil actions filed by, among others, the Minas Gerais State Prosecutor's Office to compel our mining entity (Minérios Nacional) to take security measures at the Fernandinho dam complex. These public civil actions have pleaded, among other things, an injunction for us to present an emergency plan in relation to the Fernandinho dam complex and evidence of adoption of preventive structural measures, as well as definitive implementation of an emergency plan and a monthly security audit report. In December 2022, CSN Mineração entered into an agreement with the Public Prosecutor's Office to end the lawsuits.

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In April 2019, the Minas Gerais State Prosecutor's Office filed a public civil action to compel us to adopt mitigating measures regarding the psychological risks and losses allegedly generated by the Casa de Pedra dam, including relocating residents and indemnifying the value of their homes, bearing rent and social assistance expenses and relocating the children who attended the daycare center and school that have been closed. The Minas Gerais State Prosecutor's Office also pleaded for the payment of collective moral damages. In November 2021, a first instance ruling ordered that we pay rent for residents to relocate and that we construct the daycare center and school that were closed. We filed an appeal, which revoked the decision. However, in 2022, another decision reaffirmed the 2021 decision. We await the continuation of the process at the primary court.

We are also subject to public civil investigations at the federal and state levels that monitor the regularity of our dams. In 2019, we signed a preliminary agreement term with the Federal Prosecutor's Office, referring to five of our dams, with which we have fully complied.

In October 2017, CSN Mineração entered into an agreement with the Minas Gerais State Prosecutor's Office agreeing to adopt certain measures, including some specified in the technical report prepared by the Minas Gerais State Prosecutor's Office regarding the Casa de Pedra dam complex in order to comply with the emergency plan for mining dams, as well as general recommendations on the location, works, types of dams and audits of the Casa de Pedra dam complex. We fulfilled the commitments listed in the agreement and have requested a certificate of full compliance (*Certidão de Cumprimento Integral*) and the closure of the investigation, which, as of the date of this annual report, are pending.

In February 2022, CSN Mineração and Minérios Nacional signed certain TACs with the Federal Prosecutor's Office, the Minas Gerais State Prosecutor's Office, the state of Minas Gerais, the State Environmental Foundation and the ANM in order to define the necessary security measures and the procedures and timeline required for the de-characterization of our B4, Vigia, Vigia auxiliary, B2 and B2 auxiliary dams.

Since 2021, there are a total of 204 indemnification actions filed by professional fishermen for alleged material and moral damages derived from an event that occurred in April 2021 at the Port of Itaguaí. Plaintiffs allege that TECAR and TECON dumped iron ore that interrupted fishing activities. Currently, there is a criminal investigation to verify the conduct of the plaintiffs and lawyers on these actions.

In 2021, CSN Mineração and TECON filed an annulment action against the Municipality of Itaguaí, state of Rio de Janeiro, with the objective of annulling the fines applied and the prohibition of activities at the Port of Itaguaí. The companies were fined for alleged non-compliance with environmental legislation and embargos were issued on port operations. We are currently awaiting the trial of the case.

In addition, we have filed two writs of mandamus requesting the issuance of operating permits for each of CSN Mineração and TECON.

### Other Environmental Liabilities

Our main environmental liabilities as of December 31, 2023 were associated with environmental recovery at former coal mines decommissioned in 1989 in the state of Santa Catarina, as well as environmental recovery due to previous operations in Presidente Vargas Steelworks.

We record a provision for remediation costs and environmental claims when a loss is probable, the amount can be reasonably estimated and we may incur a legal obligation. This provision is included in our income statements as other operating income (expenses). We do not include in our reserves environmental liabilities related to ERSA, as these are contractually supported by its former owner.

As of December 31, 2023, we had provisions for environmental liabilities in the total amount of R\$176.2 million, as compared to R\$172.6 million as of December 31, 2022. We believe our provisions are sufficient to cover all probable losses in environmental proceedings.

The following table sets forth our provisions for environmental liabilities as of the dates indicated:

|  | <i>(in millions of R\$)</i> |
|--|-----------------------------|
| <b>December 31, 2022</b>                   | <b>172.6</b>                |
| TACs <sup>(1)</sup>                        | 15.2                        |
| Decommissioned coal mines (Santa Catarina) | 111.1                       |
| Landfills and other <sup>(2)</sup>         | 49.9                        |
| <b>December 31, 2023</b>                   | <b>176.2</b>                |

(1) Refers to environmental compensation agreed to in environmental proceedings.

(2) Refers to an estimated calculation of recovery costs related to landfill remediation obligations.

### Arbitration

In the first quarter of 2021, we were notified of the commencement of a confidential arbitration regarding its alleged default under certain iron ore supply agreements, involving the amount of US\$1.0 billion. We believe the allegations are unfounded and are not aware of the basis used by the claimant to determine the amount involved in this proceeding. We are conducting our legal defense with all available means.

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### **Other Legal and Administrative Proceedings**

We are defendants in other legal and administrative proceedings involving claims in the aggregate amount of R\$53,651 million as of December 31, 2023, as compared to R\$47,688 million as of December 31, 2022, of which (i) R\$47,173 million relate to tax contingencies as of December 31, 2023 (R\$42,195 million as of December 31, 2022), (ii) R\$2,985 million relate to civil contingencies as of December 31, 2023 (R\$2,611 million as of December 31, 2022), (iii) R\$2,091 million relate to labor contingencies and social security contingencies as of December 31, 2023 (R\$1,727 million as of December 31, 2022) and (iv) R\$1,112 million relate to environmental contingencies as of December 31, 2023 (R\$969 million as of December 31, 2022). Our legal counsel has assessed these contingencies as entailing a risk of possible loss and, therefore, no provision has been recorded for these contingencies.

### **Dividend Policy**

#### **General**

Subject to certain exceptions set forth in Brazilian Corporate Law, our bylaws require that we pay an annual minimum dividend equal to 25% of our adjusted net profits, calculated in accordance with Brazilian Corporate Law. Proposals to declare and pay dividends in excess of the statutory minimum dividend requirement are generally made at the recommendation of our board of directors and approved by the vote of our shareholders. Any such proposal will be dependent upon our results of operations, financial condition, cash requirements for our business, future prospects and other factors deemed relevant by our board of directors. We have a policy of paying dividends equal to all legally available net profits, after taking into consideration the following priorities: (i) our business strategy; (ii) the performance of our obligations; (iii) our required investments; and (iv) the preservation of our liquidity and solid capital structure.

Brazilian companies are also permitted to pay limited amounts of interest on shareholders' equity to holders of equity securities and to treat these payments as an expense for Brazilian income tax purposes. These payments, net of withholding income tax, may be included in determining whether the statutory minimum dividend requirement has been met, subject to shareholder approval.

#### **Amounts Available for Distribution**

At each annual shareholders' meeting, our board of directors is required to recommend how our earnings for the preceding fiscal year are to be allocated. For purposes of Brazilian Corporate Law, a company's income, net of income tax and social contribution for any fiscal year, any accumulated losses from prior fiscal years and amounts allocated to employees' and management's participation in earnings, represents its "net profits" for that fiscal year.

In accordance with Brazilian Corporate Law, shareholders are entitled to receive as a mandatory dividend for each fiscal year either (i) the portion of the profits as may be stated in our bylaws or, if not set forth in our bylaws, (ii) an amount equal to 50% of the net profits as increased or reduced by: (a) amounts allocated to the legal reserve; (b) amounts allocated to the contingency reserve and the tax incentive reserve, if any; and (c) any reversion of contingency reserves constituted in prior years. The payment of dividends may be limited to the amount of net profits realized during the fiscal year, *provided* that the difference is recorded as a reserve for unrealized profits. Profits recorded in the reserve for unrealized profits, when realized and not absorbed by losses in subsequent years, must be added to the first dividend declared after their realization. Under our bylaws, we are required to distribute to shareholders as dividends in respect of each fiscal year ending on December 31, to the extent profits are available for distribution, an amount equal to at least 25% of our adjusted net profits. See "--Mandatory Dividend" below.

*Legal Reserve.* Under Brazilian Corporate Law, we are required to maintain a "legal reserve" to which we must allocate 5% of our "net profits" for each fiscal year until the amount of the reserve equals 20% of our paid-in capital. However, we are not required to make any allocations to our legal reserve in a year in which the legal reserve, when added to our other established capital reserves, exceeds 30% of our capital stock. The amounts allocated to such reserve must be approved by our shareholders in our annual shareholders' meeting and may be used to increase our capital stock or to offset losses and, therefore, are not available for the payment of dividends.

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**Discretionary (or Statutory) Reserves.** Under Brazilian Corporate Law, any corporation may provide in its bylaws for the creation of additional reserves, *provided* that the maximum amount that may be allocated to such reserves, the purpose of such reserves and the allocation criteria of such reserves are specified. There cannot be any allocation to such reserves if it affects payment of the mandatory dividend (as defined below). Our bylaws currently provide that our board of directors may propose to our shareholders the deduction of at least 1% from our net profits to be allocated to a working capital and investments reserve. Without prejudice to payment of the mandatory dividend. Our bylaws do not provide for any other discretionary reserve.

**Contingency Reserve.** Under Brazilian Corporate Law, a percentage of our “net profits” may be allocated to a contingency reserve for estimable losses that are considered probable in future years. Any amount so allocated in a prior year must either be reserved in the fiscal year in which the loss had been anticipated, if the loss does not occur as projected, or be written off in the event that the anticipated loss occurs.

**Tax Incentive Reserve.** Our shareholders in a shareholders’ meeting may, following a proposal by management, allocate to a tax incentive reserve the portion of our “net profits” resulting from donations or governmental grants for investments, which may be excluded from the taxable basis of the mandatory dividend.

**Unrealized Profits Reserve.** Under Brazilian Corporate Law, we may allocate the amount by which the mandatory dividend exceeds our realized net profits in a given fiscal year to an unrealized profits reserve. Brazilian Corporate Law defines “realized net profits” for the period as the amount by which our “net profits” exceeds the sum of (i) positive equity net results and (ii) the net profits, gains or returns that will be realized after the end of the subsequent fiscal year. “Net profits” allocated to the unrealized profits reserve must be added to the next mandatory dividend distribution after those profits have been realized, if they have not been used to absorb losses in subsequent periods.

**Retained Earnings Reserve.** Under Brazilian Corporate Law, our shareholders may decide at a general shareholders’ meeting to retain a portion of our net profits as provided for in a previously approved capital expenditure budget. No allocation of net profits may be made to the retained earnings reserve in case such allocation affects payment of the mandatory dividend. The balance of our retained earnings reserve may not be greater than our capital stock; if it is, the distribution of this surplus is decided at a shareholders’ meeting.

For purposes of determining reserve amounts, the calculation of “net profits” and allocations to reserves for any fiscal year are determined on the basis of financial statements prepared in accordance with Brazilian Corporate Law. Our audited consolidated financial statements included elsewhere in this annual report have been prepared in accordance with IFRS and, although our allocations to reserves and dividends are reflected in the financial statements, investors will not be able to calculate the allocations or required dividend amounts from these financial statements.

**Capital Reserve.** Under Brazilian Corporate Law, the capital reserve consists of premiums from the issuance of shares, goodwill reserves from mergers, sales of founders’ shares and sales of warrants. We do not consider amounts allocated to our capital reserve for purposes of determining mandatory dividends. Our capital stock is not currently represented by founders’ shares. In our case, any amounts allocated to the capital reserve may only be used to increase our capital stock, to absorb losses that surpass accumulated profits and profit reserves, or to redeem, reimburse or purchase shares.

### **Mandatory Dividend**

Under our bylaws, we are required to distribute to shareholders as dividends in respect of each fiscal year ending on December 31, to the extent profits are available for distribution, an amount equal to at least 25% of our adjusted profits, or the mandatory dividend, which amount shall include any interest paid on capital during that year. See “--Additional Payments on Shareholders’ Equity” below. In addition to the mandatory dividend, our board of directors may recommend that shareholders receive an additional payment of dividends from other funds legally available. Any payment of interim dividends may be netted against the amount of the mandatory dividend for that fiscal year. Under Brazilian Corporate Law, if the board of directors determines prior to the annual shareholders’ meeting that payment of the mandatory dividend for the preceding fiscal year would be inadvisable in view of our financial condition, the mandatory dividend does not need to be paid. This type of determination must be reviewed by the fiscal committee, if one exists, and reported, together with the appropriate explanations, to our shareholders and to the CVM. Mandatory dividends not distributed as described above must be registered as a special reserve and, if not absorbed by losses in subsequent fiscal years, must be paid as a dividend as soon as our financial condition permits.

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### **Payment of Dividends**

We are required to hold annual shareholders' meetings within the first four months after the end of our fiscal year at which an annual dividend may be declared. Additionally, our board of directors may declare interim dividends. Under Brazilian Corporate Law, dividends are generally required to be paid to the holder of record on a dividend declaration date within 60 days following the date the dividend was declared, unless a shareholders' resolution sets forth another date of payment, which, in either case, must occur prior to the end of the fiscal year in which the dividend was declared. A shareholder has a three-year period from the dividend payment date to claim dividends (or interest on shareholders' equity as described under "--Additional Payments on Shareholders' Equity" below) in respect of the common shares it holds, after which we will no longer be liable for the dividend payments.

Our payments of cash distributions on common shares underlying the ADSs will be made in Brazilian currency *reais* to our ADR custodian on behalf of our ADR depository. Our ADR custodian will then convert the proceeds into U.S. dollars and will cause the U.S. dollars to be delivered to our ADR depository for distribution to holders of ADSs.

### **Additional Payments on Shareholders' Equity**

Brazilian companies are permitted to pay interest on shareholders' equity to holders of equity securities and to treat those payments as a deductible expense for Brazilian income tax purposes. The amount of interest payable on shareholders' equity is calculated based on the TJLP as determined by the Central Bank on a quarterly basis and applied to each shareholder's portion of net equity.

The TJLP is based on the annual profitability average of Brazilian public internal and external debt. The TJLP for 2023 was 6.5% *per annum*.

Interest on shareholders' equity is deductible up to the greater of the following amounts: (i) 50% of our net income (before taking into account the amounts attributable to shareholders as interest on shareholders' equity and the provision of corporate income tax but after the deduction of the provision of the social contribution on net profits) related to the period in respect of which the payment is made; or (ii) 50% of the sum of retained profits and profit reserves as of the date of the beginning of the fiscal year in respect of which the payment is made.

### **8B. Significant Changes**

None.

### **Item 9. The Offer and Listing**

#### **9A. Offer and Listing Details**

Our capital stock comprises common shares without par value (*ações ordinárias*) and each ADS represents one common share. Our common shares are traded on the B3 under the symbol "CSNA3." The ADSs, which are issued under a deposit agreement with Citibank, N.A., as depository, and substantially all of which are held of record by the Depository Trust Company, are traded on the NYSE under the symbol "SID." There were no significant trading suspensions of our common shares or the ADSs in the last three years.

#### **9B. Plan of Distribution**

Not applicable.

#### **9C. Markets**

##### **Trading on the B3 and NYSE**

The B3 is the only Brazilian stock exchange on which private equity and private debt may be traded. The B3 is one of the largest exchanges worldwide in terms of market value, the second largest in the Americas and the leading exchange in Latin America.

When shareholders trade in common and preferred shares on the B3, the trade is settled in three business days after the trade date without adjustment of the purchase price for inflation. The seller is ordinarily required to deliver the shares to the exchange on the second business day following the trade date. The B3 equities clearing is responsible for the registration, settlement and risk management of trades with shares through the PUMA Trading System.

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In order to better control volatility, the B3 has adopted a “circuit breaker” mechanism pursuant to which trading sessions may be suspended for a period of 30 minutes or one hour whenever the index of the stock exchange falls 10% or 15%, respectively, compared to the previous day’s closing index. If the market falls more than 20% compared to the previous day, the B3 may determine the suspension of trading in all markets for a defined period, at its sole discretion, and such decision must be disclosed to the market through the News Agency (*ABO - Operações*). The “circuit breaker” is not allowed to be started during the last 30 minutes of the trading session.

The B3 is significantly less liquid than the NYSE or other major exchanges in the world. As of December 31, 2023, the aggregate market capitalization of the B3 was R\$4.8 trillion and the ten largest companies listed on the B3 represented 46.4% of the total market capitalization of all listed companies. In contrast, as of December 31, 2023, the aggregate market capitalization of the NYSE was US\$25.6 trillion. Although any of the outstanding shares of a listed company may trade on the B3, in most cases fewer than half of the listed shares are actually available for trading by the public, the remainder being held by small groups of controlling persons, by government entities or by one principal shareholder. See “Item 3. Key Information-3D. Risk Factors-Risks Relating to Our Common Shares and the ADSs-The relative volatility and illiquidity of the Brazilian securities markets may substantially limit your ability to sell the common shares underlying the ADSs at the price and time you desire.”

As of December 31, 2023, we accounted for approximately 0.5% of the market capitalization of all listed companies on the B3.

## **Regulation of the Brazilian Securities Markets**

Brazilian securities markets are regulated by the CVM, which has regulatory authority over the stock exchanges and securities markets, as well as by the Central Bank, which has, among other powers, licensing authority over brokerage firms and regulates foreign investment and foreign exchange transactions. The Brazilian securities markets are governed by Law No. 6,385, dated December 7, 1976, as amended and supplemented, or the Brazilian Securities Law, which is the principal law governing the Brazilian securities markets, and by Brazilian Corporate Law and regulations issued by the CVM, the CMN and the Central Bank. These laws and regulations, among others, provide for disclosure requirements applicable to issuers of traded securities, criminal sanctions for insider trading and price manipulation, and protection of minority shareholders. They also provide for licensing and oversight of brokerage firms and governance of Brazilian stock exchanges. However, the Brazilian securities markets are not as highly regulated and supervised as U.S. securities markets.

Under Brazilian Corporate Law, a company is either publicly held (*companhia aberta*) or privately held (*companhia fechada*). All listed companies are registered with the CVM and are subject to reporting and regulatory requirements. A company registered with the CVM may trade its securities either on the B3 or in the Brazilian over-the-counter market. Shares of companies listed on the B3 may not simultaneously trade on the Brazilian over-the-counter market. The shares of a listed company may also be traded privately, subject to several limitations. To be listed on the B3, a company must be registered as a publicly held company with the CVM and apply for registration with the B3.

The trading of securities on the B3 may be halted at the request of a company in anticipation of a material announcement. Trading may also be suspended on the initiative of the B3 or the CVM, among other reasons, based on or due to a belief that a company has provided inadequate information regarding a significant event or has provided inadequate responses to inquiries by the CVM or the B3.

According to the Brazilian Securities Law, a publicly held company must submit to the CVM and the B3 certain periodic information, including annual and quarterly reports prepared by management and independent auditors. This law also requires companies to file with the CVM shareholder agreements, notices of shareholders’ meetings and copies of the related minutes.

Resolution No. 44, sets forth the CVM’s requirements regarding the disclosure and use of information related to material facts and acts of publicly held companies, including the disclosure of trading and acquisition of securities issued by publicly held companies.

Such requirements include provisions that:

- establish the concept of a material fact that gives rise to reporting requirements. Material facts include decisions made by controlling shareholders, shareholder and management resolutions or any other facts related to a company’s business (whether occurring within the company or otherwise related thereto) that may influence the price of its publicly traded securities, or the decision of investors to trade such securities or to exercise any of such securities’ underlying rights;

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- specify examples of facts that are considered material, which include, among others, the execution of agreements providing for a transfer of control, the entry or withdrawal of shareholders that provide any managing, financial, technological or administrative function to the company and any corporate restructuring undertaken among related companies;
- oblige the investor relations officer, controlling shareholders, other officers, directors, members of the audit committee and other advisory boards to disclose material facts;
- require simultaneous disclosure of material facts to all markets in which the company's securities are admitted for trading;
- require the acquirer of a controlling stake in a corporation to disclose material facts, including its intentions as to whether or not to de-list the corporation's shares within one year from the acquisition of its controlling stake;
- establish rules regarding disclosure requirements in the acquisition and disposal of a material ownership interest; and
- forbid trading on the basis of material non-public information.

Pursuant to CVM Rule No. 80, dated March 29, 2022, the CVM expanded the quantity and improved the quality of information required to be reported by issuers in Brazil. This rule provides the market with greater transparency and requires issuers to file annually a comprehensive reference form (*Formulário de Referência*) and a governance report (*Informe de Governança*). The reference form is in line with the shelf registration system recommended by the International Organization of Securities of Commissions (IOSCO) through which information is consolidated and subject to periodic update. In the governance report, we disclose information regarding governance practices set forth in the Brazilian Code of Corporate Governance, by the method of "practice or explain." Each of our reference form and governance report are available on our investor relations website ([www.ri.csn.com.br](http://www.ri.csn.com.br)) or on the CVM's website (<http://www.cvm.gov.br>).

The CVM also enacted Rule No. 81, dated March 29, 2022, to regulate two key issues involving general meetings of shareholders in publicly held companies: (i) the extent of information and documents to be provided in support of call notices (subject to prior disclosure to shareholders); and (ii) proxy solicitation for the exercise of voting rights. The rule aims to (x) improve the quality of information disclosed by publicly held companies to shareholders and to the market in general, favoring the use of the Internet; (y) make the exercise of voting rights less costly and foster the participation of shareholders in general meetings, especially for companies with widely dispersed capital; and (z) facilitate shareholder oversight of companies.

#### **9D. Selling Shareholders**

Not applicable.

#### **9E. Dilution**

Not applicable.

#### **9F. Expenses of the Issue**

Not applicable.

#### **Item 10. Additional Information**

##### **10A. Share Capital**

Not applicable.

##### **10B. Memorandum and Articles of Association**

###### **Registration and Corporate Purpose**

We are registered with the Brazilian Department of Trade Registration under number 15.910. Our corporate purpose, as set forth in Article 2 of our bylaws, is to manufacture, transform, market, import and export steel products and steel derived by-products, as well as to explore other activities directly or indirectly related to this purpose, including: mining, cement and carbochemical business activities, the manufacture and assembly of metallic structures, construction, transportation, navigation and port activities; the generation, management and commercialization of energy; and the participation in the capital of other national or international companies.



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**Directors' Powers**

Pursuant to our bylaws, a director may not vote on a proposal, arrangement or contract in which the director's interests conflict with our interests. In addition, our shareholders must approve the compensation of our management and, in case an aggregate amount is fixed, our board of directors is responsible for the allocation. There is no mandatory retirement age for our directors. For a detailed description of the general duties and powers of our board of directors, see "Item 6. Directors, Senior Management and Employees-6A. Directors and Senior Management."

**Description of Capital Stock**

Set forth below is certain information concerning our capital stock and a brief summary of certain significant provisions of our bylaws and Brazilian Corporate Law applicable to our capital stock. This description does not purport to be complete and is qualified by reference to our bylaws and to Brazilian law. For further information, see our bylaws incorporated in this annual report by reference.

**Overview**

As of December 31, 2023, our capital stock comprised 1,326,093,947 common shares. Our bylaws authorize our board of directors to increase our capital stock to up to 2,400,000,000 common shares without an amendment to our bylaws. There are currently no classes or series of preferred shares issued or outstanding. We may purchase our own shares for purposes of cancellation or to hold them in treasury subject to certain limits and conditions established by the CVM and Brazilian Corporate Law. See "Item 16. Reserved--16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers."

**Liability for Further Capital Calls**

Pursuant to Brazilian Corporate Law, a shareholder's liability is generally limited to the issue price of the subscribed or purchased shares. There is no obligation of a shareholder to participate in additional capital calls.

**Voting Rights**

Each common share entitles its holder to one vote at our shareholders' meetings. According to CVM regulations, shareholders that represent at least 5% of our common shares may request cumulative voting (*voto múltiplo*) in an election of our board of directors. Pursuant to Brazilian Corporate Law and according to CVM guidance, as our capital stock comprises only common shares, shareholders holding at least 10% of our common shares in the three consecutive months prior to our shareholder's meeting have the right to appoint a member of our board of directors (*eleição em separado*).

**Shareholders' Meetings**

Pursuant to Brazilian Corporate Law, the shareholders present at an annual or extraordinary shareholders' meeting, convened and held in accordance with Brazilian Corporate Law and our bylaws, are empowered to decide all matters relating to our corporate purpose and to pass any resolutions they deem necessary for our protection and well-being.

In order to participate in a shareholders' meeting, a shareholder must be a record owner of the share on the day the meeting is held and may be represented by a proxy.

Shareholders' meetings are called, convened and presided over by the chairman of our board of directors or, in his absence, by whom he appoints. Brazilian Corporate Law requires that our shareholders' meeting be convened by publication of a notice in a newspaper of general circulation in Brazil and in the city in which our principal place of business is located, currently the *Jornal Folha de São Paulo - Edição Regional*, at least 21 days prior to the scheduled meeting date and no fewer than three times. However, CVM rules require that companies whose shares are also represented by ADSs must convene a shareholders' meeting no later than 30 days in advance. Both notices must contain the agenda for the meeting and, in the case of an amendment to our bylaws, an indication of the subject matter.

In order for a shareholders' meeting to be held, shareholders representing a quorum of at least one-fourth of the voting capital must be present, except for meetings convened to amend our bylaws, where shareholders representing at least two-thirds of the voting capital must be present. A shareholder may be represented at a shareholders' meeting by means of a proxy, appointed not more than one year before the meeting and, if the shareholder is a natural person, may be represented by another shareholder, a company officer, a lawyer or a financial institution, and, if the shareholder is a legal entity, anyone may act as proxy. If no quorum is present, notice must be given in the manner described above, no fewer than eight days prior to the scheduled meeting date. On second notice, the meeting may be convened without a specific quorum requirement, subject to the minimum quorum and voting requirements for certain matters, as described below. A holder of shares with no voting rights may attend a shareholders' meeting and take part in the discussion of matters submitted for consideration, but will not be allowed to vote.

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Except as otherwise provided by law, resolutions passed at a shareholders' meeting require a simple majority vote, abstentions not considered. Pursuant to Brazilian Corporate Law, the approval of shareholders representing at least one-half of our issued and outstanding voting shares is required for the following actions: (i) to create a new class of preferred shares or disproportionately increase an existing class of preferred shares relative to the other classes of preferred shares, to change a priority, preference, right, privilege or condition of redemption or amortization of any class of preferred shares or to create any class of non-voting preferred shares that has a priority, preference, right, condition or redemption or amortization superior to an existing class of shares (in these cases, a majority of the issued and outstanding shares of the affected class is also required); (ii) to reduce the mandatory dividend; (iii) to change our corporate purpose; (iv) to merge into or consolidate with another company or to spin-off our assets; (v) to dissolve or liquidate our company; (vi) to cancel any liquidation procedure; (vii) to authorize the issuance of founders' shares; and (viii) to participate in a centralized group of companies as defined under Brazilian Corporate Law.

Pursuant to Brazilian Corporate Law, shareholders voting at a shareholders' meeting have the power to: (i) amend our bylaws; (ii) elect or dismiss members of our board of directors (and members of the fiscal committee) at any time; (iii) receive and approve the annual management accounts, including the allocation of net profits and payment of the mandatory dividends and allocation to the various reserve accounts; (iv) authorize the issuance of debentures in general; (v) suspend the rights of a shareholder who has violated Brazilian Corporate Law or our bylaws; (vi) accept or reject the valuation of assets contributed by a shareholder in consideration of the subscription of shares in our capital stock; (vii) authorize the issuance of founders' shares; (viii) pass resolutions authorizing reorganization of our legal form, including a merger, consolidation or split of the company, dissolution and liquidation of the company, election and dismissal of our liquidators and to examine their accounts; and (ix) authorize management to declare the company insolvent and to request a *recuperação judicial* or *recuperação extrajudicial* (a procedure involving protection from creditors similar in nature to a reorganization under the U.S. Bankruptcy Code), among others.

## **Redemption Rights**

Our common shares are not redeemable, except that a dissenting and adversely affected shareholder is entitled, under Brazilian Corporate Law, to obtain redemption upon a decision made at a shareholders' meeting by shareholders representing at least one-half of the issued and outstanding voting shares to: (i) create a new class of preferred shares or to disproportionately increase an existing class of preferred shares relative to the other classes of preferred shares (unless these actions are provided for or authorized by our bylaws); (ii) modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or to create a new class with greater privileges than an existing class of preferred shares; (iii) reduce the mandatory distribution of dividends; (iv) change our corporate purpose; (v) merge us with another company or consolidate us; (vi) transfer all of our shares to another company in order to make us a wholly owned subsidiary of that company (*incorporação*); (vii) approve the acquisition of control of another company at a price that exceeds certain limits set forth under Brazilian Corporate Law; (viii) approve our participation in a centralized group of companies as defined under Brazilian Corporate Law; (ix) conduct a spin-off that results in (a) a change of corporate purpose, (b) a reduction of the mandatory dividend or (c) any participation in a group of companies as defined under Brazilian Corporate Law; or (x) in the event that the entity resulting from (a) a merger or consolidation, (b) an *incorporação* as described above or (c) a spin-off of a listed company fails to become a listed company within 120 days of the shareholders' meeting at which the decision was taken. The right of redemption lapses 30 days after publication of the minutes of the relevant shareholders' meeting. We would be entitled to reconsider any action giving rise to redemption rights within ten days following the expiration of those rights, if the redemption of shares of dissenting shareholders would jeopardize our financial stability. Law No. 9,457, dated May 5, 1997, which amended Brazilian Corporate Law, contains provisions which, among other things, restrict redemption rights in certain cases and allow companies to redeem their shares at their market value, subject to certain requirements. According to Brazilian Corporate Law, the reimbursement value of the common shares must equal the book value, which is determined by dividing our net assets by the total number of shares issued by us, excluding treasury shares (if any).

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**Preemptive Rights**

Except as provided for in Brazilian Corporate Law (such as in the case of mergers and public offerings), our bylaws allow each of our shareholders a general preemptive right to subscribe to shares in any capital increase, in proportion to his or her ownership interest. A minimum period of 30 days following the publication of notice of a capital increase is allowed for the exercise of the right and the right is transferable. In the event of a capital increase that would maintain or increase the proportion of capital represented by common shares, holders of ADSs may have preemptive rights to subscribe only to newly issued common shares. In the event of a capital increase that would reduce the proportion of capital represented by common shares, holders of ADSs may have preemptive rights to subscribe for common shares, in proportion to their ownership interest, only to the extent necessary to prevent dilution of their interest in us. Moreover, U.S. holders of ADSs representing our common shares, pursuant to the deposit agreement, are deemed to recognize that all preemptive and similar rights with respect to the ADSs have been validly waived. For more information, see “Item 3. Key Information-3D. Risk Factors-Risks Relating to Our Common Shares and the ADSs-Holders of ADSs may be unable to exercise preemptive rights with respect to our common shares.”

**Form and Transfer**

As our common shares are in registered form, their transfer is governed by the rules of Article 31, paragraph 3, of Brazilian Corporate Law, which provides that a transfer of shares is affected by a transfer recorded in a company’s share transfer records upon presentation of valid share transfer instructions to the company by a transferor or its representative. When common shares are acquired or sold on a Brazilian stock exchange, the transfer is affected in our records by a representative of a brokerage firm or the stock exchange’s clearing system. Transfers of shares by a non-Brazilian shareholder are made in the same way and are executed by such shareholders’ local agent.

The B3 operates a central clearing system. A holder of our common shares may choose, at its discretion, to participate in this system and, in that case, all shares elected to be put into this system will be deposited in the custody of the B3 (through a Brazilian institution duly authorized to operate by the Central Bank and having a clearing account with the B3). The fact that those common shares are held in the custody of the B3 will be reflected in our register of shareholders. Each participating shareholder will, in turn, be registered in our register of beneficial shareholders maintained by the B3 and will be treated in the same way as registered shareholders.

**Limitations on Ownership and Voting Rights by Non-Brazilians Shareholders**

There are no restrictions on ownership or voting of our common shares by individuals or legal entities domiciled outside Brazil. However, the right to convert dividend payments and proceeds from the sale of common shares into foreign currency and to remit those amounts outside Brazil is subject to exchange control restrictions and foreign investment legislation which generally require, among other things, obtaining a certificate of registration under CMN Resolution 4,373 or its direct foreign investment regulations. See “-10D. Exchange Controls.”

**Share Ownership Disclosure**

There are no provisions in our bylaws governing the ownership threshold above which shareholder ownership must be disclosed. CVM regulations require the disclosure of (i) any direct or indirect acquisition or disposition of shares that exceeds 5%, 10%, 15%, and so on, of any class of capital stock of a listed company, (ii) acquisition of control of a listed company and (iii) ownership of shares of capital stock of a listed company by members of such company’s board of executive officers, board of directors, audit committee, fiscal committee (if any) and any other consulting or technical body (if any) and certain relatives of those persons.

**10C. Material Contracts**

None.

**10D. Exchange Controls**

According to CMN Resolution 4,373, foreign investors may participate in almost all financial assets and engage in almost all transactions available in the Brazilian market, *provided* that certain requirements are fulfilled. CMN Resolution 4,373 defines foreign investors as individuals and legal entities, mutual funds and others collective investment entities headquartered or domiciled outside Brazil. In accordance with CMN Resolution 4,373, a foreign investor must:

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- indicate at least one representative in Brazil, with powers to practice all the actions relating to its investments;
- complete the foreign investor registration form;
- register as a foreign investor before the CVM, and register its foreign investment before the Central Bank; and
- appoint a custodian, duly licensed by the Central Bank, if the Brazilian representative is not a financial institution.

CMN Resolution 4,373 specifies the manner of custody and the permitted means for trading securities held by foreign investors. The offshore transfer or assignment of securities or other financial assets held by foreign investors pursuant to CMN Resolution 4,373 is prohibited, except for transfers resulting from a corporate reorganization, or occurring upon the death of an investor by operation of law or will.

CMN Resolution 4,373 also provides for the issuance of depositary receipts in foreign markets in respect of shares of Brazilian issuers. It provides that (i) proceeds from the sale of ADSs by holders outside Brazil are not subject to Brazilian foreign investment controls and (ii) holders of ADSs who are not residents of a low-tax jurisdiction (*pais com tributação favorecida*), as defined by Brazilian law, are entitled to favorable tax treatment.

A certificate of registration has been issued in the name of Citibank, N.A., as our ADR depository, and is maintained by Banco Bradesco S.A., our ADR custodian, on behalf of our ADR depository. Pursuant to the certificate, our ADR custodian and our ADR depository are able to convert dividends and other distributions with respect to our common shares represented by the ADSs into foreign currency and remit the proceeds outside Brazil. Pursuant to CMN Resolution 4,373, in order for an investor to surrender ADSs for the purpose of withdrawing the shares represented thereby, the investor is required to appoint a Brazilian financial institution duly authorized by the Central Bank and the CVM to act as its legal representative, who is responsible, among other things, for keeping and updating the investors' certificates of registrations with the Central Bank, which entitles registered foreign investors to trade the underlying common shares directly on the B3.

A non-Brazilian holder of common shares may experience delays in obtaining a certificate of registration, which may delay remittances abroad. This kind of delay exposes the non-Brazilian holder to exchange rate variation and may adversely affect the amount, in U.S. dollars, received by the non-Brazilian holder.

Under current Brazilian legislation, the Brazilian government may impose temporary restrictions on remittances of foreign capital abroad in the event of a serious imbalance or an anticipated serious imbalance of Brazil's balance of payments. See "Item 3. Key Information-3D. Risk Factors-Risks Relating to Our Common Shares and the ADSs-If you surrender ADSs and withdraw common shares, you risk forfeiting Brazilian tax advantages and losing the ability to timely remit foreign currency abroad."

## **10E. Taxation**

The following is a summary of certain Brazilian and U.S. federal income tax consequences of the acquisition, ownership and disposition of our common shares or the ADSs by an investor that holds such common shares or ADSs. This summary does not purport to address all material tax consequences of the acquisition, ownership and disposition of our common shares or the ADSs, does not take into account the specific circumstances of any particular investor and does not address certain investors that may be subject to special tax rules.

This summary is based on the tax laws of the United States and Brazil, as in effect on the date of this annual report, which are subject to change (or changes in interpretation), possibly with retroactive effect. In addition, this summary is based in part upon the representations of the ADS depository and the assumption that each obligation in our deposit agreement and any related agreement will be performed in accordance with its terms.

Although there is, at present, no income tax treaty between Brazil and the United States, the tax authorities of the two countries have had discussions that may result in such a treaty. No assurance can be given, however, as to whether or when an income tax treaty will enter into force or how it will affect the U.S. Holders, as defined below, of our common shares or the ADSs.

Prospective investors are urged to consult their own tax advisors regarding the Brazilian and U.S. federal, state and local tax consequences of the acquisition, ownership and disposition of our common shares and the ADSs.

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### **Brazilian Tax Considerations**

The following discussion summarizes the principal Brazilian tax consequences of the acquisition, ownership and disposition of common shares or ADSs by a holder that is not domiciled in Brazil for purposes of Brazilian taxation ("Non-Resident Holder"). It is based on Brazilian law as currently in effect. Any change in such law may change the consequences described below, possibly with retroactive effect. This discussion does not specifically address all of the Brazilian tax considerations applicable to any particular Non-Resident Holder. Each Non-Resident Holder of common shares or ADSs should consult their own tax advisor concerning the Brazilian tax consequences of an investment in our common shares or the ADSs.

A Non-Resident Holder of ADSs may withdraw them in exchange for our common shares in Brazil. Pursuant to Brazilian law, the Non-Resident Holder may invest in common shares under CMN Resolution 4,373 (a "4,373 Holder").

#### ***Taxation of Dividends and Interest on Shareholders' Equity***

Dividends, including stock dividends and other dividends, paid by us (i) to the ADS depository in respect of the common shares underlying the ADSs or (ii) to a Non-Resident Holder in respect of the common shares, are currently not subject to Brazilian withholding income tax, as far as such amounts are related to profits generated on or after January 1, 1996. We do not have any profits generated prior to January 1, 1996.

Since 1996, Brazilian companies have been permitted to pay limited amounts of interest on shareholders' equity to holders of equity securities and to treat those payments as a deductible expense for purposes of their Brazilian income tax and social contribution on net profits tax basis. For tax purposes, this interest is limited to the daily *pro rata* variation of the TJLP, as determined by the Central Bank from time to time, multiplied by the sum of determined net equity accounts of the Brazilian company, and the amount of the deduction may not exceed the greater of (i) 50% of the net income (before taking into account the amounts attributable to shareholders as interest on shareholders' equity and the provision of corporate income tax but after the deduction of the provision of the social contribution on net profits) related to the period in respect of which the payment is made; or (ii) 50% of the sum of retained profits and profits reserves as of the date of the beginning of the fiscal year in respect of which the payment is made. Payments of interest on shareholders' equity are decided by the shareholders on the basis of the recommendations of our board of directors.

Payment of interest on shareholders' equity to a Non-Resident Holder is subject to withholding income tax at the rate of 15%, or 25% if the Non-Resident Holder is domiciled in a tax haven.

For this purpose, a "tax haven" or "low-tax regime" is a country or location (i) that does not impose income tax, (ii) where the income tax rate is lower than 20% or (iii) where the local legislation imposes restrictions on disclosing the shareholding composition or ownership of the investment (each, a "Tax Haven Jurisdiction"). Ordinance No. 488, dated November 28, 2014, reduced to 17% the maximum income tax rate that may be imposed by a given jurisdiction for characterization of a Tax Haven Jurisdiction, as long as the jurisdiction complies with international tax transparency standards. Subsequently, tax authorities provided that compliance with such standards requires: (a) signature of or conclusion of negotiation to sign a treaty or agreement allowing the exchange of information related to identification of income beneficiaries, corporate structure, ownership of goods or rights or economic transactions and (b) commitment to the criteria defined in international anti-tax evasion forums of which Brazil is a member. Tax authorities regularly issue a list of jurisdictions which are considered Tax Haven Jurisdictions. This list is currently set forth in Normative Instruction No. 1,037/10, as amended.

These payments of interest on shareholders' equity may be included as part of any mandatory dividend. To the extent payment of interest on shareholders' equity is included, the company may be required to distribute to shareholders an additional amount to ensure that the net amount received by them, after payment of the applicable withholding income tax, *plus* the amount of declared dividends, is at least equal to the mandatory dividend.

No assurance can be given that our board of directors will not recommend that future distributions of income should be made by means of interest on shareholders' equity instead of dividends.

#### ***Taxation of Gains***

Capital gains realized by Non-Resident Holders on the disposition of common shares sold on the Brazilian stock exchange (which includes transactions carried out on the organized over-the-counter market):

- are exempt, when realized by a Non-Resident Holder that (i) is a 4,373 Holder and (ii) is not resident or domiciled in a Tax Haven Jurisdiction;

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- are subject to income tax at a rate of 15% in case of gains realized by (i) a Non-Resident Holder that (x) is not a 4,373 Holder and (y) is not resident or domiciled in a Tax Haven Jurisdiction; or (ii) a Non-Resident Holder that (x) is a 4,373 Holder and (y) is resident or domiciled in a Tax Haven Jurisdiction; and
- are subject to income tax at a rate of 25% in case of gains realized by a Non-Resident Holder that (i) is not a 4,373 Holder and (ii) is resident or domiciled in a Tax Haven Jurisdiction.

As a general rule, capital gains realized as a result of a disposition transaction are the positive difference between the amount realized on the disposition of the common shares and the respective acquisition cost.

According to Law No. 10,833/03, the gains recognized on a disposition of assets located in Brazil, such as our common shares, by a Non-Resident Holder, are subject to withholding income tax in Brazil. This rule is applicable regardless of whether the disposition is conducted in Brazil or abroad and/or if the disposition is or is not made to an individual or entity resident or domiciled in Brazil.

Withholding income tax of 0.005% will apply and can be offset against any income tax due on the capital gain. Such withholding does not apply to a 4,373 Holder that is not resident or domiciled in a Tax Haven Jurisdiction.

Any other gains realized on the disposition of common shares that are not carried out on the Brazilian stock exchange:

- are subject to income tax at rates varying from 15% to 22.5%, depending on the total amount of gains within two consecutive fiscal years (see table below) when realized by any Non-Resident Holder that is not resident or domiciled in a Tax Haven Jurisdiction, whether or not such holder is a 4,373 Holder; and
- are subject to income tax at a rate of 25% when realized by a Non-Resident Holder that is resident or domiciled in a Tax Haven Jurisdiction, whether or not such holder is a 4,373 Holder.

The capital gains rates described above, varying from 15% to 22.5%, are determined according to the following table:

| Capital Gains Tax Rate | Threshold (total gains on the sale of the same rights within two fiscal years) |
|------------------------|--|
| 15%                    | Total gains below R\$5 million   |
| 17.5%                  | Total gains above R\$5 million, but below R\$10 million                        |
| 20%                    | Total gains above R\$10 million, but below R\$30 million                       |
| 22.5%                  | Total gains above R\$30 million  |

In the cases described above, if the gains are related to transactions conducted on the Brazilian non-organized over-the-counter market with intermediation, withholding income tax of 0.005% will also apply and can be offset against any income tax due on the capital gain.

The statutory definition of a Tax Haven Jurisdiction for the purpose of income taxation on gains should differ depending on whether or not a holder is a 4,373 Holder. In the case of a 4,373 Holder, the definition of Tax Haven Jurisdiction should not comprise jurisdictions where the local legislation imposes restrictions on disclosing the shareholding composition or ownership of the investment. However, the list provided for in Normative Instruction No. 1,037/10 does not seem to differ from the Tax Haven Jurisdiction definition for the purposes of 4,373 Holders.

Any exercise of preemptive rights relating to common shares will not be subject to Brazilian withholding income tax. Gains realized by a Non-Resident Holder on the disposition of preemptive rights will be subject to Brazilian income tax according to the same rules applicable to a disposition of common shares.

In the case of a redemption of common shares or a capital reduction, the positive difference between the amount received by the Non-Resident Holder and the acquisition cost of the common shares redeemed in *reais* is treated as capital gain derived from the sale or exchange of shares not carried out on a Brazilian stock exchange market and is therefore subject to income tax at rates of up to 25%.

### **Sale of ADSs by U.S. Holders to Other Non-Residents in Brazil**

As discussed above, pursuant to Law No. 10,833, the sale of assets located in Brazil involving Non-Resident Holders is subject to Brazilian withholding income tax, regardless if the purchaser is a Brazilian resident or not. We believe that the ADSs do not fall within the definition of assets located in Brazil for the purposes of Law No. 10,833, and, thus, should not be subject to Brazilian withholding tax. However, due to the lack of any administrative or judicial guidance, there is no assurance that this interpretation would prevail. If the ADSs are deemed to be assets located in Brazil, gains recognized by a Non-Brazilian Holder from the sale or other disposition to either a non-resident or a resident in Brazil may be subject to income tax in Brazil according to the rules described in "--Taxation of Gains" above.

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### **Gains on the Exchange of ADSs for Common Shares**

The withdrawal of ADSs in exchange for common shares is not subject to Brazilian income tax, assuming compliance with applicable regulation regarding the registration of the investment with the Central Bank.

### **Gains on the Exchange of Common Shares for ADSs**

The deposit of common shares in exchange for ADSs may be subject to Brazilian withholding income tax on capital gains if the amount previously registered with the Central Bank as a foreign investment in common shares or, in the case of other market investors under CMN Resolution 4,373, the acquisition cost of the common shares, as the case may be, is lower than:

- the average price per common share on the Brazilian stock exchange on which the greatest number of such common shares were sold on the day of deposit; or
- if no common shares were sold on that day, the average price on the Brazilian stock exchange on which the greatest number of common shares were sold during the 15 preceding trading sessions.

The difference between the amount previously registered, or the acquisition cost, as the case may be, and the average price of the common shares, calculated as set forth above, is considered a capital gain subject to income tax at rates up to 25%. In some circumstances, there may be arguments that this tax treatment is not applicable in the case of 4,373 Holders that are not located in a Tax Haven Jurisdiction.

### **Tax on Financial Transactions**

The Tax on Financial Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro ou relativas a Títulos ou Valores Mobiliários*), or "IOF," is imposed on foreign exchange, securities, credit and insurance transactions.

#### *IOF on Foreign Exchange Transactions*

Tax on foreign exchange transactions, or "IOF/Exchange," may be levied on foreign exchange transactions (conversion of foreign currency in *reais* and conversion of *reais* into foreign currency), affecting either or both the inflow and outflow of investments. Currently, the general IOF/Exchange rate applicable to foreign exchange transactions is 0.38%.

The Brazilian government may increase the rate of the IOF/Exchange to a maximum rate of 25% of the amount of the foreign exchange transaction at any time, but such an increase will only apply in respect of future foreign exchange transactions. Currently, for most foreign exchange transactions related to investments in common shares, the IOF/Exchange rate is zero.

#### *IOF on Bonds and Securities Transactions*

IOF may also be levied on transactions involving bonds and securities, or "IOF/Securities," including those carried out on Brazilian stock, futures or commodities exchanges. The rate of the IOF/Securities applicable to most transactions involving common shares is currently zero. The Brazilian government may increase the rate of the IOF/Exchange up to 1.5% per day at any time, but such an increase will only apply in respect of future transactions.

### **Other Brazilian Taxes**

There are no Brazilian inheritance, gift or succession taxes applicable to the ownership, transfer or disposition of common shares or ADSs by a Non-Resident Holder, except for gift and inheritance taxes which are levied by some states of Brazil on gifts made or inheritances bestowed by individuals or entities not resident or domiciled in Brazil to individuals or entities resident or domiciled within that state in Brazil. There are no Brazilian stamp, issue, registration or similar taxes or duties payable by holders of common shares or ADSs.

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### **U.S. Federal Income Tax Considerations**

The summary discussion below is applicable to you only if you are a “U.S. Holder” or a “Non-U.S. Holder” (both as defined below) that holds the common shares or ADSs as “capital assets” (generally property held for investment) within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). This summary is based upon the Code, its legislative history, U.S. Treasury Department regulations, administrative pronouncements of the U.S. Internal Revenue Service (the “IRS”) and judicial decisions, all as in effect on the date hereof, and all of which are subject to change (possibly with retroactive effect) and to differing interpretations. This summary does not describe any implications under state, local or non-U.S. tax law, or any aspect of U.S. federal tax law (such as estate tax, gift tax, alternative minimum tax or Medicare tax on net investment income) other than U.S. federal income taxation.

This summary does not purport to address all the material U.S. federal income tax consequences that may be relevant to the holders of our common shares or the ADSs, and does not take into account the specific circumstances of any particular investors, some of which (such as tax-exempt entities, banks or other financial institutions, insurance companies, dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, regulated investment companies, real estate investment trusts, partnerships and other pass-through entities, U.S. expatriates, investors that own, have owned or are treated as owning, directly, indirectly or constructively 10% or more of our stock by vote or value, “controlled foreign corporations,” certain investors who file applicable financial statements required to recognize income when the associated revenue is reflected on such financial statements, investors that hold our common shares or the ADSs as part of a straddle, hedge, conversion or constructive sale transaction or other integrated transaction and persons whose functional currency is not the U.S. dollar) may be subject to special tax rules.

For purposes of this discussion, a U.S. Holder is any beneficial owner of common shares or ADSs that is (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a U.S. court is able to exercise primary supervision over administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or if the trust validly elects under applicable U.S. Treasury Department regulations to be taxed as a U.S. person. A “Non-U.S. Holder” is any beneficial owner of common shares or ADSs that is an individual, corporation, estate or trust who is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes.

If a partnership (or any other entity taxable as a partnership for U.S. federal income tax purposes) holds our common shares or the ADSs, the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A prospective investor who is a partner of a partnership holding our common shares or the ADSs should consult its own tax advisor.

In general, for U.S. federal income tax purposes, holders of ADRs evidencing ADSs will be treated as the owners of the common shares represented by those ADSs, and exchanges of common shares for ADSs, and ADSs for common shares, will not be subject to U.S. federal income tax.

### ***Taxation of Dividends***

#### ***U.S. Holders***

Under the U.S. federal income tax laws, and subject to the passive foreign investment company (“PFIC”) rules discussed below, U.S. Holders will include in gross income, as dividend income, the gross amount of any distribution paid by us (including (i) payments considered “interest” in respect of shareholders’ equity under Brazilian law, (ii) amounts withheld in respect of Brazilian taxes and (iii) any additional amounts payable in respect of such withholding taxes as described above under “--Brazilian Tax Considerations-Taxation of Dividends and Interest on Shareholders’ Equity”) out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) when the distribution is actually or constructively received by the U.S. Holder, in the case of common shares, or by the ADS depository, in the case of ADSs. Distributions in excess of current and accumulated earnings and profits, as determined under U.S. federal income tax principles, will be treated as a non-taxable return of capital to the extent of the U.S. Holder’s adjusted tax basis in the common shares or the ADSs and thereafter as capital gain, which will be either long-term or short-term capital gain depending on whether the U.S. Holder held common shares or ADSs for more than one year. We do not intend to maintain calculations of our earnings and profits under U.S. federal income tax principles and, unless and until such calculations are made, U.S. Holders should assume all distributions are made out of earnings and profits and constitute dividend income.



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The dividend income will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. Subject to certain exceptions for short-term and hedged positions, certain non-corporate U.S. Holders (including individuals) may qualify for a maximum 20% rate of tax in respect of “qualified dividend income” received. Dividend income with respect to the ADSs will be qualified dividend income, *provided* that, in the year that a non-corporate U.S. Holder receives the dividend, the ADSs are readily tradable on an established securities market in the United States, and we were not in the year prior to the year in which the dividend was paid, and are not in the year in which the dividend is paid, a PFIC. Based on existing IRS guidance, it is not entirely clear whether dividends received with respect to our common shares not held through ADSs will be treated as qualified dividend income, because our common shares are not themselves listed on a U.S. exchange.

The amount of the dividend distribution includible in gross income of a U.S. Holder will be the U.S. dollar value of the *real* payments made, determined at the spot *real*/U.S. dollar rate on the date such dividend distribution is includible in the gross income of the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars. A U.S. Holder should not recognize any foreign currency gain or loss in respect of such dividend if such *reais* are converted into U.S. dollars on the date received by the U.S. Holder. If the *reais* are not converted into U.S. dollars on the date of receipt, however, gain or loss may be recognized upon a subsequent sale or other disposition of the *reais*. Such foreign currency gain or loss, if any, will be treated as ordinary income or loss from sources within the United States and will not be eligible for the special tax rate applicable to qualified dividend income. U.S. Holders should consult with their own tax advisors regarding the treatment of any foreign currency gain or loss if any *reais* received as a dividend on our common shares or the ADSs is not converted into U.S. dollars on the date of receipt.

Dividends received by most U.S. Holders will generally constitute foreign source “passive income” for foreign tax credit purposes. For purposes of the U.S. foreign tax credit limitation, foreign source income is separated into different “baskets,” and the credit for foreign taxes on income in any basket is limited to the U.S. federal income tax allocable to such income.

Subject to limitations under U.S. federal income tax law concerning credits or deductions for foreign income taxes and certain exceptions for short-term and hedged positions, any Brazilian income tax withheld from dividends paid by us may be treated as foreign income tax eligible for credit against a U.S. Holder’s U.S. federal income tax liability. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any otherwise creditable foreign income taxes paid or accrued for the relevant taxable year. Regulations impose additional requirements that must be met for a foreign tax to be creditable (including requirements that a “covered withholding tax” be imposed on nonresidents in lieu of a generally applicable tax that satisfies the regulatory definition of a “net income tax”, which may be unclear or difficult to determine). However, a recent IRS notice provides temporary relief from certain of these requirements if the notice is applied consistently to all foreign taxes paid during the relevant taxable year until the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). The rules with respect to foreign tax credits are complex. U.S. Holders are urged to consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

The U.S. Treasury Department has expressed concern that intermediaries in connection with depositary arrangements may be taking actions that are inconsistent with the claiming of foreign tax credits by U.S. persons who are holders of depositary shares. Accordingly, investors should be aware that the discussion above regarding the availability of foreign tax credits for Brazilian income tax withheld from dividends paid with respect to common shares represented by ADSs could be affected by future action taken by the U.S. Treasury Department.

Distributions of additional common shares to U.S. Holders with respect to their common shares or ADSs that are made as part of a *pro rata* distribution to all our shareholders generally will not be subject to U.S. federal income tax.

### *Non-U.S. Holders*

Dividends paid to a Non-U.S. Holder in respect of common shares or ADSs will not be subject to U.S. federal income tax unless those dividends are effectively connected with the conduct of a trade or business within the United States by the Non-U.S. Holder (or are attributable to a permanent establishment maintained in the United States by the Non-U.S. Holder, if an applicable income tax treaty so requires as a condition for the Non-U.S. Holder to be subject to U.S. federal income taxation on a net basis in respect of income from common shares or ADSs), in which case the Non-U.S. Holder generally will be subject to U.S. federal income tax in respect of the dividends in the same manner as a U.S. Holder. Any such effectively connected dividends received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional “branch profits tax” (at a 30% rate or at a reduced rate as may be specified by an applicable income tax treaty).

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**Taxation of Capital Gains**

*U.S. Holders*

Subject to the PFIC rules discussed below, upon a sale, redemption or other taxable disposition of common shares or ADSs, a U.S. Holder will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the amount realized (before deduction of any Brazilian tax) and the U.S. Holder's adjusted tax basis (determined in U.S. dollars) in the common shares or ADSs. Generally, a non-corporate U.S. Holder's gain or loss may be subject to preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations under the Code.

Capital gain or loss, if any, realized by a U.S. Holder on the sale, exchange or other taxable disposition of common shares or ADSs generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes. In the case of a gain from the disposition of a share or ADS that is subject to Brazilian income tax (see "Brazilian Tax Considerations-Taxation of Gains"), the U.S. Holder may not be able to benefit from the foreign tax credit for that Brazilian income tax (*i.e.*, because the gain from the disposition would be U.S. source income). Under recent U.S. regulations mentioned above (see "U.S. Federal Income Tax Considerations-Taxation of Dividends-U.S. Holders"), Brazilian withholding tax imposed on such U.S. source gain may not constitute a creditable tax. Moreover, even if the tax is a creditable tax, the U.S. Holder may be unable to benefit unless it can apply the credit against U.S. federal income tax payable on other income from foreign sources from the relevant foreign tax basket. Alternatively, the U.S. Holder may be able to take a deduction for the Brazilian income tax if it does not elect to claim a foreign income tax credit for any foreign taxes paid or accrued during the taxable year.

*Non-U.S. Holders*

A Non-U.S. Holder will not be subject to U.S. federal income tax in respect of gain recognized on a sale, exchange or other taxable disposition of common shares or ADSs unless:

- the gain is effectively connected with a trade or business of the Non-U.S. Holder in the United States (or is attributable to a permanent establishment maintained in the United States by that Non-U.S. Holder, if an applicable income tax treaty so requires as a condition for that Non-U.S. Holder to be subject to U.S. federal income taxation on a net basis in respect of gain from the sale or other disposition of the common shares or ADSs); or
- in the case of a Non-U.S. Holder who is an individual, that Non-U.S. Holder is present in the United States for 183 or more days in the taxable year of the sale and certain other conditions apply.

Effectively connected gains realized by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional branch profits tax (at a 30% rate or at a reduced rate as may be specified by an applicable income tax treaty).

***Passive Foreign Investment Companies***

Based on current estimates of our gross income, gross assets and the nature of our business, we believe that our common shares and the ADSs should not be treated as stock of a PFIC for U.S. federal income tax purposes. There can be no assurances in this regard (and it is possible the IRS could reach a contrary conclusion), however, because the application of the relevant rules is complex and involves some uncertainty. The PFIC determination is made annually and is based on the portion of our assets and income that is characterized as passive under the PFIC rules. Moreover, our business plans may change, which may affect the PFIC determination in the current or any future years.

In general, we will be a PFIC with respect to a U.S. Holder if, for any taxable year in which the U.S. Holder held ADSs or common shares, either (i) at least 75% of our gross income for the taxable year is passive income or (ii) at least 50% of the value (determined on the basis of a quarterly average) of our assets is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income generally includes, among other things, dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If we own at least 25% by value of the stock of another corporation, we will be treated for purposes of the PFIC tests as owning our proportionate share of the assets of the other corporation, and as receiving directly our proportionate share of the other corporation's income.

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If we are treated as a PFIC, a U.S. Holder that did not make a “mark-to-market election” or “QEF election,” each as described below, would be subject to special rules with respect to (a) any gain realized on the sale or other disposition of common shares or ADSs and (b) any “excess distribution” by us to the U.S. Holder (generally, any distributions to the U.S. Holder in respect of the common shares or ADSs during a single taxable year that are greater than 125% of the average annual distributions received by the U.S. Holder with respect to the common shares or ADSs during the three preceding taxable years or, if shorter, the U.S. Holder’s holding period for the common shares or ADSs). Under these rules, (i) the gain or excess distribution would be allocated ratably over the U.S. Holder’s holding period for the common shares or ADSs, (ii) the amount allocated to the taxable year in which the gain or excess distribution was realized would be taxable as ordinary income, (iii) the amount allocated to each prior year, with certain exceptions, would be subject to tax at the highest tax rate in effect for that year and (iv) the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax attributable to each such prior year.

If we are treated as a PFIC and, at any time, we invest in non-U.S. corporations that are classified as PFICs (each, a “Subsidiary PFIC”), U.S. Holders generally will be deemed to own, and also would be subject to the PFIC rules with respect to, their indirect ownership interest in that Subsidiary PFIC. If we are treated as a PFIC, a U.S. Holder could incur liability for the deferred tax and interest charge described above if either (i) we receive a distribution from, or dispose of all or part of our interest in, the Subsidiary PFIC or (ii) the U.S. Holder disposes of all or part of its common shares or ADSs.

The special PFIC tax rules described above will not apply to a U.S. Holder if the U.S. Holder makes an election (i) to “mark-to-market” with respect to the common shares or ADSs (a “mark-to-market election”) or (ii) to have us treated as a “qualified electing fund” (a “QEF election”). The QEF election is not available to holders unless we agree to comply with certain reporting requirements and provide the required annual information statements. The QEF and mark-to-market elections only apply to taxable years in which the U.S. Holder’s common shares or ADSs are treated as stock of a PFIC. Our ADR depositary has agreed to distribute the necessary information to registered holders of ADSs.

A U.S. Holder may make a mark-to-market election if the common shares or ADSs are “regularly traded” on a “qualified exchange.” Under applicable U.S. Treasury Department regulations, a “qualified exchange” includes a national securities exchange, such as the NYSE, that is registered with the SEC or the national market system established under the Exchange Act. Also, under applicable U.S. Treasury Department Regulations, PFIC securities traded on a qualified exchange are regularly traded on such exchange for any calendar year during which such stock is traded, other than in *de minimis* quantities, on at least 15 days during each calendar quarter. We cannot assure you that the ADSs will be eligible for a mark-to-market election.

A U.S. Holder that makes a mark-to-market election with respect to its ADSs must include for each taxable year in which the U.S. Holder’s common shares or ADSs are treated as shares of a PFIC, as ordinary income, an amount equal to the excess of the fair market value of the common shares or ADSs at the close of the taxable year over the U.S. Holder’s adjusted tax basis in the common shares or ADSs, and is allowed an ordinary loss for the excess, if any, of the adjusted tax basis over the fair market value of the common shares or ADSs at the close of the taxable year, but only to the extent of the amount of previously included mark-to-market inclusions (not offset by prior mark-to-market losses). These amounts of ordinary income, and any gain recognized on the sale, redemption or other taxable disposition of an ADS with respect to which such an election is in place, will not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. A U.S. Holder’s tax basis in the common shares or ADSs will be adjusted to reflect any income or loss amounts on its annual inclusions. Although a U.S. Holder may be eligible to make a mark-to-market election with respect to its common shares or ADSs, no such election may be made with respect to the stock of any Subsidiary PFIC that such U.S. Holder is treated as owning, because such Subsidiary PFIC stock is not marketable. Thus, the mark-to-market election will not be effective to avoid all of the adverse tax consequences described above with respect to any Subsidiary PFICs. U.S. Holders should consult their own tax advisors regarding the availability and advisability of making a mark-to-market election with respect to their common shares of ADSs based on their particular circumstances.

A U.S. Holder that makes a QEF election will be currently taxable on its *pro rata* share of our ordinary earnings and net capital gain (at ordinary income and long-term capital gain rates, respectively) for each of our taxable years, regardless of whether we distributed the income and gain. The U.S. Holder’s basis in the common shares or ADSs will be increased to reflect taxed but undistributed income. Distributions of income that had previously been taxed will result in a corresponding reduction of tax basis in the common shares or ADSs and will not be taxed again as a distribution to the U.S. Holder.

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In addition, notwithstanding any election that a U.S. Holder makes with regard to the common shares or ADSs, dividends that a non-corporate U.S. Holder receives from us will not constitute qualified dividend income if we are a PFIC either in the taxable year of the distribution or in the preceding taxable year.

Special rules apply with respect to the calculation of the amount of the foreign tax credit with respect to excess distributions by a PFIC or, in certain cases, QEF inclusions.

A U.S. Holder who owns common shares or ADSs during any taxable year that we are a PFIC in excess of certain *de minimis* amounts and fails to qualify for certain other exemptions would be required to file IRS Form 8621. In addition, under certain circumstances, the temporary regulations also require a "United States person" (as such term is defined in the Code) that owns an interest in a PFIC as an indirect shareholder through one or more United States persons to file Form 8621 for any taxable year during which such indirect shareholder is treated as receiving an excess distribution in connection with the ownership or disposition of such interest, or reports income pursuant to a mark-to-market or QEF election, among other circumstances. U.S. holders should consult their own tax advisors regarding the application of the PFIC rules to the common shares or ADSs.

### **Backup Withholding and Information Reporting**

#### *U.S. Holders*

Dividends paid on, and proceeds from the sale, redemption or other taxable disposition of common shares or ADSs received by a U.S. Holder generally will be subject to information reporting and backup withholding, unless, in the case of backup withholding, the U.S. Holder provides an accurate taxpayer identification number or in either case otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding collected from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that certain required information is timely furnished to the IRS.

#### *Non-U.S. Holders*

If common shares are held by a Non-U.S. Holder through the non-U.S. office of a non-U.S. related broker or financial institution, backup withholding and information reporting generally would not be required. Information reporting, and possibly backup withholding, may apply if the common shares are held by a Non-U.S. Holder through a U.S., or U.S.-related, broker or financial institution, or the U.S. office of a non-U.S. broker or financial institution and the Non-U.S. Holder fails to provide appropriate information. Information reporting and backup withholding generally will apply with respect to the ADSs if the Non-U.S. Holder fails to timely provide appropriate information. Non-U.S. Holders should consult their tax advisors regarding the application of these rules.

### **"Specified Foreign Financial Asset" Reporting**

Owners of "specified foreign financial assets" with an aggregate value in excess of US\$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their U.S. federal income tax returns. "Specified foreign financial assets" generally include any financial accounts maintained by non-U.S. financial institutions as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in non-U.S. entities.

Prospective purchasers should consult their own tax advisors regarding the application of the U.S. federal income tax laws to their particular situations as well as any additional tax consequences resulting from purchasing, holding or disposing of our common shares or the ADSs, including the applicability and effect of the tax laws of any state, local or foreign jurisdiction, including estate, gift and inheritance laws.

### **10F. Dividends and Paying Agents**

Not applicable.

### **10G. Statement by Experts**

Not applicable.

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**10H. Documents on Display**

We are subject to the information requirements of the Exchange Act and, accordingly, file reports and other information with the SEC. Reports and other information filed by us with the SEC may be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can obtain further information about the operation of the Public Reference Room by calling the SEC at +1 (800) SEC-0330. Our SEC filings are also available to the public from the SEC's website at <http://www.sec.gov>. You may also inspect our reports and other information at the offices of the NYSE, 11 Wall Street, New York, New York 10005, on which the ADSs are listed. For further information on obtaining copies of our public filings at the NYSE, you should call +1 (212) 656-5060. We also file financial statements and other periodic reports with the CVM.

**10I. Subsidiary Information**

Not applicable.

**10J. Annual Report to Security Holders**

Not applicable.

**Item 11. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to a number of different market risks arising from our normal business activities. Market risk is the possibility that changes in interest rates, currency exchange rates or commodities prices could adversely affect the value of our financial assets, liabilities, expected future cash flows or earnings. We maintain policies aimed at managing our exposure to these market risks. We may use financial instruments, such as derivatives, in order to achieve the main goals established by our board of directors to minimize our cost of capital and maximize our returns on financial assets, while observing credit and risk parameters, as determined by our board of directors. Derivatives are contracts whose value derives from one or more underlying financial instruments, indexes or prices defined in the contract. We only use well-understood and conventional derivative instruments for these purposes. These include futures and options traded on regulated exchanges and "over-the-counter" swaps, options and forward contracts.

**Market Risk Exposures and Market Risk Management**

Our treasury department is responsible for managing our market risk exposures. We use internal controls in order to:

- understand market risks;
- reduce our probability of financial losses; and
- reduce the volatility of our financial results.

The principal tools used by our treasury department are:

- *Sensitivity Analysis*. This measures the impact that movements in the price of different market variables, such as interest rates and exchange rates, will have on our earnings and cash flows; and
- *Stress Testing*. This measures the worst possible loss from a set of consistent scenarios to which probabilities are not assigned. The scenarios are deliberately chosen to include extreme changes in interest and currency exchange rates. Following is a discussion of the primary market risk exposures that we face together with an analysis of our exposure to each one.

**Interest Rate Risk**

We are exposed to interest rate risk on short- and long-term instruments as a result of refinancing of fixed-rate instruments included in our consolidated debt. Consequently, in addition to managing the currency and maturity of our debt, we manage interest costs through a balance between floating rate debt, which has inherently higher risk, and fixed-rate debt. We may use derivatives to achieve the desired ratio between floating-rate debt and fixed-rate debt, which ratio varies according to market conditions.

We are exposed to the following floating interest rates:

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- U.S. dollar secured overnight financing rate, or SOFR, due to our floating rate U.S. dollar-denominated debt (usually trade finance related) and our cash position held offshore in U.S. dollars, which is invested in short-term instruments;
- TJLP, due to *real*-denominated debt indexed to this interest rate; and
- CDI (benchmark Brazilian *real* overnight rate), due to our cash held in Brazil (onshore cash) and to our CDI indexed debt.

|  | Notional amount | 2024  | 2025  | Maturities |       |       |       | Thereafter |
|--|-----------------|-------|-------|------------|-------|-------|-------|------------|
|  |                 |       |       | 2026       | 2027  | 2028  |       |            |
| <b>Exposure as of December 31, 2023*</b> |                 |       |       |            |       |       |       |            |
| <b>(amortization)</b>                    |                 |       |       |            |       |       |       |            |
| U.S. dollar fixed rate                   | 19,039          | 1,779 | 1,123 | 886        | -     | 6,294 | 8,956 |            |
| U.S. dollar SOFR                         | 7,982           | 849   | 2,368 | 1,282      | 885   | 567   | 2,031 |            |
| CDI                                      | 16,835          | 4,494 | 1,694 | 2,481      | 2,473 | 1,277 | 4,417 |            |
| IPCA                                     | 34              | 8     | 8     | 8          | 8     | 3     | -     |            |
| TJLP                                     | 190             | 7     | 6     | 21         | 24    | 24    | 107   |            |
| Others                                   | 1,394           | 565   | 126   | 125        | 101   | 79    | 397   |            |

Our cash and cash equivalents were as follows as of the dates presented:

|                      | December 31, 2022 | December 31, 2023 | Exposure   |
|----------------------|-------------------|-------------------|------------|
| Cash in reais        | 5,196             | 4,331             | CDI        |
| Cash in U.S. dollars | 6,795             | 11,715            | SOFR Index |

The following table sets forth the average interest rate of our borrowings and financing:

|      | Average interest rate <sup>(*)</sup> | As of December 31, 2023 |  |
|------|--------------------------------------|-------------------------|--|
|      |                                      | Total debt              |  |
| US\$ | 6.69%                                | 27,020,824              |  |
| R\$  | 13.68%                               | 18,010,988              |  |
| EUR  | 5.44%                                | 442,100                 |  |
|      |                                      | <b>45,473,912</b>       |  |

(\*) In order to determine the average interest rates for our borrowings and financing agreements with floating rates, we used rates as of December 31, 2023.

We may conduct U.S. dollar futures operations on the B3 or over the counter to ensure the forward purchase or sale of U.S. dollars, which are settled by the difference in contracted R\$/US\$ buy or sell parity against the R\$/US\$ sell or buy parity. The main purpose of these operations is to hedge liabilities indexed to the U.S. dollar from Brazilian *real* fluctuations, which are affected by market, economic, political, regulatory and geopolitical conditions, among others. The gains and losses from these contracts are directly related to U.S. dollar exchange and CDI fluctuations. The following tables set forth the duration of our U.S. dollar and fixed-rate derivatives:

|  | Functional Currency | As of December 31, 2023 |                  |                         |
|--|---------------------|-------------------------|------------------|-------------------------|
|  |                     | Notional Amount         | Average Interest | Average Maturity (days) |
| Hedge accounting of export               | U.S. dollar         | 3,931                   | -                | -                       |
| CDI to U.S. dollar swap                  | U.S. dollar         | 67                      | -                | -                       |
| <i>Real</i> to U.S. dollar currency swap | U.S. dollar         | 115                     | -                | -                       |
| IPCA-to-CDI interest rate swap           | <i>Real</i>         | 4,313                   | -                | -                       |

## Foreign Currency Exchange Rate Risk

Fluctuations in exchange rates can have significant effects on our operating results. They affect the value of our *real*-denominated assets, the carrying and repayment costs of our *real*-denominated financial liabilities, our *real*-denominated production costs, the cost of *real*-denominated capital items and the prices we receive in the Brazilian market for our finished steel products. We may contract derivatives to manage certain of our net foreign exchange rate exposures, trying to balance our non-*real*-denominated assets with our non-*real*-denominated liabilities and using derivative instruments to match them. However, at any given time we may have significant foreign currency exchange rate risk exposure.

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Our exposure to the U.S. dollar is due to the following contract categories:

- U.S. dollar-denominated debt;
- offshore cash;
- currency derivatives;
- U.S. dollar indexed accounts payable and receivable (usually related to international trade, *i.e.*, imports and exports); and
- offshore investments, which comprise assets purchased offshore and denominated in U.S. dollars on our balance sheet.

The following table sets forth our exposure to U.S. dollar exchange rate risk:

|                                       | 2022 | As of December 31,<br>(in millions of US\$) | 2023           |
|---------------------------------------|------|---|----------------|
| <b>U.S. dollar liabilities</b>        |      |   |                |
| Loans and financing                   |      | 4,594                                       | 5,615          |
| Trade accounts payable                |      | 366   | 524            |
| Others                                |      | 23  | 42             |
| <b>Total liabilities</b>              |      | <b>4,983</b>                                | <b>6,181</b>   |
| <b>U.S. dollar assets</b>             |      |   |                |
| Offshore cash and cash equivalents    |      | 1,191                                       | 2,228          |
| Guarantee margin                      |      | 27  | 15             |
| Trade accounts receivable             |      | 316   | 292            |
| <b>Total assets</b>                   |      | <b>1,534</b>                                | <b>2,335</b>   |
| <b>Total U.S. dollar exposure</b>     |      | <b>(3,449)</b>                              | <b>(3,846)</b> |
| Cash flow - hedge accounting          |      | 4,409                                       | 3,931          |
| Exchange rate swap RS x U.S. dollar   |      | (115)                                       | (115)          |
| Exchange rate swap CDI x U.S. dollar  |      | (67)  | (67)           |
| <b>Total U.S. dollar net exposure</b> |      | <b>778</b>                                  | <b>103</b>     |

Our exposure to the euro is due to the following contract categories:

- euro-denominated debt;
- offshore cash;
- euro indexed accounts payable and receivable (usually related to international trade, *i.e.*, imports and exports); and
- offshore investments: assets that we bought offshore and that are denominated in euros on our balance sheet.

The following table sets forth our exposure to euro exchange rate risk:

|                                    | 2022 | As of December 31,<br>(in millions of €) | 2023     |
|------------------------------------|------|--|----------|
| <b>Euro liabilities</b>            |      |  |          |
| Trade accounts payable             |      | 105                                      | 4        |
| Loans and financing                |      | 25                                       | -        |
| Others                             |      | 45                                       | -        |
| <b>Total liabilities</b>           |      | <b>175</b>                               | <b>4</b> |
| <b>Euro assets</b>                 |      |  |          |
| Offshore cash and cash equivalents |      | 104                                      | 6        |
| Trade accounts receivable          |      | 37                                       | 2        |
| <b>Total assets</b>                |      | <b>141</b>                               | <b>8</b> |
| <b>Total euro exposure</b>         |      | <b>(34)</b>                              | <b>4</b> |

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**Offshore Investments**

We have capitalized our offshore subsidiaries domiciled in U.S. dollar-based countries with equity investments, and those investments are accounted as U.S. dollar investments. The result is that they are recorded as assets indexed to the U.S. dollar from an earnings perspective.

**Commodity Price Risk**

Fluctuations in the price of steel, iron ore and some of the commodities used in producing steel, such as zinc, aluminum, tin, coal, coke and energy, can have an impact on our earnings. We may contract derivatives to hedge our exposure to certain commodity price fluctuations.

**Sensitivity Analysis**

In the Brazilian macroeconomic environment, exchange rate variation is the most significant market risk we face. The U.S. dollar selling rate had an annual volatility of 11.7% from 2022 to 2023.

**Sensitivity Analysis of Derivative Financial Instruments and Foreign Exchange Exposure**

Scenarios 1 and 2 represent 25% and 50% appreciation of the foreign currency, using the respective closing selling rate as of December 31, 2023, as reported by the Central Bank, as a benchmark.

The currencies used in the sensitivity analysis and the respective scenarios are as follows:

| Currency                   | Exchange rate | December 31, 2023 |        | Scenario 1 | Scenario 2 |
|----------------------------|---------------|-------------------|--------|------------|------------|
|                            |               | Probable scenario |        |            |            |
| U.S. dollar to <i>real</i> | 4.8413        | 4.9408            | 6.0516 | 7.2620     |            |
| Euro to <i>real</i>        | 5.3516        | 5.3474            | 6.6895 | 8.0274     |            |
| U.S. dollar to euro        | 1.1054        | 1.0823            | 1.3818 | 1.6581     |            |

Set forth below are the effects on our income statement of scenarios 1 and 2:

|   | Notional       | Risk               | Probable scenario <sup>(*)</sup> | Scenario 1     | Scenario 2     |
|---|----------------|--------------------|----------------------------------|----------------|----------------|
|   |                |                    | (in thousands of R\$)            |                |                |
| <b>Instruments</b>                            |                |                    |                                  |                |                |
| Gross exchange position                       | (3,646,628)    | U.S. dollar        | 362,839                          | (4,413,605)    | (8,827,210)    |
| Cash flow hedge accounting                    | 3,931,879      | U.S. dollar        | 391,222                          | 4,758,851      | 9,517,703      |
| Exchange rate swap CDI x U.S. dollar          | (67,000)       | U.S. dollar        | (6,666)                          | (81,092)       | (162,184)      |
| Exchange rate swap U.S. dollar to <i>real</i> | (115,000)      | U.S. dollar        | (11,443)                         | (139,187)      | (278,375)      |
| <b>Net exchange position</b>                  | <b>103,251</b> | <b>U.S. dollar</b> | <b>10,274</b>                    | <b>124,967</b> | <b>249,934</b> |

(\*) We calculated the probable scenario considering the following variations: 2.06% appreciation of the *real* against the U.S. dollar / 0.80% appreciation of the *real* against the euro and no variation of the euro against the U.S. dollar. Source: Central Bank as of February 20, 2024.

**Sensitivity Analysis of Changes in Interest Rates**

Scenarios 1 and 2 represent 25% and 50%, respectively, interest volatility growth as of December 31, 2023, and set forth below are the effects on our balance sheet:

| % p.a.                           | Assets | Liabilities | Probable scenario*    | Impact on profit or loss |              |
|----------------------------------|--------|-------------|-----------------------|--------------------------|--------------|
|                                  |        |             |                       | Scenario 1               | Scenario 2   |
|                                  |        |             | (in thousands of R\$) |                          |              |
| <b>Changes in interest rates</b> |        |             |                       |                          |              |
| CDI                              | 11.65  | 5,145,643   | (15,051,974)          | (11,060,419)             | (11,637,462) |
| TJLP                             | 6.55   | -           | (850,558)             | (906,270)                | (934,125)    |
| SOFR                             | 5.38   | -           | (3,936,332)           | (4,148,107)              | (439,815)    |
| IPCA                             | 4.62   | -           | (34,181)              | (35,761)                 | (36,550)     |

(\*) This sensitivity analysis assumes a probable scenario of interest rates as of December 31, 2023, as recorded in our assets and liabilities.



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**Market Price Risk of Our Common Shares**

We are exposed to the risk of changes in the market price of our common shares due to investments made and investments recorded at fair value through profit or loss.

**Item 12. Description of Securities Other Than Equity Securities**

**American Depositary Shares**

Citibank, N.A., with its principal executive office located at 388 Greenwich Street, New York, New York 10013, serves as the depository for the ADSs. ADR holders are required to pay various fees to the depository, and the depository may refuse to provide any service for which a fee is assessed until the applicable fee has been paid.

ADR holders are required to pay the depository amounts in respect of expenses incurred by the depository or its agents on behalf of ADR holders, including expenses arising from compliance with applicable law, taxes or other governmental charges, facsimile transmission or conversion of foreign currency into U.S. dollars.

ADR holders are also required to pay additional fees for certain services provided by the depository, as set forth in the following table:

| Depository service  | Fee payable by ADR holders                      |
|---|---|
| Issuance and delivery of ADRs, including in connection with share distributions or stock splits | US\$2.00 for each 100 ADSs (or portion thereof) |
| Deposit of securities, including in respect of share, rights and other distributions            | US\$2.00 for each 100 ADSs (or portion thereof) |
| Withdrawal of deposited securities  | US\$5.00 for each 100 ADSs (or portion thereof) |

**Direct and Indirect Payments by the Depository**

The depository makes certain payments and reimburses us for certain expenses we incur in connection with the ADR program, as agreed between us and the depository from time to time. These reimbursable expenses currently include legal and accounting fees, listing fees, investor relations expenses and fees payable to service providers for the distribution of material to ADR holders. In 2023, these payments and reimbursements by the depository of the ADR program, Citibank, N.A., were US\$7.5 million.

**PART II**

**Item 13. Defaults, Dividend Arrearages and Delinquencies**

None.

**Item 14. Material Modification to the Rights of Security Holders and Use of Proceeds**

None.

**Item 15. Controls and Procedures**

**Disclosure Controls and Procedures**

We carried out an evaluation, under the supervision of our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our chief executive officer and chief financial officer have concluded that, as of December 31, 2023, CSN's disclosure controls and procedures are effective.

**Management's Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting.

Our internal control over financial reporting is a process designed under the supervision of our chief executive officer and chief financial officer and our audit committee and effected by our board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with IFRS.

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Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

The audited financial statements of CSN included in this annual report include the results of acquisitions from their respective dates of acquisition. See “Item 4. Information on the Company-4B. Business Overview-Investments and Divestitures-Acquisition Activity.”

Because of its inherent limitations, internal control over financial reporting may not prevent or detect material misstatements on a timely basis. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in “Internal Control - Integrated Framework,” issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission (2013). Based on this assessment, we concluded that our internal control over financial reporting is effective as of December 31, 2023.

### **Attestation Report of the Independent Registered Public Accounting Firm**

Grant Thornton Auditores Independentes Ltda., our independent registered public accounting firm, audited, as of December 31, 2023, our internal control over financial reporting. For Grant Thornton Auditores Independentes Ltda.’s report, dated April 30, 2024, see our audited consolidated financial statements included elsewhere in this annual report.

### **Changes in Internal Control over Financial Reporting**

In the year ended December 31, 2023, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **Item 16. Reserved**

#### **16A. Audit Committee Financial Expert**

Our audit committee comprises three members and each of them satisfies the audit committee membership independence requirements set forth by the SEC, the NYSE and Brazilian Corporate Law. After reviewing the qualifications of the members of our audit committee, our board of directors has determined that each member of our audit committee qualifies as an “audit committee financial expert,” as defined by the SEC.

As of the date of this annual report, our audit committee is assisted by an external consultant, that renders financial and consulting services, among others.

#### **16B. Code of Ethics**

We adopted our Code of Conduct in 1998, reinforcing our ethical standards and the values that apply to all of our employees, including executive officers and directors. Our Code of Conduct was last updated in 2023, defining basic principles to guide daily behavioral commitments assumed by our employees, executives, suppliers, customers and service providers, among other stakeholders.

We a confidential and secure whistleblower channel for reporting situations such as moral harassment, sexual harassment, conflict of interest, fraud and other events that are in disagreement with the guidelines of the Code of Conduct and applicable legislation.

In our governance structure, the compliance area is responsible for our integrity program, which aims to ensure compliance with ethical standards of conduct and transparency. This program includes continuous training for our employees and employees of our third parties, and monitoring of compliance with laws, regulations, policies, and internal standards.

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Our Code of Conduct is in compliance with the SEC requirements for codes of ethics for senior financial officers. A copy of our Code of Conduct is available on our website at [www.csn.com.br](http://www.csn.com.br).

### 16C. Principal Accountant Fees and Services

Our interaction with our independent auditors with respect to the contracting of services unrelated to the external audit is based on principles that preserve the independence of the auditors and are otherwise permissible under applicable rules and regulations. For the fiscal years ended December 31, 2022 and 2023, Grant Thornton Auditores Independentes Ltda. acted as our independent auditor.

The following table sets forth the services rendered and the related fees:

|                    | Year ended December 31,     |                |
|--------------------|-----------------------------|----------------|
|                    | 2022                        | 2023           |
|                    | <i>(in thousands of RS)</i> |                |
| Audit fees         | 6,654.5                     | 6,908.0        |
| Audit-related fees | 1,991.7                     | 2,235.0        |
| <b>Total</b>       | <b>8,646.2</b>              | <b>9,143.0</b> |

#### Audit Fees

Audit fees in 2022 and 2023 comprised the aggregate fees billed and billable by our independent auditors in connection with the audit of our consolidated financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.

#### Audit-Related Fees

In 2022 and 2023, audit-related fees in the above table are fees billed and billable by our independent auditors for services that are reasonably related to the performance of the audit or review of our financial statements, and include tax compliance, issuance of comfort letters, due diligence and other assurance services. Services additional to the examination of our financial statements are submitted for prior approval to our audit committee in order to ensure that they do not represent a conflict of interest or affect the auditors' independence.

### 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable. For a discussion on our audit committee, see "Item 6. Directors, Senior Management and Employees-6C. Board Practices-Audit Committee."

### 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In December 2021, we announced a share repurchase program for up to 30,000,000 of our outstanding common shares, which program terminated in June 2022. As of December 31, 2023, we did not hold any of our common shares in treasury. The following table sets forth certain information regarding our share repurchases in the last three fiscal years:

| Program Period                   | Shares Approved | Shares Purchased | Average Price Paid per Share | Shares Cancelled | Shares Sold | Shares that May Yet Be Purchased |
|----------------------------------|-----------------|------------------|------------------------------|------------------|-------------|----------------------------------|
| December 7, 2021 - June 30, 2022 | 30,000,000      | 14,298,500       | 24.70                        | -                | -           | 15,701,500                       |

### 16F. Change in Registrant's Certifying Accountant

Not applicable.

### 16G. Corporate Governance

#### Significant Differences between our Corporate Governance Practices and NYSE Corporate Governance Standards

We are subject to the NYSE corporate governance listing standards. As a foreign private issuer, the standards applicable to us are considerably different than the standards applicable to U.S. listed companies. Under the NYSE rules, we are required only to: (i) have an audit committee or audit board, pursuant to an applicable exemption available to foreign private issuers, that meets certain requirements, as discussed below, (ii) provide prompt certification by our chief executive officer of any material non-compliance with any corporate governance rules and (iii) provide a brief description of the significant differences between our corporate governance practices and the NYSE corporate governance practices required to be followed by U.S. listed companies. The discussion of the significant differences between our corporate governance practices and those required of U.S. listed companies follows below.

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***Majority of Independent Directors***

The NYSE rules require that a majority of the board of directors consist of independent directors. Independence is defined by various criteria, including the absence of a material relationship between the director and the listed company. Brazilian law does not have a similar requirement. Under Brazilian law, neither our board of directors nor our management is required to test the independence of directors before their election to the board. However, both Brazilian Corporate Law and the CVM have established rules that require a minimum number of independent directors to certain publicly held companies such as us, as well as rules that require us to meet certain qualification requirements and that address the compensation, duties and responsibilities of, as well as the restrictions applicable to, a company's executive officers and directors. While our directors meet the qualification requirements of Brazilian Corporate Law and the CVM, we do not believe that a majority of our directors would be considered independent under the NYSE test for director independence. Brazilian Corporate Law requires that our directors be elected by our shareholders at an annual shareholders' meeting.

***Executive Sessions***

NYSE rules require that non-management directors meet at regularly scheduled executive sessions without management present. Brazilian Corporate Law does not have a similar provision. According to Brazilian Corporate Law, up to one-third of the members of our board of directors can be elected from management. Mr. Benjamin Steinbruch, our chief executive officer, is also member of our board of directors. There is no requirement that non-management directors meet regularly without management. As a result, the non-management directors on our board of directors do not typically meet in executive sessions without management present, although they may do so and then report to the entire board of directors the topics discussed and their suggestions.

***Nominating and Corporate Governance Committee***

NYSE rules require that listed companies have a nominating and corporate governance committee composed entirely of independent directors and governed by a written charter addressing the committee's required purpose and detailing its required responsibilities, which include, among others, identifying and selecting qualified board member nominees and developing a set of corporate governance principles applicable to the company. We are not required under Brazilian Corporate Law to have, and currently we do not have, a nominating and corporate governance committee.

***Compensation Committee***

NYSE rules require that listed companies have a compensation committee composed entirely of independent directors and governed by a written charter addressing the committee's required purpose and detailing its required responsibilities, which include, among others, reviewing corporate goals relevant to the chief executive officer's compensation, evaluating the chief executive officer's performance, approving the chief executive officer's compensation levels and recommending to the board non-chief executive officer compensation, incentive compensation and equity-based plans. We are not required under applicable Brazilian law to have, and currently do not have, a compensation committee. Under Brazilian Corporate Law, the total amount available for compensation of our directors and executive officers and for profit-sharing payments to our executive officers is established by our shareholders at the annual shareholders' meeting. The board of directors is then responsible for determining the individual compensation and profit-sharing of each executive officer, as well as the compensation of our board and committee members.

***Audit Committee***

NYSE rules require that listed companies have an audit committee that (i) is composed of a minimum of three independent directors who are all financially literate, (ii) meets the SEC rules regarding audit committees for listed companies, (iii) has at least one member who has accounting or financial management expertise and (iv) is governed by a written charter addressing the committee's required purpose and detailing its required responsibilities. However, as a foreign private issuer, we need only to comply with the requirement that the audit committee meet the SEC rules regarding audit committees for listed companies to the extent compatible with Brazilian Corporate Law.

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We have established an audit committee, which provides assistance to our board of directors in matters involving our accounting, internal controls, financial reporting and compliance. Our audit committee recommends the appointment of our independent auditors to our board of directors and reviews the compensation of, and coordinates with, our independent auditors. It also reports on our auditing policies and our annual audit plan prepared by our internal auditing team. Our audit committee evaluates the effectiveness of our internal financial and legal compliance controls and comprises up to three independent directors elected by our board of directors for two-year terms.

As of the date of this annual report, our audit committee comprises Mr. Yoshiaki Nakano, Mr. Antonio Bernardo Vieira Maia and Mr. Miguel Ethel Sobrinho and is assisted by an external consultant that renders financial and consulting services, among others. Each of the members of our audit committee satisfies the audit committee membership independence requirements set forth by the SEC and the NYSE. Each of the members of our audit committee has been determined by our board of directors to qualify as an “audit committee financial expert” within the meaning of the rules adopted by the SEC relating to the disclosure of financial experts on audit committees in periodic filings pursuant to the Exchange Act. For further information on our audit committee, see “Item 6. Directors, Senior Management and Employees--6C. Board Practices-Audit Committee.”

### **Shareholder Approval of Equity Compensation Plans**

NYSE rules require that shareholders be given the opportunity to vote on all equity compensation plans and material revisions thereto, with limited exceptions. We currently do not have any such plan and, pursuant to our bylaws, we would require shareholder approval to adopt an equity compensation plan.

### **Corporate Governance Guidelines**

NYSE rules require that listed companies adopt and disclose corporate governance guidelines. We have adopted the following corporate governance guidelines, either based on Brazilian law or our Code of Conduct, institutional handbook or policies and procedures:

- an insider trading policy for securities issued by us;
- a policy for the disclosure of material facts; and
- a sustainability policy.

### **16H. Mine Safety Disclosure**

Not applicable as none of our mines are located in the United States and as such are not subject to the U.S. Federal Mine Safety and Health Act of 1977 or the U.S. Mine Safety and Health Administration.

### **16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

### **16J. Insider Trading Policies**

We have adopted insider trading policies and procedures governing the purchase, sale and other dispositions of our securities by directors, senior management and employees, which policies and procedures are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to us.

### **16K. Cybersecurity**

#### **Risk Management and Strategy**

Our cybersecurity risk management strategy sets forth guidelines on information security, control and monitoring to adequately protect our information assets regarding integrity, availability and confidentiality of information included in our IT systems and other resources. We adopted processes for the management of risks deriving from cybersecurity threats, which are documented in our information security policy.

We apply cybersecurity solutions and procedures to ensure the most appropriate and applicable handling, collection and availability of data and information used in our corporate systems.

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Our IT department is responsible for maintaining and fostering the implementation of our cybersecurity policy, as well as instructing users about the information security rules that are applicable to all, including those in our subsidiaries with a different IT environment, with greater or lesser integration with the rest of the organization.

As part of our risk management strategy, we engage a cybersecurity ISO27001 and ISAE3402 certified company to manage our cybersecurity controls and procedures. Moreover, we adopt the Control Objectives for Information Technologies framework, which is a framework created by the Information Systems Audit and Control Association for information technology management and IT governance. We continuously assess and oversee material risks deriving from cybersecurity threats associated with our third-party service providers.

In terms of cybersecurity processes and tools, we have a security operations center, an event correlation tool and a virus detection and reaction solution. We also established committees and invest in multiple authentication factor solutions, user awareness and immutable backup solutions.

We conduct quarterly internal vulnerability analysis processes, together with our outsourced service provider, and annual invasion tests, together with external companies. Based on the gaps identified during the invasion tests, we prepare action plans to mitigate these risks. All information security events are monthly recorded, addressed and presented by our security operations center.

In recent years, we had no incidents that resulted in any type of service downtime, damage or data leak.

## **Governance**

We have an information security work group that comprises our information technology team with our risk and compliance teams. All relevant threats and risks are informed to our audit committee. Our audit committee holds regular meetings that focus on ensuring compliance with the responsibilities set forth in applicable law and the audit committee's operating policy. Our audit committee decides on the engagement of consultants, counsel, accountants, experts and other external professionals, as required to assist it in the performance of its duties.

We assess our strategic, operating, financial and regulatory risks through our audit, risks and compliance executive board. Accordingly, our main risk factors, including risks derived from cybersecurity threats, are consolidated every two years and assessed in terms of chance of occurrence and potential impacts to us. Based on this mapping, the business departments responsible for the management of the risks involved in the relevant processes implement action plans to mitigate these risks and avoid significant impacts.

## **PART III**

### **Item 17. Financial Statements**

See "Item 18. Financial Statements."

### **Item 18. Financial Statements**

See our audited consolidated financial statements, together with the report of Grant Thornton Auditores Independentes Ltda. thereon, beginning on Page F-1 of this annual report.

### **Item 19. Exhibits**

| <b>Exhibit Number</b> | <b>Description</b>   |
|-----------------------|--|
| <a href="#">1.1</a>   | <a href="#">Bylaws of the registrant (English translation), incorporated in this annual report by reference from our Form 6-K filed with the SEC on November 27, 2017.</a>   |
| <a href="#">2.1</a>   | <a href="#">Amended and Restated Deposit Agreement, among Companhia Siderúrgica Nacional, Citibank, N.A., as depositary, and the holders and beneficial owners of American Depositary Shares issued thereunder, incorporated in this annual report by reference from our Registration Statement on Form F-6 filed with the SEC on February 24, 2022.</a> |
| <a href="#">2.2</a>   | <a href="#">Description of the registrant's securities registered under Section 12 of the Exchange Act, incorporated in this annual report by reference from our annual report on Form 20-F for the fiscal year ended December 31, 2019, filed with the SEC on April 3, 2020.</a>  |

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|                      |   |   |
|----------------------|---|---|
| <a href="#">4.1</a>  | * | <a href="#">Investment Agreement, dated November 21, 2014, among Companhia Siderúrgica Nacional, Brazil Japan Iron Ore Corporation, POSCO, China Steel Corporation, Congonhas Minérios S.A. and Nacional Minérios S.A., as amended on November 15, 2015 and restated on November 27, 2015, incorporated in this annual report by reference from our annual report on Form 20-F for the fiscal year ended December 31, 2020, filed with the SEC on April 13, 2021.</a> |
| <a href="#">4.2</a>  |   | <a href="#">Amendment, dated December 6, 2019, among Companhia Siderúrgica Nacional, Japão Brasil Minério de Ferro Participações Ltda., POSCO, China Steel Corporation and CSN Minérios Nacional S.A., to the Investment Agreement (Exhibit 4.1), incorporated in this annual report by reference from our annual report on Form 20-F for the fiscal year ended December 31, 2020, filed with the SEC on April 13, 2021.</a>  |
| <a href="#">8.1</a>  | + | <a href="#">List of subsidiaries.</a>   |
| <a href="#">11.1</a> |   | <a href="#">Policy for the Disclosure of Material Facts and the Trading of Securities Issued by CSN, incorporated in this annual report by reference from our annual report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on April 27, 2023.</a>   |
| <a href="#">12.1</a> | + | <a href="#">Section 302 Certification of Chief Executive Officer.</a>   |
| <a href="#">12.2</a> | + | <a href="#">Section 302 Certification of Chief Financial Officer.</a>   |
| <a href="#">13.1</a> | + | <a href="#">Section 906 Certification of Chief Executive Officer.</a>   |
| <a href="#">13.2</a> | + | <a href="#">Section 906 Certification of Chief Financial Officer.</a>   |
| <a href="#">96.1</a> |   | <a href="#">Technical Report Summary for Casa de Pedra Operations, incorporated in this annual report by reference from our amended annual report on Form 20-F/A for the fiscal year ended December 31, 2022, filed with the SEC on April 25, 2024.</a>   |
| <a href="#">97.1</a> | + | <a href="#">Policy on Clawback for the Recovery of Erroneously Awarded Compensation, dated December 1, 2023.</a>  |
| 101.INS              | + | XBRL Instance Document.   |
| 101.SCH              | + | XBRL Taxonomy Extension Schema.   |
| 101.CAL              | + | XBRL Taxonomy Extension Scheme Calculation Linkbase.  |
| 101.DEF              | + | XBRL Taxonomy Extension Scheme Definition Linkbase.   |
| 101.LAB              | + | XBRL Taxonomy Extension Scheme Label Linkbase.  |
| 101.PRE              | + | XBRL Instance Document.   |

\* Certain confidential portions of the exhibit have been omitted from the public filing.  
+ Filed herewith.

**SIGNATURES**

The registrant hereby certifies that it meets all the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**COMPANHIA SIDERÚRGICA NACIONAL**

By: /s/ Benjamin Steinbruch  
Name: Benjamin Steinbruch  
Title: Chief Executive Officer

By: /s/ Antonio Marco Campos Rabello  
Name: Antonio Marco Campos Rabello  
Title: Chief Financial Officer and Investor Relations Officer

Dated: April 30, 2024



# Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders  
**Companhia Siderúrgica Nacional**

## Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Companhia Siderúrgica Nacional and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in the 2013 *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in the 2013 *Internal Control - Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2023, and our report dated April 30, 2024 expressed an unqualified opinion on those financial statements.

## Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting (Management's Report). Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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**Definition and limitations of internal control over financial reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Grant Thornton Auditores Independentes Ltda.

São Paulo, Brazil

April 30, 2024

# Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders  
**Companhia Siderúrgica Nacional**

## Opinion on the consolidated financial statements

We have audited the accompanying consolidated balance sheets of Companhia Siderúrgica Nacional and subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in the 2013 *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated on April 30, 2024 expressed an unqualified opinion.

## Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

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**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

**Recoverability of deferred tax assets**

The Company has deferred tax assets on income tax and social contribution of R\$5,034 million as of December 31, 2023, relating to accumulated tax losses, negative basis of social contribution and temporary differences arising from temporary provisions recognized. These deferred taxes balances are recognized based on the probability of future taxable income.

The annual evaluation of the deferred tax assets recoverability involves a high degree of judgment to assess the significant assumptions that are reflected in the forecast of future taxable income. In addition, there is a level of uncertainty inherent to the significant assumptions, used in determining estimates of future taxable income, which, if changed, could have a significant impact on the Company's evaluation of the recoverability of the deferred tax assets. Based on these aspects, we identified the evaluation of recoverability of deferred tax assets as a critical audit matter.

The primary procedures we performed to address this critical audit matter are the following:

- We evaluated the design and tested the operating effectiveness of the relevant controls related to the estimation of future taxable income to support the recoverability of deferred tax assets;
- We evaluated the reasonableness of the inputs and historical data used in the estimation.
- We involved our internal valuation professionals with specialized skills and knowledge, who assisted in:
  - (i) evaluating significant assumptions used in estimation of future taxable income, comparing them with public available market data; and
  - (ii) performing sensitivity analysis over the significant assumptions used to assess the impact on the Company's forecast of the future taxable income.

/s/ Grant Thornton Auditores Independentes Ltda.

We have served as the Company's auditor since 2017.

São Paulo, Brazil

April 30, 2024.

Companhia Siderúrgica Nacional S.A. and Subsidiaries

Consolidated Balance Sheets as of December 31  
(Thousands of Brazilian Reais)

|                                 | Notes | 12/31/2023        | Consolidated<br>12/31/2022 |
|---------------------------------|-------|-------------------|----------------------------|
| <b>ASSETS</b>                   |       |                   |                            |
| <b>Current</b>                  |       |                   |                            |
| Cash and cash equivalents       | 4     | 16,046,218        | 11,991,356                 |
| Financial investments           | 5     | 1,533,004         | 1,456,485                  |
| Trade receivables               | 6     | 3,269,764         | 3,233,164                  |
| Inventories                     | 7     | 9,557,578         | 11,289,229                 |
| Recoverable taxes               | 8     | 1,744,074         | 1,865,626                  |
| Other current assets            | 9     | 927,062           | 776,500                    |
| <b>Total current assets</b>     |       | <b>33,077,700</b> | <b>30,612,360</b>          |
| <b>Non-Current</b>              |       |                   |                            |
| <b>Long-term assets</b>         |       |                   |                            |
| Financial investments           | 5     | 251,299           | 156,185                    |
| Deferred taxes                  | 18    | 5,033,634         | 5,095,718                  |
| Inventories                     | 7     | 1,412,103         | 1,045,665                  |
| Recoverable taxes               | 8     | 2,537,423         | 1,317,132                  |
| Other non-current assets        | 9     | 5,310,491         | 4,749,718                  |
| <b>Total long-term assets</b>   |       | <b>14,544,950</b> | <b>12,364,418</b>          |
| Investments                     | 10    | 5,443,131         | 5,219,082                  |
| Property, plant and equipment   | 11    | 27,927,458        | 26,370,445                 |
| Intangible assets               | 12    | 10,536,481        | 10,788,054                 |
| <b>Total non-current assets</b> |       | <b>58,452,020</b> | <b>54,741,999</b>          |
| <b>TOTAL ASSETS</b>             |       | <b>91,529,720</b> | <b>85,354,359</b>          |

The accompanying notes are an integral part of these consolidated financial statements.

## Companhia Siderúrgica Nacional and Subsidiaries

 Consolidated Balance Sheets as of December 31  
 (Thousands of Brazilian Reais)

|   | Notes | 12/31/2023        | Consolidated<br>12/31/2022 |
|---|-------|-------------------|----------------------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                   |       |                   |                            |
| <b>Current</b>  |       |                   |                            |
| Borrowings and financing                                      | 13    | 7,613,367         | 5,193,636                  |
| Payroll and related taxes                                     |       | 469,247           | 422,495                    |
| Trade payables  | 16    | 7,739,520         | 6,596,915                  |
| Taxes payables  |       | 864,609           | 870,333                    |
| Provisions for tax, social security, labor and civil risks    | 20    | 36,000            | 73,089                     |
| Advances from customers                                       | 17    | 2,063,509         | 1,120,072                  |
| Dividends and interest on equity payable                      | 17    | 80,624            | 611,307                    |
| Trade payables - forfeiting and drawee risk                   | 17    | 4,209,434         | 5,709,069                  |
| Other payables  | 17    | 1,940,793         | 1,878,203                  |
| <b>Total current liabilities</b>                              |       | <b>25,017,103</b> | <b>22,475,119</b>          |
| <b>Non-Current</b>  |       |                   |                            |
| Borrowings and financing                                      | 13    | 37,245,708        | 35,725,106                 |
| Deferred taxes assets   | 18    | 304,002           | 216,950                    |
| Provisions for tax, social security, labor and civil risks    | 20    | 1,306,870         | 1,411,736                  |
| Pension and healthcare plan                                   | 30    | 513,902           | 555,329                    |
| Provisions for environmental liabilities and decommissioning  | 21    | 1,018,805         | 937,657                    |
| Other payables  |       | 6,438,492         | 2,216,418                  |
| <b>Total non-current liabilities</b>                          |       | <b>46,827,779</b> | <b>41,063,196</b>          |
| <b>Shareholders' equity</b>                                   |       |                   |                            |
| Paid-in capital   | 23a   | 10,240,000        | 10,240,000                 |
| Capital reserves  |       | 32,720            | 32,720                     |
| Legal reserves  |       | 1,158,925         | 1,158,925                  |
| Earnings reserves   |       | 4,912,311         | 7,829,517                  |
| Other comprehensive income                                    |       | 1,156,719         | 228,305                    |
| <b>Total shareholders' equity of controlling shareholders</b> |       | <b>17,500,675</b> | <b>19,489,467</b>          |
| Non-controlling interest                                      |       | 2,184,163         | 2,326,577                  |
| <b>Total shareholders' equity</b>                             |       | <b>19,684,838</b> | <b>21,816,044</b>          |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>             |       | <b>91,529,720</b> | <b>85,354,359</b>          |

The accompanying notes are an integral part of these consolidated financial statements.

## Companhia Siderúrgica Nacional and Subsidiaries

 Consolidated Statements of Income for the years ended December 31  
 (Thousands of Brazilian Reals)

|   | Notes | 12/31/2023         | 12/31/2022         | Consolidated<br>12/31/2021 |
|---|-------|--------------------|--------------------|----------------------------|
| <b>Net revenue from sales</b>                           | 25    | <b>45,437,950</b>  | <b>44,362,120</b>  | <b>47,912,039</b>          |
| Costs of sales of products and services                 | 26    | (33,475,189)       | (31,054,016)       | (25,837,475)               |
| <b>Gross profit</b>                                     |       | <b>11,962,761</b>  | <b>13,308,104</b>  | <b>22,074,564</b>          |
| <b>Operating income (expenses)</b>                      |       | <b>(6,776,012)</b> | <b>(5,666,642)</b> | <b>(1,534,602)</b>         |
| Selling expenses  | 26    | (3,729,089)        | (2,575,818)        | (2,372,298)                |
| General and administrative expenses                     | 26    | (760,894)          | (674,119)          | (587,148)                  |
| Equity earnings of affiliated companies                 | 10    | 351,131            | 237,917            | 182,504                    |
| Other operating income                                  | 27    | 450,016            | 253,233            | 2,958,372                  |
| Other operating expenses                                | 27    | (3,087,176)        | (2,907,855)        | (1,716,032)                |
| <b>Profit before financial results and income taxes</b> |       | <b>5,186,749</b>   | <b>7,641,462</b>   | <b>20,539,962</b>          |
| Financial income  | 28    | 1,655,747          | (78,220)           | 1,167,184                  |
| Financial expenses                                      | 28    | (5,807,129)        | (3,436,805)        | (3,111,368)                |
| <b>Profit before income taxes</b>                       |       | <b>1,035,367</b>   | <b>4,126,437</b>   | <b>18,595,778</b>          |
| Income tax and social contribution                      | 18    | (632,718)          | (1,958,739)        | (5,000,157)                |
| <b>Net income for the period</b>                        |       | <b>402,649</b>     | <b>2,167,698</b>   | <b>13,595,621</b>          |
| <b>Net income for the year attributed to:</b>           |       |                    |                    |                            |
| Controlling interests                                   |       | (318,206)          | 1,554,060          | 12,258,628                 |
| Non-controlling interests                               |       | 720,855            | 613,638            | 1,336,993                  |
| <b>Basic earnings per share</b>                         | 23.f  | <b>(0.23996)</b>   | <b>1.17108</b>     | <b>8.90654</b>             |
| <b>Diluted earnings per share</b>                       | 23.f  | <b>(0.23996)</b>   | <b>1.17108</b>     | <b>8.90654</b>             |

The accompanying notes are an integral part of these consolidated financial statements.

**Companhia Siderúrgica Nacional and Subsidiaries**
**Consolidated Statements of Comprehensive Income for the years ended December 31**  
 (Thousands of Brazilian Reals, except for the earnings (loss) per common share)

|   | 12/31/2023       | 12/31/2022       | Consolidated<br>12/31/2021 |
|---|------------------|------------------|----------------------------|
| <b>Net income for the year</b>  | <b>402,649</b>   | <b>2,167,698</b> | <b>13,595,621</b>          |
| <b>Items that will not be subsequently reclassified to the statement of income</b>                |                  |                  |                            |
| Actuarial gains on defined benefit plan from investments in subsidiaries                          | (8,399)          | 1,254            | 698                        |
| Actuarial gains on defined benefit pension plan   | 41,635           | 16,278           | 300,455                    |
| <b>Total Items that will not be subsequently reclassified to the statement of income</b>          | <b>33,236</b>    | <b>17,532</b>    | <b>301,153</b>             |
| <b>Items that could be subsequently reclassified to the statement of income</b>                   |                  |                  |                            |
| Cumulative translation adjustments for the year   | (142,939)        | (534,300)        | (8,097)                    |
| (Loss)/gain on cash flow hedge accounting, net of taxes   | 805,749          | (243,942)        | 795,923                    |
| Cash flow hedge accounting reclassified to the statement of income upon realization, net of taxes | 240,886          | 1,393,034        | 525,290                    |
| (Loss)/gain cash flow hedge accounting - reflection of investments in subsidiaries, net of taxes  |                  | 56,466           | 18,300                     |
| Cash flow hedge of subsidiaries reclassified to income, net of taxes                              | 5,710            | (553,849)        | (17,755)                   |
| Treasury shares acquired by subsidiary  |                  |                  | (651,016)                  |
| <b>Total Items that could be subsequently reclassified to the statement of income</b>             | <b>909,406</b>   | <b>117,409</b>   | <b>662,645</b>             |
| Other comprehensive income  | 942,642          | 134,941          | 963,798                    |
| <b>Comprehensive income for the year</b>  | <b>1,345,291</b> | <b>2,302,639</b> | <b>14,559,419</b>          |
| <b>Attributable to:</b>   |                  |                  |                            |
| Attributed to owners of the Company   | 624,752          | 1,790,341        | 13,364,223                 |
| Attributed to non-controlling interests   | 720,539          | 512,298          | 1,195,196                  |
|   | <b>1,345,291</b> | <b>2,302,639</b> | <b>14,559,419</b>          |

The accompanying notes are an integral part of these consolidated financial statements.



Companhia Siderúrgica Nacional and Subsidiaries

Consolidated Statements of Cash Flows for the years ended December 31  
(Thousands of Brazilian Reais)

|  | Notes         | 12/31/2023       | 12/31/2022         | Consolidated<br>12/31/2021 |
|--|---------------|------------------|--------------------|----------------------------|
| Net income for the year  |               | 402,649          | 2,167,698          | 13,595,621                 |
| <b>Adjustments to reconcile net income (loss) to net cash provided by operations:</b>    |               |                  |                    |                            |
| Accrued charges on borrowings and financing  |               | 3,481,514        | 2,459,769          | 2,053,547                  |
| Charges on loans and financing granted   |               | (182,759)        | (152,484)          | (61,632)                   |
| Depreciation/ depletion / amortization   | 26            | 3,379,141        | 2,877,656          | 2,218,192                  |
| Equity earnings of affiliated companies  | 10            | (351,131)        | (237,917)          | (182,504)                  |
| Charges on lease liabilities   | 15            | 82,521           | 69,510             | 62,470                     |
| Deferred income tax and social contribution  | 18            | (403,544)        | 420,773            | 759,355                    |
| Provision for tax, social security, labor and civil risks                                |               | (139,871)        | 92,263             | (61,404)                   |
| Monetary variations and exchange differences   |               | 882,201          | (105,919)          | 1,039,420                  |
| Additions(reversals) of PP&E provisions for losses, net of write-offs                    | 10, 11 and 12 | 158,140          | (24,914)           | 74,260                     |
| Provision (Reversal) for consumption and services  |               | (64,813)         | 25,273             | 41,450                     |
| Investment impairment reversal   |               |                  | (387,989)          |                            |
| Provision for environmental liabilities and decommissioning of assets                    |               | 81,148           | (6,899)            | 92,406                     |
| Financial investments - shares - Fair value through profit or loss (VJR)                 | 27 and 28     | (292,346)        | 1,293,784          | 11,293                     |
| Receivables by indemnity   |               |                  | (422,254)          | (17,713)                   |
| Net gains on the sale of the shares of Usiminas  |               |                  |                    | (505,844)                  |
| Net gains on the sale of the shares of CSN Mineração                                     |               |                  |                    | (2,472,497)                |
| Net gain from sale of equity interest  |               | (92,438)         |                    |                            |
| Dividends of USIMINAS  |               | (52,516)         | (113,697)          | (196,838)                  |
| Other provisions   |               | 106,418          | (6,267)            | (18,369)                   |
| <b>Total Adjustments to reconcile net income (loss) to net cash provide by operation</b> |               | <b>6,994,314</b> | <b>7,948,386</b>   | <b>16,431,213</b>          |
| <b>Changes in assets and liabilities</b>   |               |                  |                    |                            |
| Trade receivables - third parties  |               | 225,997          | (1,331,126)        | 1,233,727                  |
| Trade receivables - related parties  |               | 12,512           | (72,187)           | (23,220)                   |
| Inventories  |               | 1,303,288        | (734,991)          | (6,352,079)                |
| Receivables from related parties/Dividends   |               | 124,452          | 176,447            | 206,475                    |
| Recoverable taxes  |               | (1,098,739)      | (278,370)          | (65,161)                   |
| Judicial deposits  |               | 41,782           | (39,277)           | (14,688)                   |
| Compulsory loan received   |               |                  | 370,000            |                            |
| Trade payables   |               | 1,159,629        | (479,693)          | 1,173,033                  |
| Trade payables - forfeiting  |               | (1,499,635)      | 1,269,102          | 3,816,106                  |
| Payroll and related taxes  |               | 48,200           | 31,894             | 46,653                     |
| Taxes in installments  |               | (214,330)        | (2,505,758)        | 1,221,191                  |
| Payables to related parties  |               | (70,659)         | 21,115             | (28,909)                   |
| Advance from customer  |               | 4,844,361        | (863,370)          | (697,137)                  |
| Advance from electric energy contracts   |               |                  | 642,240            |                            |
| Interest paid  | 13.a          | (3,428,721)      | (2,315,586)        | (2,137,782)                |
| Cash flow hedge accounting paid  |               | (962,651)        | 64,436             | (12,573)                   |
| Other  |               | (187,192)        | 139,531            | (3,586)                    |
| <b>Increase (Decrease) in assets and liabilities</b>                                     |               | <b>298,294</b>   | <b>(5,905,593)</b> | <b>(1,637,950)</b>         |
| <b>Net cash generated by operating activities</b>  |               | <b>7,292,608</b> | <b>2,042,793</b>   | <b>14,793,263</b>          |

The accompanying notes are an integral part of these consolidated financial statements.

**Companhia Siderúrgica Nacional and Subsidiaries**
**Consolidated Statements of Cash Flows for the years ended December 31**  
 (Thousands of Brazilian Reals)

|  |               |                    |                     |                    |
|--|---------------|--------------------|---------------------|--------------------|
| Investments / AFAC / Acquisitions of Shares  |               | (338,568)          | (662,761)           | (296,357)          |
| Purchase of property, plant and equipment, intangible assets and investment property | 10, 11 and 12 | (4,408,119)        | (3,352,210)         | (2,864,707)        |
| Loans granted to related parties   |               | (101,912)          | (119,536)           | (123,656)          |
| Loans received from related parties  |               | 8,032              |                     |                    |
| Financial investment, net of redeemed amount   |               | 136,678            | 21,568              | 1,504,770          |
| Net cash received from sale of CSN Mineração's shares                                |               |                    |                     | 3,164,612          |
| Cash received from acquisition of investment in Elizabeth's                          |               |                    |                     | 54,768             |
| Deposit in guarantee for the acquisition of LafargeHolcim                            |               |                    |                     | (263,750)          |
| Price paid in acquisition of Cimentos Elizabeth's                                    |               |                    |                     | (727,752)          |
| Cash received from Acquisition of investments Metalgráfica                           | 10.c          |                    | 569                 |                    |
| Acquisition of Topázio Energética, Santa Ana and Brasil Central                      |               |                    | (466,153)           |                    |
| Cash received from Acquisition of investments in Topázio Energética and Santa Ana    |               |                    | 5,095               |                    |
| Acquisition of CSN Cimentos Brasil   |               |                    | (4,770,354)         |                    |
| Cash received in the acquisition of CSN Cimentos Brasil                              |               |                    | 496,445             |                    |
| Price paid in acquisition of CEEE-G  |               |                    | (928,000)           |                    |
| Cash received in the acquisition of CEEE-G   |               |                    | 661,864             |                    |
| Price paid in acquisition of Energética Chapecó                                      |               |                    | (358,634)           |                    |
| Cash received from Acquisition of investments Chapecó                                |               |                    | 41,693              |                    |
| Price paid in acquisition of concession rights                                       |               |                    | (2,024,118)         |                    |
| Receipt of sale of corporate interest  |               | 114,763            |                     |                    |
| <b>Net cash used in (generated by) investment activities</b>                         |               | <b>(4,589,126)</b> | <b>(11,454,532)</b> | <b>447,928</b>     |
| Borrowings and financing raised  | 13.a          | 15,638,624         | 20,187,894          | 12,845,544         |
| Cost of borrowing  |               | (201,917)          | (334,709)           | (162,852)          |
| Payment of borrowings  | 13.a          | (9,892,344)        | (10,782,858)        | (17,639,178)       |
| Amortization of leases   | 15            | (239,909)          | (155,995)           | (114,303)          |
| Payment of dividends and interests on shareholder's equity                           |               | (3,980,871)        | (3,756,738)         | (3,290,544)        |
| Issuance of new CSN Mineração's shares   |               |                    | (410,568)           | (1,516,388)        |
| Share repurchase   |               |                    |                     | 1,347,862          |
| <b>Net cash used in (generated by) financing activities</b>                          |               | <b>1,323,583</b>   | <b>4,747,026</b>    | <b>(8,529,859)</b> |
| <b>Exchange rate changes on cash and cash equivalents of foreign subsidiaries</b>    |               | <b>27,797</b>      | <b>9,589</b>        | <b>(9,438)</b>     |
| Increase (decrease) in cash and cash equivalents                                     |               | 4,054,862          | (4,655,124)         | 6,701,894          |
| Cash and cash equivalents at the beginning of the year                               |               | 11,991,356         | 16,646,480          | 9,944,586          |
| <b>Cash and cash equivalents at the end of the year</b>                              |               | <b>16,046,218</b>  | <b>11,991,356</b>   | <b>16,646,480</b>  |

The accompanying notes are an integral part of these consolidated financial statements.

**Companhia Siderúrgica Nacional and Subsidiaries**
**Consolidated Statement of Changes in Shareholders' Equity**  
 (Thousands of Brazilian Reals)

|  | Paid-in<br>Capital | Capital<br>Reserve | Earnings<br>Reserve | Retained<br>earnings/<br>(accumulated<br>losses) | Other<br>comprehensive<br>income | Shareholders'<br>Equity | Non-Controlling<br>interests | Consolidated<br>Equity |
|--|--------------------|--------------------|---------------------|--|----------------------------------|-------------------------|------------------------------|------------------------|
| <b>Balances at December 31, 2020</b>   | <b>6,040,000</b>   | <b>32,720</b>      | <b>5,824,350</b>    |  | <b>(1,983,619)</b>               | <b>9,913,451</b>        | <b>1,338,054</b>             | <b>11,251,505</b>      |
| <b>Capital transactions with shareholders</b>                                      | 4,200,000          |                    | (5,078,666)         | (2,911,424)                                      | 827,414                          | (2,962,676)             | 526,141                      | (2,436,535)            |
| Proposed capital increase  | 4,200,000          |                    | (4,200,000)         |  |                                  |                         | 294,900                      | 294,900                |
| Treasury shares acquired   |                    |                    | (878,666)           |  |                                  | (878,666)               |                              | (878,666)              |
| Dividends  |                    |                    |                     | (2,654,471)                                      |                                  | (2,654,471)             | (598,095)                    | (3,252,566)            |
| Interest on equity   |                    |                    |                     | (256,953)  |                                  | (256,953)               | (95,895)                     | (352,848)              |
| Net gain of transaction primary and secondary distribution shares of CSN Mineração |                    |                    |                     |  | 829,486                          | 829,486                 | 923,159                      | 1,752,645              |
| (Loss)/gain on the percentage change in investments                                |                    |                    |                     |  | (2,072)                          | (2,072)                 |                              |                        |
| <b>Total comprehensive income</b>  |                    |                    |                     | <b>12,258,628</b>                                | <b>1,105,595</b>                 | <b>13,364,223</b>       | <b>1,195,196</b>             | <b>14,559,419</b>      |
| Net income for the year  |                    |                    |                     | 12,258,628                                       |                                  | 12,258,628              | 1,336,993                    | 13,595,621             |
| <b>Other comprehensive income</b>  |                    |                    |                     |  | <b>1,105,595</b>                 | <b>1,105,595</b>        | <b>(141,797)</b>             | <b>963,798</b>         |
| Cumulative translation adjustments for the year                                    |                    |                    |                     |  | (8,097)                          | (8,097)                 |                              | (8,097)                |
| Actuarial gain/(loss) on defined benefit pension plan, net of taxes                |                    |                    |                     |  | 301,379                          | 301,379                 | (226)                        | 301,153                |
| Gain/(loss) on the cash flow hedge accounting, net of taxes                        |                    |                    |                     |  | 1,321,690                        | 1,321,690               | 68                           | 1,321,758              |
| Treasury shares acquired by subsidiary   |                    |                    |                     |  | (509,377)                        | (509,377)               | (141,639)                    | (651,016)              |
| <b>Internal changes in shareholders' equity</b>                                    |                    |                    | <b>9,347,204</b>    | <b>(9,347,204)</b>                               |                                  |                         |                              |                        |
| Constitution of reserves   |                    |                    | 9,347,204           | (9,347,204)                                      |                                  |                         |                              |                        |
| <b>Balances at December 31, 2021</b>   | <b>10,240,000</b>  | <b>32,720</b>      | <b>10,092,888</b>   |  | <b>(50,610)</b>                  | <b>20,314,998</b>       | <b>3,059,391</b>             | <b>23,374,389</b>      |
| <b>Capital transactions with shareholders</b>                                      |                    |                    | <b>(1,959,295)</b>  | <b>(699,211)</b>                                 | <b>42,634</b>                    | <b>(2,615,872)</b>      | <b>(1,024,834)</b>           | <b>(3,640,706)</b>     |
| Treasury shares acquired   |                    |                    | (395,180)           |  |                                  | (395,180)               | (1,638)                      | (396,818)              |
| Dividends  |                    |                    | (1,564,115)         |  |                                  | (1,564,115)             | (867,399)                    | (2,431,514)            |
| Interest on equity   |                    |                    |                     | (700,000)  |                                  | (700,000)               | (155,788)                    | (855,788)              |
| Others   |                    |                    |                     | 789  |                                  | 789                     | (9)                          | 780                    |
| (Loss)/gain on the percentage change in investments                                |                    |                    |                     |  | 42,634                           | 42,634                  |                              | 42,634                 |
| <b>Total comprehensive income</b>  |                    |                    |                     | <b>1,554,060</b>                                 | <b>236,281</b>                   | <b>1,790,341</b>        | <b>292,020</b>               | <b>2,082,361</b>       |
| Net income for the year  |                    |                    |                     | 1,554,060  |                                  | 1,554,060               | 613,638                      | 2,167,698              |
| <b>Other comprehensive income</b>  |                    |                    |                     |  | <b>236,281</b>                   | <b>236,281</b>          | <b>(321,618)</b>             | <b>(85,337)</b>        |
| Cumulative translation adjustments for the year                                    |                    |                    |                     |  | (534,300)                        | (534,300)               | (321,618)                    | (855,918)              |
| Actuarial gain/(loss) on defined benefit pension plan, net of taxes                |                    |                    |                     |  | 18,172                           | 18,172                  |                              | 18,172                 |
| Gain/(loss) on cash flow hedge accounting, net of taxes                            |                    |                    |                     |  | 752,409                          | 752,409                 |                              | 752,409                |
| <b>Internal changes in shareholders' equity</b>                                    |                    |                    | <b>854,849</b>      | <b>(854,849)</b>                                 |                                  |                         |                              |                        |
| Constitution of reserves   |                    |                    | 854,849             | (854,849)  |                                  |                         |                              |                        |
| <b>Balances on December 31, 2022</b>   | <b>10,240,000</b>  | <b>32,720</b>      | <b>8,988,442</b>    |  | <b>228,305</b>                   | <b>19,489,467</b>       | <b>2,326,577</b>             | <b>21,816,044</b>      |

|   |                    |                 |                    |                  |                    |
|---|--------------------|-----------------|--------------------|------------------|--------------------|
| <b>Capital transactions with shareholders</b>                       | <b>(2,599,000)</b> | <b>(14,544)</b> | <b>(2,613,544)</b> | <b>(863,425)</b> | <b>(3,476,969)</b> |
| Approval of additional dividends at the AGM held on 04/30/2023      | (1,614,000)        |                 | (1,614,000)        | (718,103)        | (2,332,103)        |
| Approval of interim dividends in RCA carried out on 11/13/2023      | (985,000)          |                 | (985,000)          |                  | (985,000)          |
| Interest on equity  |                    |                 |                    | (144,694)        | (144,694)          |
| Others  |                    | (6,451)         | (6,451)            | (472)            | (6,923)            |
| (Loss)/gain on the percentage change in investments                 |                    | (8,093)         | (8,093)            |                  | (8,249)            |
| <b>Total comprehensive income</b>                                   | <b>(318,206)</b>   | <b>942,958</b>  | <b>624,752</b>     | <b>720,855</b>   | <b>1,345,607</b>   |
| Net income for the year   | (318,206)          |                 | (318,206)          | 720,855          | 402,649            |
| <b>Other comprehensive income</b>                                   |                    | <b>942,958</b>  | <b>942,958</b>     | -                | <b>942,958</b>     |
| Cumulative translation adjustments for the year                     |                    | (142,939)       | (142,939)          |                  | (142,939)          |
| Actuarial gain/(loss) on defined benefit pension plan, net of taxes |                    | 34,710          | 34,710             |                  | 34,710             |
| Gain/(loss) on cash flow hedge accounting, net of taxes             |                    |                 | 1,051,187          | 1,051,187        | 1,051,187          |
| <b>Balances on December 31, 2023</b>                                | <b>10,240,000</b>  | <b>32,720</b>   | <b>6,071,236</b>   | <b>1,156,719</b> | <b>17,500,675</b>  |
|   |                    |                 |                    | <b>2,184,163</b> | <b>19,684,838</b>  |

The accompanying notes are an integral part of these consolidated financial statements.

(In thousands of reais - R\$, unless otherwise stated)

## 1. DESCRIPTION OF BUSINESS

Companhia Siderúrgica Nacional "CSN", also referred to as "Company", is a publicly held company incorporated on April 9, 1941, under the laws of the Federative Republic of Brazil (Companhia Siderúrgica Nacional, its subsidiaries, joint ventures, joint operations and associates are collectively referred to herein as the "Group"). The Company's registered office is located in São Paulo, SP, Brazil.

CSN is listed on the São Paulo Stock Exchange (B3 S.A.- Brasil, Bolsa, Balcão) and on the New York Stock Exchange (NYSE).

The Group's main operating activities are divided into five (5) segments as follows:

- **Steel:**

The Company's main industrial facility is the Presidente Vargas Steelworks ("UPV"), located in the city of Volta Redonda, State of Rio de Janeiro. This segment consolidates all operations related to the production, distribution and sale of flat steel, long steel, metallic containers and galvanized steel. In addition to the facilities in Brazil, CSN has commercial operations in the United States and operations in Portugal and Germany in order to gain markets and provide excellent services to final consumers. Its steel is used in home appliances, civil construction, package and automobile industries.

- **Mining:**

The production of iron ore is developed in the cities of Congonhas, Belo Vale and Ouro Preto, State of Minas Gerais, by its subsidiary CSN Mineração S.A. ("CSN Mineração"). The Company's mining activities also include tin exploration in the state of Rondônia by CSN's subsidiary Estanho de Rondônia S.A. ("ERSA"), to supply the needs of the UPV. The surplus of this raw material is sold to subsidiaries and third parties.

Iron ore is sold basically in the international market, especially in Europe and Asia. The prices charged in these markets are historically cyclical and subject to significant fluctuations over short periods of time, driven by several factors related to global demand, strategies adopted by the major steel producers, and the foreign exchange rate. All these factors are beyond the Company's control. The ore is transported by rail to the Terminal de Carvão e Minérios from the Itaguaí Port ("TECAR"), a solid bulk terminal, one of the four terminals that comprise the Itaguaí Port, located in the State of Rio de Janeiro and from TECAR to customers around the world. The imports of coal and coke are also carried out through this terminal by provision of services by CSN Mineração to CSN.

As a pioneer in the use of technologies that result in the possibility of stacking the tailings generated in the iron ore production process, CSN Mineração has had its iron ore production, since January 2020, 100% independent of tailings dams. After significant investments in recent years to increase the level of reliability, decharacterization and dry stacking, CSN Mineração has moved towards a scenario in which 100% of its waste goes through a dry filtration process and is arranged in geotechnically controlled piles, in areas exclusively intended for stacking.

As a consequence of these measures, the decommissioning of dams is the natural path for processing filtered waste. All our mining dams are adequately suited to existing environmental legislation.

- **Cement:**

CSN entered the cement production market boosted by the synergy between this activity and CSN's current business.

The cement production unit located beside the UPV facilities, in Volta Redonda/RJ, produces CP-III type cement using the slag produced by the UPV's own blast furnaces. There is also the exploration of limestone and dolomite at the Arcos/MG unit to meet the needs of the steel and the cement plants, as well as the production of clinker at the same unit.

On January 31, 2021, the Company concluded the drop down of the cement business and, accordingly, all assets, liabilities, rights and obligations related to the cement business were transferred from CSN to its subsidiary CSN Cimentos S.A. ("CSN Cimentos").

On August 31, 2021, the subsidiary CSN Cimentos S.A. ("CSN Cimentos") completed the acquisition of control of Elizabeth Cimentos S.A. ("Elizabeth Cimentos") and Elizabeth Mineração Ltda. ("Elizabeth Mineração"), with operations in the Northeast region, especially in Paraíba and Pernambuco. On May 1, 2022, Elizabeth Mineração was merged into CSN Cimentos S.A.

On September 9, 2021, CSN Cimentos entered into the *Agreement for the Sale and Purchase of the Shares in LafargeHolcim (Brasil) S.A.*, for the acquisition of 100% of the shares issued by LafargeHolcim (Brasil) S.A. ("LafargeHolcim"). On September 6, 2022, the acquisition of all shares issued by LafargeHolcim S.A. was completed, with the change of LafargeHolcim's name to "CSN Cimentos Brasil S.A.", which is now controlled by CSN Cimentos. The Company's main activities are: production, industry and general trade of cement, lime, mortar, minerals and metals in general and complementary products for civil construction, in natura with industrial plants, warehouses and branches across a large part of the national territory.

On August 31, 2023, the Extraordinary General Meeting approved the incorporation of CSN Cimentos by CSN Cimentos Brasil with the consequent transfer of all patrimony, assets (movable and immovable), rights and obligations, in accordance with the terms of the "Protocol and Justification of the Incorporation of CSN Cimentos S.A. by CSN Cimentos Brasil S.A.". Thus, CSN Cimentos was extinguished, all its shares were canceled and, in replacement, its shareholders received shares in CSN Cimentos Brasil. All activities carried out by CSN Cimentos are now carried out by CSN Cimentos Brasil. The Valuation Report of CSN Cimentos' equity was prepared on June 30, 2023, being the basis for defining a capital increase in CSN Cimentos Brasil in the amount of R\$2,383,276.

- **Logistics:**

*Railroads:*

CSN has interests in three railroad companies: MRS Logística S.A. ("MRS"), which manages the former Southeast Railway System of Rede Ferroviária Federal S.A. ("RFFSA"), Transnordestina Logística S.A. ("TLSA") and FTL - Ferrovia Transnordestina Logística S.A. ("FTL"), which holds the concession to operate the former Northeast Railway System of RFFSA, in the States of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas - stretches from São Luís to Altos, Altos to Fortaleza, Fortaleza to Sousa, Sousa to Recife/Jorge Lins, Recife/Jorge Lins to Salgueiro, Jorge Lins to Propriá, Paula Cavalcante to Cabedelo, Itabaiana to Macau (Mesh I) and TLSA is responsible for the stretches from Eliseu Martins-Trindade, Trindade-Salgueiro, Salgueiro-Missão Velha and Missão Velha-Pecém (Mesh II), under construction.

*Ports:*

The Company operates in the State of Rio de Janeiro, by means of its subsidiary Sepetiba Tecon S.A., the Container Terminal ("TECON") and by means of its subsidiary CSN Mineração, the TECAR, both located at the Itaguaí Port. Established in the harbor of Sepetiba, the mentioned port has a privileged highway, railroad, and maritime access.

TECON is responsible for the movement and storage of containers, vehicles, steel products, general cargo, among other products, and TECAR performs the operational activities of loading and unloading of solid bulk ships, storage and distribution (road and rail) of coal, coke, petroleum coke, clinker, zinc concentrate, sulfur, iron ore and other bulk, intended for the seaborne market, for our own operation and for different customers.

- **Energy:**

Since the energy supply is fundamental in CSN's production process, the Company has electricity generation assets to mitigate costs, aiming at greater competitiveness.

On June 30, 2022, the Company's subsidiaries, CSN Cimentos and CSN Energia S.A. ("CSN Energia"), completed the acquisition of Santa Ana Energética S.A. ("Santa Ana"), as well as Topázio Energética S.A. ("Topázio") and, indirectly, Brasil Central Energia Ltda. ("BCE"), a subsidiary of Topázio, under the terms of the *Share Purchase Agreement* entered into on April 8, 2022 with Brookfield Americas Infrastructure (Brazil Power) Fundo de Investimento em Participações Multiestratégia, a private equity fund managed by Brookfield Brasil Asset Management Investimentos Ltda. On October 7, 2022, subsidiaries CSN Mineração and CSN Energia S.A. concluded the acquisition of 100% of the shares of Companhia Energética Chapecó - CEC, holder of the grant of Quebra-Queixo Hydroelectric Power Plant ("Chapecó"), as provided for in the *Agreement for the Purchase and Sale of Shares and Other Covenants* and in the *Private Instrument of Assignment of Rights and Obligations* entered into on July 1, 2022 and July 25, 2022, respectively.

In July 2022, the subsidiary Companhia Florestal do Brasil it began the process of participating in the auction held by the State of Rio Grande do Sul, for the sale of 100% of the shares in its possession, 6,381,908 equivalent to 66.23% of the share capital, of Companhia Estadual de Energia Elétrica - CEEE-G, as part of the CEEE Group privatization program, in accordance with State Law 15,298/19, on October 21, 2022, the transaction was completed with payment by the company of the auction winning price. On December 22, 2022, the acquisition of Eletrobras' 32.74% interest in CEEE-G was concluded, and the Company currently holds 99% of the share capital of CEEE-G. On November 24, 2022, the post-OPA Auction was settled, in which CFB acquired 1,271 (one thousand two hundred and seventy-one) common shares and 338 (three hundred and thirty-eight) preferred shares issued by CEEE-G, with this CFB now holds a total of 99% of the share capital of CEEE-G.

- **Going Concern:**

Management understands that the Company has adequate resources to continue its operations. Accordingly, the Company's financial statements for the year ended December 31, 2023 have been prepared on a going concern basis.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.a) Declaration of conformity

The consolidated financial statements have been prepared and are being presented in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board (IASB) and highlight all the relevant information at the financial statements, and only this information, which correspond to those used by the Company's management in its activities.

### 2.b) Basis of presentation

The financial statements were prepared based on the historical cost and were adjusted to reflect: (i) the fair value measurement of certain financial assets and liabilities (including derivative instruments), as well as pension plan assets; and (ii) impairment losses.

When IFRS allows an option between cost or another measurement criterion, the cost of acquisition criterion was used.

The preparation of these financial statements requires Management to use certain accounting estimates, judgments and assumptions that affect the application of Accounting Policies and the amounts reported on the balance sheet date of assets, liabilities, income, and expenses may differ from actual future results. The assumptions used are based on history and other factors considered relevant and are reviewed by the Company's management.

The accounting policies and critical estimates, when applicable and relevant, are included in the respective explanatory notes and are consistent with the previous year presented, as shown below:

- Note 6 - Allowance for expected losses (impairment) of trade receivables;
- Note 10 - Recoverability test of investment in Transnordestina Logística S.A. ("TLSA");
- Note 12 - Goodwill impairment test;
- Note 14 - Derivative financial instruments and hedge accounting;
- Note 18 - Recoverability test of deferred income tax and social contribution;
- Note 20 - Provisions for tax, social security, labor and civil risks;
- Note 21 - Provisions for environmental liabilities and asset retirement obligations;
- Note 30 - Employee benefits.

The consolidated financial statements were approved by Board of Directors on April 29, 2024.

### 2.c) Functional currency and presentation currency

The accounting records included in the financial statements of each of the Company's subsidiaries are measured using the currency of the principal of the economic environment in which each subsidiary operates ("the functional currency"). The consolidated financial statements are presented in R\$ (reais), which is the Company's functional currency and the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction or valuation dates, in which the items are remeasured. The balances of the asset and liability accounts are converted using the exchange rate prevailing at the balance sheet date. As of December 31, 2023, US\$1 was equivalent to R\$4.8413 (R\$5.2177 as of December 31, 2022) and €1 was equivalent to R\$5.3516 (R\$5.5694 as of December 31, 2022), according to the rates obtained from the Central Bank of Brazil website.

#### 2.d) Accounting policies

The significant accounting policies applied in the preparation of these financial statements have been included in the respective notes and are consistent for all years presented.

#### 2.e) Adoption of new and revised International Financial Reporting Standards (IFRS)

Recently, new accounting standards and interpretations were issued, which will only come into effect from January 1, 2024. The Company has not early adopted any of these standards in the current year and does not expect that they will have a material impact on the financial statements of subsequent fiscal years.

The main changes are:

- Amendment to IAS 7 - Statement of cash flows and IFRS 7 - Financial instruments: new requirements for disclosing risk-drawn and forfeiting operations, allowing users to have more information to assess the impacts of these operations.
- Amendment to IFRS 16 - Leases: guidance on how to account for sale and leaseback transactions on the date of transaction itself.
- Amendment IAS 1 - Presentation of financial statements: the amendment aims to improve the information disclosed by companies on long-term debt with covenants.
- Amendment IAS 21 - The effects of changes in exchange rates: the amendment aims to improve the quality of information presented in the financial statements when there is a situation in which a currency cannot be easily exchanged on the other, establishing a requirement that companies adopt a uniform approach when evaluating the possibility conversion.
- Amendment IAS 12 - Income tax: Clarifies aspects related to the recognition and disclosure of taxes deferred assets and liabilities related to Pillar Two rules published by the Organization for Cooperation and Economic Development (OECD).
- IAS 10 and IAS 28 - Investments in associates and enterprises in set: Alignment of the wording of the aforementioned standards.
- IFRS S1 - General requirements for disclosing financial information related to sustainability: proposes that companies disclose financial information, risks and opportunities in the short and long term regarding sustainability, that are useful to the general purpose user in making decisions about providing resources to the entity.
- IFRS S2 - Climate-related disclosure requirements: establishes the requirements for the disclosure of information related to climate, and applies to aspects to which the entity is exposed, which may be physical risks, transition and opportunities available to the organization.

#### 3. BUSINESS COMBINATION

In 2022, the CSN Group's subsidiaries fully and/or partially acquired the companies Metalgráfica Iguazu S.A. ("Metalgráfica"), Santa Ana, Topázio, Companhia Estadual de Geração de Energia Elétrica ("CEEE-G"), CSN Cimentos Brasil S.A. ("Cimentos Brasil") and Companhia Energética Chapecó ("Chapecó"). The effect of each acquisition on the business combination is shown below.

The acquisitions of the energy segment are intended to support and strengthen its business expansion strategy, through investments in renewable energy and self-production for greater competitiveness and the acquisitions of the cement and steel segment to improve the competitiveness of the business and strengthen the national chain, especially in relation to substitute packaging.



### 3.a) Acquisition of control of Metalgráfica Iguaçú S.A.

On September 6, 2022, Companhia Metalúrgica Prada ("Prada"), a subsidiary of the Company, acquired 100% of Metalgráfica Iguaçú S.A. The assets acquired are in Paraná and Goiás. The operation is a strategic step to expand the production capacity of the Company's packaging division.

The transaction consists of a business combination whereby Prada acquired control through the merger of Metalgráfica shares and, in exchange for the merger of shares, Metalgráfica shareholders received shares issued by Prada in substitution for Metalgráfica shares, according to the exchange ratio approved at an extraordinary general meeting of the companies.

#### (i) Determination of the purchase price

The table below summarizes the price considered for accounting purposes:

| Item  | Comment  | BRL thousand   | Reference |
|---|--|----------------|-----------|
| Equity interests issued                                       | The Prada issued new shares that were delivered to Metalgráfica's shareholders | 263            | (a)       |
| Equity interests issued                                       | The Metalgráfica issued new shares which were acquired by Prada                | 133,100        | (b)       |
| <b>Purchase price considered for the business combination</b> |  | <b>133,363</b> |           |

a) Prada approved a capital increase in the amount of R\$263 with the issuance of 571,251 common shares, paid in with Metalgráfica shares. The shares were issued at the equity value according to the Appraisal Report.

The measurement of the fair value of Metalgráfica shares, transferred to Prada in the business combination, was performed using the discounted cash flow method, with the issue of an Economic Value Report prepared by independent appraisers and its results are presented in the table below:

| Equity value - Metalgráfica      | date base - 03/31/2022 |
|----------------------------------|------------------------|
| Discounted Cash Flow             | 59,353                 |
| Discounted residual value        | 33,973                 |
| Enterprise value                 | 93,326                 |
| Indebtdness net                  | (109,133)              |
| Non-operating assets/liabilities | 16,070                 |
| Equity value                     | 263                    |

b) Metalgráfica's Board of Directors approved on September 6, 2022 the capital increase in the amount of R\$ 133,100 through the issue of 122,110,092 shares subscribed by Prada.

#### (ii) Goodwill on acquisition of control

The transaction generated goodwill for expected future profitability, as shown in the table below:

| Item   | BRL thousand  | Reference |
|--|---------------|-----------|
| Purchase price considered  | 133,363       | (i)       |
| Fair value of the assets and liabilities acquired                        | 121,948       | (iii)     |
| <b>Goodwill based on expectations for future profitability (note 12)</b> | <b>11,415</b> |           |

**(iii) Fair value of assets and liabilities acquired**

The following table shows the allocation of the fair value of assets acquired and liabilities assumed at August 31, 2022, considering the direct and indirect interests, calculated based on independent appraisers' reports.

| (R\$'000)                           | Accounting Balances | Proforma Adjustment | Fair value adjustment | Total fair value |
|-------------------------------------|---------------------|---------------------|-----------------------|------------------|
| <b>Current Assets</b>               | <b>23,924</b>       | <b>133,100</b>      |                       | <b>157,024</b>   |
| Cash and cash equivalents           | 569                 |                     |                       | 569              |
| Trade receivables                   | 7,249               |                     |                       | 7,249            |
| Inventories                         | 4,435               |                     |                       | 4,435            |
| Other assets                        | 713                 | 133,100             |                       | 133,813          |
| Recoverable taxes and contributions | 10,958              |                     |                       | 10,958           |
| <b>Non-current Assets</b>           | <b>58,408</b>       |                     | <b>72,184</b>         | <b>130,592</b>   |
| Recoverable taxes and contributions | 38,649              |                     |                       | 38,649           |
| Other assets                        | 1,856               |                     |                       | 1,856            |
| Investments                         | 10                  |                     |                       | 10               |
| Property, plant and equipment       | 17,750              |                     | 72,184                | 89,934           |
| Intangibles                         | 143                 |                     |                       | 143              |
| <b>Total assets acquired</b>        | <b>82,332</b>       | <b>133,100</b>      | <b>72,184</b>         | <b>287,616</b>   |
| <b>Current Liabilities</b>          | <b>134,464</b>      |                     |                       | <b>134,464</b>   |
| Borrowings and financing            | 89,852              |                     |                       | 89,852           |
| Trade payables                      | 17,114              |                     |                       | 17,114           |
| Labor obligations                   | 17,339              |                     |                       | 17,339           |
| Taxes payable                       | 181                 |                     |                       | 181              |
| Advances from customers             | 1,158               |                     |                       | 1,158            |
| Installments                        | 2,227               |                     |                       | 2,227            |
| Other accounts                      | 6,593               |                     |                       | 6,593            |
| <b>Non-current Liabilities</b>      | <b>31,204</b>       |                     |                       | <b>31,204</b>    |
| Borrowings and financing            | 21,844              |                     |                       | 21,844           |
| Installments                        | 6,462               |                     |                       | 6,462            |
| Other accounts                      | 2,898               |                     |                       | 2,898            |
| <b>Total liabilities assumed</b>    | <b>165,668</b>      |                     |                       | <b>165,668</b>   |
| <b>Net equity acquired</b>          | <b>(83,336)</b>     | <b>133,100</b>      | <b>72,184</b>         | <b>121,948</b>   |

Pro forma adjustment: refers to the capital increase approved at the Board of Directors' Meeting held on September 6, 2022, in the amount of R\$133,100, to be paid in within 24 months.

The fair value allocation resulted in an adjustment totaling R\$72,184, distributed among Metalgráfica's main assets. The following table shows the composition of the allocated amounts and a summary of its calculation methodology:

| Assets acquired               | Valuation method   | Carrying amounts | Fair value adjustment | Total fair value |
|-------------------------------|--|------------------|-----------------------|------------------|
| Property, plant and equipment | The values of fixed assets were adjusted by the difference between the revalued value of fixed assets and their respective net book value, according to a technical evaluation carried out by an independent appraiser for the groups of assets represented by buildings, vehicles, furniture and fixtures. The useful lives follow the terms disclosed in note 11 | 17,750           | 72,184                | 89,934           |
|                               |  | <b>17,750</b>    | <b>72,184</b>         | <b>89,934</b>    |

Prada has engaged an independent company to prepare an appraisal report on the tangible and intangible assets and allocation of the excess price paid.

### 3.b) Acquisition of Santa Ana Energética S.A. and Topázio Energética S.A.

On April 8, 2022, the Company and CSN Energia signed an agreement for the acquisition of 100% of the shares issued by Santa Ana and Topázio with Brookfield Americas Infrastructure (Brazil Power) Fundo de Investimento Participações Multiestratégia. The transaction was completed on June 30, 2022.

Santa Ana holds the concession to operate the small hydroelectric plant of Santa Ana, located in the state of Santa Catarina, with a contract in effect until December 2046 and installed capacity of approximately 3.75 MW/h.

Topázio, through its subsidiary Brasil Central Energia Ltda., holds the concession to operate the small hydroelectric plant of Sacre II, located in the state of Mato Grosso do Sul, with a contract in effect until June 2039 and installed capacity of approximately 30.00 MW/h.

#### (i) Determination of the purchase price

The table below summarizes the price considered for accounting purposes:

| Item  | Comment   | Santa Ana Energética | Topázio Energética | Reference |
|---|---|----------------------|--------------------|-----------|
| Assets transferred  | In the transaction, a payment in the amount of R\$466,153 was made. | 37,292               | 428,861            | (i)       |
| <b>Purchase price considered for the business combination</b> |   | <b>37,292</b>        | <b>428,861</b>     |           |

(i) On June 30, 2022, the transaction was concluded with the payment by CSN Cimentos and CSN Energia in the amount of R\$466,153.

#### (ii) Goodwill on acquisition of control

The transaction did not generate goodwill for expected future profitability, since the fair value of the assets has been fully allocated.

#### (iii) Fair value of assets and liabilities acquired

In the fair value identification of assets acquired and liabilities assumed, the Company applied the guidelines in IFRS 13 - Fair value measurement. The following table shows the allocation of the fair value on June 30, 2022, calculated based on independent appraisers' reports.

| (R\$'000)                        | Santa Ana Energética |                        |                  | Topázio Energética |                        |                  |
|----------------------------------|----------------------|------------------------|------------------|--------------------|------------------------|------------------|
|                                  | Carrying amounts     | Fair value adjustments | Total fair value | Carrying amounts   | Fair value adjustments | Total fair value |
| Cash and cash equivalents        | 1,602                |                        | 1,602            | 3,493              |                        | 3,493            |
| Trade receivables                | 13                   |                        | 13               | 199                |                        | 199              |
| Inventories                      | 422                  |                        | 422              | 647                |                        | 647              |
| Recoverable taxes                | 2                    |                        | 2                | 87                 |                        | 87               |
| Other assets                     |                      |                        |                  | 21                 |                        | 21               |
| Property, plant and equipment    | 28,163               | 10,482                 | 38,645           | 173,494            | (79,317)               | 94,177           |
| Intangible assets                |                      | (3,200)                | (3,200)          |                    | 331,637                | 331,637          |
| <b>Total assets acquired</b>     | <b>30,202</b>        | <b>7,282</b>           | <b>37,484</b>    | <b>177,941</b>     | <b>252,320</b>         | <b>430,261</b>   |
| Accounts payable                 | 2                    |                        | 2                | 179                |                        | 179              |
| Taxes payable                    | 72                   |                        | 72               | 821                |                        | 821              |
| Salaries and social charges      |                      |                        |                  | 167                |                        | 167              |
| Other payables                   | 92                   |                        | 92               |                    |                        |                  |
| Leases                           | 26                   |                        | 26               | 233                |                        | 233              |
| <b>Total liabilities assumed</b> | <b>192</b>           |                        | <b>192</b>       | <b>1,400</b>       |                        | <b>1,400</b>     |
| <b>Net equity acquired</b>       | <b>30,010</b>        | <b>7,282</b>           | <b>37,292</b>    | <b>176,541</b>     | <b>252,320</b>         | <b>428,861</b>   |

1- Refer to a PP&E impairment recognized in Topázio and a recognition of an onerous contract related to prior concession agreement of Santa Ana.

The subsidiary CSN Cimentos S.A. has engaged an independent company to prepare an appraisal report on the tangible and intangible (basically energy sales agreements) assets and allocation of the excess price paid.

The fair value allocation resulted in an adjustment totaling R\$259,602, distributed among Company's main assets. The following table shows the composition of the allocated amounts and a summary of its calculation methodology:

| Assets acquired               | Valuation method  | Carrying amounts | Fair value adjustment | Total fair value |
|-------------------------------|---|------------------|-----------------------|------------------|
| Property, plant and equipment | The amounts of property, plant and equipment were adjusted by the difference between the fair value of the PP&E and their respective net carrying amounts, as per the technical valuation conducted by an independent appraiser for the groups of assets represented by improvements, constructions, vehicles, furniture and fixtures. The useful lives follow the periods disclosed in Note 11 | 201,657          | (68,835)              | 132,822          |
| Intangible assets             | Evaluated by the MPEEM method that measures the present value of future income to be generated during the remaining useful life of a given asset. Using the analysis of the company's projected results as a reference, the pre-tax cash flows directly attributable to the asset are calculated, as of the base date stipulated in the evaluation  |                  | 328,437               | 328,437          |
|                               |   | <b>201,657</b>   | <b>259,602</b>        | <b>461,259</b>   |

### 3.c) Acquisition of Companhia Estadual de Geração de Energia Elétrica - CEEE-G

In July 2022, it began the process of participating in the auction held by the State of Rio Grande do Sul, for the sale of 100% of the shares in its possession, 6,381,908 equivalent to 66.23% of the share capital, of Companhia Estadual de Energia Elétrica - CEEE-G, as part of the CEEE Group's privatization program, in accordance with State Law 15,298/19, on October 21, 2022, the transaction was completed with payment by the company of the auction winning price.

CEEE-G is the holder of the concession for the exploration of five hydroelectric power plants (HPPs), eight small hydroelectric power plants (SHPs) and two hydroelectric power plants (HPPs) located in the State of Rio Grande do Sul. As part of the Auction, Companhia Estadual de Geração de Energia Elétrica - CEEE-G signed a new Concession Agreement with a 30-year term. In accordance with the guidelines of the aforementioned Auction, the Company's control was transferred as of the settlement of the transaction.

#### (i) Determination of the purchase price

The table below summarizes the price considered for accounting purposes:

| Item  | Comment   | BRL thousand   | Reference |
|---|---|----------------|-----------|
| Assets transferred  | Payment made upon completion of the transaction | 928,000        | (i)       |
| <b>Purchase price considered for the business combination</b> |   | <b>928,000</b> |           |

(i) On October 21, 2022, the transaction was concluded with the payment by the Company of R\$928,000.

#### (ii) Goodwill on acquisition of control

The transaction did not generate goodwill for expected future profitability, since the fair value of the assets has been fully allocated.

#### (iii) Fair value of assets and liabilities acquired

In the fair value identification of assets acquired and liabilities assumed, the Company applied the guidelines in IFRS 13 - Fair value measurement. The following table shows the allocation of the fair value at October 1, 2022, calculated based on independent appraisers' reports.

| (R\$'000)                        | Carrying amounts | Fair value adjustments | Total fair value |
|----------------------------------|------------------|------------------------|------------------|
| Cash and cash equivalents        | 661,864          |                        | 661,864          |
| Trade receivables                | 51,333           |                        | 51,333           |
| Inventories                      | 2,636            |                        | 2,636            |
| Recoverable taxes                | 5,043            |                        | 5,043            |
| Other assets                     | 125,516          |                        | 125,516          |
| Judicial deposits and guarantees | 59,335           |                        | 59,335           |
| Investments                      | 312,800          | 368,018                | 680,818          |
| Property, plant and equipment    | 31,853           |                        | 31,853           |
| Intangible assets                | 2,041,196        | 8,276                  | 2,049,472        |
| <b>Total assets acquired</b>     | <b>3,291,576</b> | <b>376,294</b>         | <b>3,667,870</b> |
| Trade payables                   | 22,928           |                        | 22,928           |
| Taxes payable                    | 19,951           |                        | 19,951           |
| Salaries and social charges      | 16,343           |                        | 16,343           |
| Deferred taxes                   | (65,560)         |                        | (65,560)         |
| Judicial contingencies           | 306,400          |                        | 306,400          |
| Other payables                   | 134,380          |                        | 134,380          |
| Bonus grant payable              | 2,024,118        |                        | 2,024,118        |
| <b>Total liabilities assumed</b> | <b>2,458,560</b> |                        | <b>2,458,560</b> |
| <b>Net equity acquired</b>       | <b>833,016</b>   | <b>376,294</b>         | <b>1,209,310</b> |
| <b>Equity acquired (66.23%)</b>  | <b>551,706</b>   | <b>376,294</b>         | <b>928,000</b>   |

The subsidiary Companhia Florestal do Brasil S.A. has engaged an independent company to prepare an appraisal report on the tangible and intangible assets (basically concession agreement) and allocation of the excess price paid.

The fair value allocation resulted in an adjustment totaling R\$376,294 distributed among CEEE-G's main assets. The following table shows the composition of the allocated amounts and a summary of its calculation methodology:

| Assets acquired   | Valuation method  | Carrying amounts | Fair value adjustment | Total fair value |
|-------------------|---|------------------|-----------------------|------------------|
| Investments       | Initially evaluated by the FDC - Discounted Cash Flow method for each investment, however, certain stakes are tied to purchase options with third parties at prices predetermined in the auction notice. Therefore, the fair value of these investments was measured considering the lower of the value identified in the FDC and the value of the purchase option. | 312,800          | 368,018               | 680,818          |
| Intangible assets | Evaluated by the MPEEM method that measures the present value of future income to be generated during the remaining useful life of a given asset. Using the analysis of the company's projected results as a reference, the pre-tax cash flows directly attributable to the asset are calculated, as of the base date stipulated in the evaluation                  | 2,041,196        | 8,276                 | 2,049,472        |
|                   |   | <b>2,353,996</b> | <b>376,294</b>        | <b>2,730,290</b> |

### 3.d) Acquisition of control of CSN Cimentos Brasil S.A.

In September 2021, the Company started negotiations for the acquisition of 100% of the operations of LafargeHolcim (Brasil) S.A. in Brazil - currently named CSN Cimentos Brasil S.A., which belonged to the Holcim Investment group, L.C.U and Holderfin B.V. The transaction was completed on September 6, 2022 with the payment by CSN Cimentos S.A. of US\$960,733, equivalent to R\$5,013,436.

With the completion of the transaction, the Company assumed control of operations that have Cement, Concrete and Aggregate operations, with a production capacity of 6.8 million tons of clinker and 11.0 million tons of cement, which represents approximately 12% of all cement production capacity in the country. Present in a large part of the Brazilian territory, operations are distributed in the Southeast (SP, RJ, MG and ES), Northeast (BA, PE, PB and RN) and Midwest (GO) regions.

With the acquisition of Cimentos Brasil, the Company aims to expand its Cement production capacity, with the objective of reaching a total capacity of 16.3 million tons of cement per year, expanding its presence in the national territory and becoming one of the three largest cement producers in Brazil.

**(i) Determination of the purchase price**

The table below summarizes the price considered for accounting purposes:

| Item  | Comment   | CSN Cimentos Brasil | Reference |
|---|---|---------------------|-----------|
| Assets transferred  | In the transaction, a payment in the amount of US\$960,733 was made | 5,013,436           | (i)       |
| <b>Purchase price considered for the business combination</b> |   | <b>5,013,436</b>    |           |

(i) On the date of its completion, the transaction included (i) the transfer to the sellers of the amount of US\$50,000 - equivalent to R\$261,140 deposited by CSN Cimentos in September 2021 in an escrow account, and (ii) the payment of US\$910,733 million - equivalent to R\$4,752,296. The final price considered in the transaction was US\$960,733 - equivalent to R\$5,013,436.

**(ii) Goodwill on acquisition of control**

The transaction generated goodwill for expected future profitability of R\$646,594, as shown in the table below:

| Item   | CSN Cimentos Brasil S.A. | Reference |
|--|--------------------------|-----------|
| Purchase price considered  | 5,013,436                | item (i)  |
| Fair value of the assets and liabilities acquired                        | 4,622,604                |           |
| <b>Goodwill based on expectations for future profitability (note 12)</b> | <b>390,832</b>           |           |

**(iii) Fair value of assets and liabilities acquired**

The following table shows the allocation of the fair value of assets acquired and liabilities assumed at August 31, 2022, calculated based on independent appraisers' reports.

|                                  | Carrying amounts | Fair value adjustments | CSN Cimentos Brasil<br>Total fair value |
|----------------------------------|------------------|------------------------|---|
| Cash and cash equivalents        | 496,445          |                        | 496,445                                 |
| Trade receivables                | 141,266          |                        | 141,266                                 |
| Inventories                      | 272,106          |                        | 272,106                                 |
| Recoverable taxes                | 229,940          |                        | 229,940                                 |
| Deferred taxes                   | 982,547          |                        | 982,547                                 |
| Other assets                     | 147,565          |                        | 147,565                                 |
| Property, plant and equipment    | 3,185,975        | 402,289                | 3,588,264                               |
| Intangible assets                | 7,429            | 173,586                | 181,015                                 |
| <b>Total assets acquired</b>     | <b>5,463,273</b> | <b>575,875</b>         | <b>6,039,148</b>                        |
| Trade payables                   | 510,522          |                        | 510,522                                 |
| Lease liabilities                | 43,978           |                        | 43,978                                  |
| Taxes payable                    | 50,527           |                        | 50,527                                  |
| Salaries and social charges      | 32,324           |                        | 32,324                                  |
| Other payables                   | 139,830          |                        | 139,830                                 |
| Taxes in installments            | 148,249          |                        | 148,249                                 |
| Legal Contingencies              | 491,114          |                        | 491,114                                 |
| <b>Total liabilities assumed</b> | <b>1,416,544</b> |                        | <b>1,416,544</b>                        |
| <b>Net equity acquired</b>       | <b>4,046,729</b> | <b>575,875</b>         | <b>4,622,604</b>                        |

CSN Cimentos S.A. has engaged an independent company to prepare an appraisal report on the tangible and intangible assets and allocation of the excess price paid.

The fair value allocation resulted in a gain totaling R\$575,875 distributed among CSN Cimentos Brasil's main assets. The following table shows the composition of the allocated amounts and a summary of its calculation methodology:

| Assets acquired               | Valuation method   | Carrying amounts | Fair value adjustment | Total fair value |
|-------------------------------|--|------------------|-----------------------|------------------|
| Property, plant and equipment | Valued using the "MARKET APPROACH" method, where the fair value of the asset is estimated by comparing it with similar or comparable assets that have been sold or listed for sale in the primary or secondary market.   | 3,185,975        | 402,289               | 3,588,264        |
| Mining rights                 | Evaluated by the MPEEM method that measures the present value of future income to be generated during the remaining useful life of a given asset. Using the analysis of the company's projected results as a reference, the pre-tax cash flows directly attributable to the asset are calculated, as of the base date stipulated in the evaluation | 2,456            | 135,216               | 137,672          |
| Trademarks                    | The brands were evaluated using the Royalty Relief method, which consists of projecting the expectation of royalties and measuring the present value.  |                  | 38,370                | 38,370           |
| Softwares                     | The Company's software has not been evaluated.   | 4,973            |                       | 4,973            |
|                               |  | <b>3,193,404</b> | <b>575,875</b>        | <b>3,769,279</b> |

### 3.e) Acquisition of control of Companhia Energética Chapecó

On October 7, 2022, CSN Mineração S.A. and CSN Energia completed the acquisition of 100% of the shares issued by Companhia Energética Chapecó - CEC with Astra Infraestrutura I Fundo de Investimento em Participação Multiestratégia and BMPI Infra S.A.

Companhia Energética Chapecó holds the concession for the Quebra-Queixo hydroelectric power plant, which has an installed capacity of 120 MW, located on the Chapecó River between the municipalities of Ipuacú and São Domingos in the state of Santa Catarina, the concession contract was signed in December 2000 effective for 35 years and extended until December 2040, after discussions for renegotiation of the GSF, which took place in October 2021.

#### (i) Determination of the purchase price

The table below summarizes the price considered for accounting purposes:

| Item  | Comment                       | BRL thousand   | Reference |
|---|-------------------------------|----------------|-----------|
| Assets transferred  | Payment made upon acquisition | 358,634        | (i)       |
| <b>Purchase price considered for the business combination</b> |                               | <b>358,634</b> |           |

(i) On October 7, 2022, the transaction was completed with the payment of R\$358,634 by CSN Mineração and CSN Energia.

#### (ii) Goodwill on acquisition of control

The transaction did not generate goodwill for expected future profitability, since the fair value of the assets has been fully allocated.

#### (iii) Fair value of assets and liabilities acquired

The following table shows the allocation of the fair value of assets acquired and liabilities assumed, the Company applied the guidelines in IFRS 13 - Fair value measurement. The following table shows the allocation of the fair value of the assets acquired and liabilities assumed on October 7, 2022, calculated based on independent appraisers' reports.

| (R\$'000)                           | Carrying amounts | Fair value adjustment | Total fair value |
|-------------------------------------|------------------|-----------------------|------------------|
| <b>Assets</b>                       |                  |                       |                  |
| Cash and cash equivalents           | 41,693           |                       | 41,693           |
| Trade receivables                   | 5,745            |                       | 5,745            |
| Other assets                        | 246              |                       | 246              |
| Recoverable taxes and contributions | 5,420            |                       | 5,420            |
| Deferred taxes                      | 9,521            |                       | 9,521            |
| Judicial deposits                   | 151              |                       | 151              |
| Property, plant and equipment       | 106,695          | 195,026               | 301,721          |
| Intangible assets                   | 104,499          | 83,610                | 188,109          |
| <b>Total assets acquired</b>        | <b>273,970</b>   | <b>278,636</b>        | <b>552,606</b>   |
| <b>Liabilities</b>                  |                  |                       |                  |
| Trade payables                      | 157              |                       | 157              |
| Labor obligations                   | 364              |                       | 364              |
| Taxes payable                       | 1,945            |                       | 1,945            |
| Concession payable                  | 12,281           |                       | 12,281           |
| Other accounts                      | 1,567            |                       | 1,567            |
| Advances from customer              | 100,012          |                       | 100,012          |
| Concession payable                  | 77,646           |                       | 77,646           |
| <b>Total liabilities assumed</b>    | <b>193,972</b>   |                       | <b>193,972</b>   |
| <b>Total equity acquired</b>        | <b>79,998</b>    | <b>278,636</b>        | <b>358,634</b>   |

CSN Mineração has engaged an independent company to prepare an appraisal report on the tangible and intangible assets (basically concession and energy sales agreements) and allocation of the excess price paid.

The fair value allocation resulted in a gain totaling R\$278,636, distributed among Company's main assets. The following table shows the composition of the allocated amounts and a summary of its calculation methodology:

| Assets acquired               | Valuation method  | Carrying amounts | Fair value adjustment | Total fair value |
|-------------------------------|---|------------------|-----------------------|------------------|
| Property, plant and equipment | The amounts of property, plant and equipment were adjusted by the difference between the fair value of the PP&E and their respective net carrying amounts, as per the technical valuation conducted by an independent appraiser for the groups of assets represented by improvements, constructions, vehicles, furniture and fixtures. The useful lives follow the periods disclosed in Note 11   | 106,695          | 195,026               | 301,721          |
| Intangible assets             | Evaluated by the MPEEM method that measures the present value of future income to be generated during the remaining useful life of a given asset. Using the analysis of the company's projected results as a reference, the pre-tax cash flows directly attributable to the asset are calculated, as from the base date stipulated in the evaluation and Incremental Cash Flow, where the economic gain generated by the spread between the contract value and the spot value of energy was the basis of a free cash flow | 104,499          | 83,610                | 188,109          |
|                               |   | <b>211,194</b>   | <b>278,636</b>        | <b>489,830</b>   |

#### Accounting Policy

##### Business combination

The acquisition method is used to account for each business combination conducted by the Company. The consideration transferred for acquiring a subsidiary is the fair value of the assets transferred, liabilities incurred, and equity instruments issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, where applicable. Acquisition-related costs are recognized in profit or loss for the year, as incurred. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at their fair values at the acquisition date.

In accordance with IFRS 3, the purchase price is determined by the sum of the assets transferred, liabilities incurred, equity interests issued, non-controlling interest and the fair value of any interest held prior to the transaction.



In accordance with IFRS 3, the acquirer must recognize goodwill for expected future profitability on the acquisition date, measured by the amount by which the purchase price exceeds the fair value of the assets and liabilities acquired (purchase price allocation). The goodwill for expected future profitability is recorded in intangible assets and, since it does not have a defined useful life, it is not amortized and the Company is required to perform impairment testing, in accordance to the requirements in IAS 36.

The Company has up to 12 months to adjust the measurement of the amounts due to events not considered.

#### 4. CASH AND CASH EQUIVALENTS

|                       | 12/31/2023        | Consolidated<br>12/31/2022 |
|-----------------------|-------------------|----------------------------|
| <b>Cash and banks</b> |                   |                            |
| In Brazil             | 103,383           | 85,120                     |
| Abroad                | 10,797,192        | 6,310,338                  |
|                       | <b>10,900,575</b> | <b>6,395,458</b>           |
| <b>Investments</b>    |                   |                            |
| In Brazil             | 4,227,916         | 5,110,749                  |
| Abroad                | 917,727           | 485,149                    |
|                       | <b>5,145,643</b>  | <b>5,595,898</b>           |
|                       | <b>16,046,218</b> | <b>11,991,356</b>          |

Our investments are basically in private and public securities with yields linked to the variation of Interbank Deposit Certificates (CDI) and repo operations backed by National Treasury Notes, respectively. The Company invests part of the funds through exclusive investment funds which have been consolidated in these financial statements.

Our investments are in private securities in top-rated banks and are remunerated at pre-fixed rates.

#### Accounting Policy

Cash and cash equivalents include cash on hand and in banks and other highly liquid short-term investments redeemable within 90 days from the end of the reporting period, readily convertible into a known amount of cash and subject to an insignificant risk of change in value.

#### 5. FINANCIAL INVESTMENTS

|                                | Current          |                  | Non-current    |            | Consolidated   |
|--------------------------------|------------------|------------------|----------------|------------|----------------|
|                                | 12/31/2023       | 12/31/2022       | 12/31/2023     | 12/31/2022 | 12/31/2022     |
| Investments <sup>(1)</sup>     | 39,800           | 271,590          | 139,949        |            | 15,675         |
| Usiminas shares <sup>(2)</sup> | 1,493,204        | 1,184,895        |                |            |                |
| Bonds <sup>(3)</sup>           |                  |                  | 111,350        |            | 140,510        |
|                                | <b>1,533,004</b> | <b>1,456,485</b> | <b>251,299</b> |            | <b>156,185</b> |

(1) Comprised of restricted financial investments and linked to a Bank Deposit Certificate (CDB) to guarantee a letter of guarantee from financial institutions and financial investments in Public Securities (LFT - Letras Financeiras do Tesouro) managed by their exclusive funds. As of December 31, 2023, R\$122,687 has restricted availability as a guarantee for a liability of the subsidiary CSN Cimentos Brasil and its redemption period is indeterminate.

(2) Part of the shares of Usiminas Siderúrgica de Minas Gerais S.A. held by the Company guarantees a portion of the Company's debt.

(3) Bonds with Fibra bank due in February 2028 (see note 22.b).

#### Accounting Policy

Short-term investments that are not classified as cash equivalents and are measured at amortized cost and at fair value through profit or loss.

**6. TRADE RECEIVABLES**

|                                    | 12/31/2023       | Consolidated<br>12/31/2022 |
|------------------------------------|------------------|----------------------------|
| <b>Trade receivables</b>           |                  |                            |
| <b>Third parties</b>               |                  |                            |
| Domestic market                    | 1,525,773        | 1,636,804                  |
| Foreign market                     | 1,801,677        | 1,720,056                  |
|                                    | <b>3,327,450</b> | <b>3,356,860</b>           |
| Estimated losses on doubtful debts | (226,053)        | (232,830)                  |
|                                    | <b>3,101,397</b> | <b>3,124,030</b>           |
| Related parties (Note 22 b)        | 168,367          | 109,134                    |
|                                    | <b>3,269,764</b> | <b>3,233,164</b>           |

The composition of the gross balance of accounts receivable from third party customers is shown as follows:

|                         | 12/31/2023       | Consolidated<br>12/31/2022 |
|-------------------------|------------------|----------------------------|
| Current                 | 2,938,483        | 2,934,057                  |
| Past-due up to 30 days  | 129,846          | 163,959                    |
| Past-due up to 180 days | 36,568           | 54,452                     |
| Past-due over 180 days  | 222,553          | 204,392                    |
|                         | <b>3,327,450</b> | <b>3,356,860</b>           |

The changes in expected credit losses are as follows:

|   | 12/31/2023       | Consolidated<br>12/31/2022 |
|---|------------------|----------------------------|
| <b>Opening balance</b>                        | <b>(232,830)</b> | <b>(236,927)</b>           |
| Loss estimated                                | (2,959)          | (87)                       |
| Recovery and write-offs of receivables        | 9,736            | 13,197                     |
| Consolidation in the acquisition of companies |                  | (9,013)                    |
| <b>Closing balance</b>                        | <b>(226,053)</b> | <b>(232,830)</b>           |

**Accounting Policy**

Accounts receivable are initially recognized by the transaction price, provided they do not contain financing components, and subsequently measured at amortized cost. When applicable, it is adjusted to present value including the respective taxes and ancillary expenses, and customer credits, in foreign currency, are restated at the exchange rate on the date of the financial statements.

The Company measures credit losses annually expected for the instrument, where it considers all possible loss events over the lifetime of its receivables, using a loss rate matrix by maturity range adopted by the Company, from the initial moment (recognition) of the asset. This model considers the customer's history, default rate, financial situation and the position of its legal advisors to estimate expected credit losses.

The Company performs operations relating to assignment of receivables without co-obligation in which, after the assignment of trade notes/bills from the customer and receipt of funds arising from the closing of each operation, CSN settles the accounts receivable and relieves itself entirely of the operation's credit risk.

## 7. INVENTORIES

|                            | 12/31/2023        | Consolidated<br>12/31/2022 |
|----------------------------|-------------------|----------------------------|
| Finished goods             | 3,856,491         | 4,421,166                  |
| Work in progress           | 3,316,396         | 3,501,145                  |
| Raw materials              | 2,607,079         | 3,297,213                  |
| Storeroom supplies         | 1,225,963         | 1,174,244                  |
| Advances to suppliers      | 85,623            | 37,619                     |
| Provision for losses       | (121,871)         | (96,493)                   |
|                            | <b>10,969,681</b> | <b>12,334,894</b>          |
| <b>Classified:</b>         |                   |                            |
| Current                    | 9,557,578         | 11,289,229                 |
| Non-current <sup>(1)</sup> | 1,412,103         | 1,045,665                  |
|                            | <b>10,969,681</b> | <b>12,334,894</b>          |

(1) Long-term iron ore inventories that will be used after the construction of the processing plant, which will produce pellet feed.

The changes in expected losses on inventories are as follows:

|   | 12/31/2023       | Consolidated<br>12/31/2022 |
|---|------------------|----------------------------|
| <b>Opening balance</b>  | <b>(96,493)</b>  | <b>(98,730)</b>            |
| Reversal/(Estimated losses) of inventories with low turnover and obsolescence | (25,378)         | 3,621                      |
| Consolidation in the acquisition of companies                                 |                  | (1,384)                    |
| <b>Closing balance</b>  | <b>(121,871)</b> | <b>(96,493)</b>            |

### Accounting Policy

The inventory is recorded at the lower of cost and net realizable value. The cost is determined using the weighted average cost method for the purchase of raw materials. The cost of finished goods and work in progress includes raw materials, labor, other direct costs (based on normal production capacity). The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to realize the sales. Expected losses on slow-moving or obsolete inventories are recognized when deemed necessary.

## 8. RECOVERABLE TAXES

|  | 12/31/2023       | Consolidated<br>12/31/2022 |
|--|------------------|----------------------------|
| State Value-Added Tax                          | 1,492,575        | 1,130,843                  |
| Brazilian federal contributions <sup>(1)</sup> | 2,729,606        | 1,862,828                  |
| Other taxes                                    | 59,316           | 189,087                    |
|  | <b>4,281,497</b> | <b>3,182,758</b>           |
| <b>Classified:</b>                             |                  |                            |
| Current  | 1,744,074        | 1,865,626                  |
| Non-current                                    | 2,537,423        | 1,317,132                  |
|  | <b>4,281,497</b> | <b>3,182,758</b>           |

(1) In 2023, the increase is mainly due to extemporaneous credit for excluding of freight from the IPI calculation base, being approximately R\$345,215, increases of R\$37,153 in PIS and R\$143,575 in COFINS recoverable. Increases in IRRF recoverable in the amount of R\$179,122 were also recorded, the main factor being credit for the negative balance of IRPJ for 2022.

The accumulated tax credits arise basically from PIS and COFINS credits on purchases of raw materials used in production. The realization of these credits normally occurs through offsetting against domestic sales transactions and through offsetting against other federal taxes payable by the Company.

## Accounting Policy

The accumulated tax credits arise basically from ICMS, PIS and COFINS credits on purchases of raw materials and fixed assets used in production. The realization of these credits normally occurs through offset with debits of these taxes, generated by sales operations and other taxed expenses.

The balance of recoverable taxes maintained as current is expected to be offset in the next 12 months, as well as based on analysis and budget projection approved by Management. The Company does not foresee risks of non-realization of these tax credits, provided that these budget projections materialize.

### 9. OTHER CURRENT AND NON-CURRENT ASSETS

Other current and non-current assets are as follows:

|   | Current        |                | Non-current      | Consolidated     |
|---|----------------|----------------|------------------|------------------|
|   | 12/31/2023     | 12/31/2022     | 12/31/2023       | 12/31/2022       |
| Judicial deposits (note 20)                         |                |                | 491,882          | 533,664          |
| Derivative financial instruments (note 14)          | 32,211         |                |                  |                  |
| Prepaid expenses                                    | 337,107        | 311,087        | 44,027           | 47,109           |
| Prepaid expenses with freight                       | 79,449         | 36,783         |                  |                  |
| Actuarial asset (note 22 b)                         |                |                | 39,530           | 35,477           |
| Trading securities                                  | 7,198          | 9,596          |                  |                  |
| Loans with related parties (note 22)                | 5,316          | 5,383          | 1,659,412        | 1,384,773        |
| Other receivables from related parties (note 22 b)  | 8,309          | 1,858          | 1,792,579        | 1,484,759        |
| Eletrobrás bonds and compulsory loan <sup>(1)</sup> |                |                | 62,913           | 58,030           |
| Dividends receivables (note 22 b)                   | 185,178        | 77,377         |                  |                  |
| Employee debts                                      | 61,332         | 59,578         |                  |                  |
| Receivables by indemnity <sup>(2)</sup>             | 106,405        |                | 1,173,922        | 974,863          |
| Other   | 104,557        | 274,838        | 46,226           | 231,043          |
|   | <b>927,062</b> | <b>776,500</b> | <b>5,310,491</b> | <b>4,749,718</b> |

(1) In December 2023, R\$106,405 was recognized relating to an income tax dispute litigation. In April 2023, the subsidiary CEEE-G recognized the amount of R\$37,486, referring to the Tax and Contribution Values (VIC) of the Hydroelectric Plants committed to Physical Guarantee Quota Contracts (CCGFs). Additionally, in the 3rd quarter of 2022, the uncontroversial amount of R\$422,254 was recognized in the same account, as a refund of the amounts overpaid for railroad freight from April 1994 to March 1994 and March 1996 to the company RFFSA, and that after its extinction, the Federal Government became the responsible for payment. Additionally, in 2020 a credit was recognized which is a net, certain and demandable amount, arising from the final and unappealable judicial decision favorable to the Company, due to losses and damages arising from voltage drop in the supply of energy in the periods from January/1991 to June/2002, in the amount of R\$561,466.

(2) On February 8, 2022, ANEEL approved the renegotiation of the hydrological risk (GSF - Generation Scaling Factor) of HPP Dona Francisca, in accordance with Authorizing Resolution No. 11.132. In this sense, the extension of the Plant Concession was granted by 1,485 days, moving the end of the grant from 02/28/2033 to 09/21/2037. Having overcome this stage, the Term of Agreement signed between CEEE-G and Dona Francisca Energética S.A. - DFESA became effective, a contract that redistributes the Consortium's risks, with the physical guarantee of the Plant, the hydrological risk and the engineering risk in the proportion of the participation of Dona Francisca (85%) and CEEE-G (15%) in the project, see explanatory note n° 1.1.2. In view of this redistribution, DFESA will pay CEEE-G the amount of R\$ 57,056, in 48 installments, to be paid, starting in March 2022, updating the credit by 100% of the CDI, having already received 22 (twenty-two) installments.

### 10. BASIS OF CONSOLIDATION AND INVESTMENTS

The accounting policies have been consistently applied to all consolidated companies. The consolidated financial statements for the years ended December 31, 2023 and 2022 include the following direct and indirect subsidiaries and joint ventures, associates, joint ventures, as well as the exclusive funds, as follows:

| Companies   | Equity interests (%) |            | Core business  |
|---|----------------------|------------|--|
|   | 12/31/2023           | 12/31/2022 |  |
| <b>Direct interest in subsidiaries: full consolidation</b>              |                      |            |  |
| CSN Islands VII Corp.   | 100.00               | 100.00     | Financial transactions   |
| CSN Inova Ventures  | 100.00               | 100.00     | Equity interests and Financial transactions  |
| CSN Islands XII Corp.   | 100.00               | 100.00     | Financial transactions   |
| CSN Steel S.L.U.  | 100.00               | 100.00     | Equity interests and Financial transactions  |
| TdBB S.A. (*)   | 100.00               | 100.00     | Equity interests   |
| Sepetiba Tecon S.A.   | 99.99                | 99.99      | Port services  |
| Minérios Nacional S.A.  | 99.99                | 99.99      | Mining and Equity interests  |
| Companhia Florestal do Brasil   | 99.99                | 99.99      | Reforestation  |
| Estanho de Rondônia S.A.  | 99.99                | 99.99      | Tin Mining   |
| Companhia Metalúrgica Prada   | 99.89                | 99.89      | Manufacture of containers and distribution of steel products                           |
| CSN Mineração S.A.  | 79.75                | 79.75      | Mining   |
| CSN Energia S.A.  | 99.99                | 99.99      | Sale of electric power   |
| FTL - Ferrovia Transnordestina Logística S.A.                           | 92.71                | 92.71      | Railroad logistics   |
| Nordeste Logística S.A.   | 99.99                | 99.99      | Port services  |
| CSN Inova Ltd.  | 100.00               | 100.00     | Advisory and implementation of new development projects                                |
| CBSI - Companhia Brasileira de Serviços de Infraestrutura               | 99.99                | 99.99      | Equity interests and product sales and iron ore  |
| CSN Cimentos S.A. (**)  |                      | 99.99      | Manufacturing and sale of cement   |
| CSN Cimentos Brasil S.A.  | 99.99                | 99.99      | Manufacturing and sale of cement   |
| Berkeley Participações e Empreendimentos S.A.                           | 100.00               | 100.00     | Electric power generation and equity interests   |
| CSN Inova Soluções S.A.   | 99.90                | 99.99      | Equity interests   |
| CSN Participações I   | 99.90                | 99.99      | Equity interests   |
| Circula Mais Serviços de Intermediação Comercial S.A.                   | 0.10                 | 0.01       | Commercial intermediation for the purchase and sale of assets and materials in general |
| CSN Participações III   | 99.90                | 99.99      | Equity interests   |
| CSN Participações IV  | 99.90                | 99.99      | Equity interests   |
| CSN Participações V   | 99.90                | 99.99      | Equity interests   |
| <b>Indirect interest in subsidiaries: full consolidation</b>            |                      |            |  |
| Lusosider Projectos Siderúrgicos S.A.                                   | 100.00               | 100.00     | Equity interests and product sales   |
| Lusosider Aços Planos, S. A.  | 99.99                | 99.99      | Steel and Equity interests   |
| CSN Resources S.A.  | 100.00               | 100.00     | Financial transactions and Equity interests  |
| Companhia Brasileira de Latas   | 99.88                | 99.88      | Sale of cans and containers in general and Equity interests                            |
| Companhia de Embalagens Metálicas MMSA                                  | 99.87                | 99.87      | Production and sale of cans and related activities                                     |
| Companhia de Embalagens Metálicas - MTM                                 | 99.87                | 99.87      | Production and sale of cans and related activities                                     |
| CSN Productos Siderúrgicos S.L.   | 100.00               | 100.00     | Financial transactions, product sales and Equity interests                             |
| Stalwerk Thüringen GmbH   | 100.00               | 100.00     | Production and sale of long steel and related activities                               |
| CSN Steel Sections Polska Sp.Z.o.o                                      | 100.00               | 100.00     | Financial transactions, product sales and Equity interests                             |
| CSN Mining Holding, S.L.U.  | 79.75                | 79.75      | Financial transactions, product sales and Equity interests                             |
| CSN Mining GmbH   | 79.75                | 79.75      | Financial transactions, product sales and Equity interests                             |
| CSN Mining Asia Limited   | 79.75                | 79.75      | Commercial representation  |
| Lusosider Ibérica S.A.  | 100.00               | 100.00     | Steel, commercial and industrial activities and equity interests                       |
| CSN Mining Portugal, Unipessoal Lda.                                    | 79.75                | 79.75      | Commercial and representation of products  |
| Companhia Siderúrgica Nacional, LLC                                     | 100.00               | 100.00     | Import and distribution/resale of products   |
| Elizabeth Cimentos S.A.   | 99.98                | 99.98      | Manufacturing and sale of cement   |
| Santa Ana Energética S.A.   | 99.98                | 99.99      | Electric power generation  |
| Topázio Energética S.A.   | 99.98                | 99.99      | Electric power generation  |
| Brasil Central Energia Ltda.  | 99.98                | 99.99      | Electric power generation  |
| Circula Mais Serviços de Intermediação Comercial S.A.                   | 99.90                | 99.99      | Commercial intermediation for the purchase and sale of assets and materials in general |
| Metalgráfica Iguazu S.A.  | 99.89                | 99.89      | Metal packaging manufacturing  |
| Companhia Energética Chapecó  | 79.75                | 79.75      | Electric power generation  |
| Companhia Estadual de Geração de Energia Elétrica - CEEE-G (1)          | 98.98                | 98.96      | Electric power generation  |
| Ventos de Vera Cruz S.A.  | 98.97                | 98.95      | Electric power generation  |
| Ventos de Curupira S.A.   | 98.97                | 98.95      | Electric power generation  |
| Ventos de Povo Novo S.A.  | 98.97                | 98.95      | Electric power generation  |
| MAZET - Maschinenbau Zerspanungstechnik GmbH (2)                        | 100.00               |            | Production and sale of long steel and related activities                               |
| CSN Mining Internacional GmbH (3)                                       | 100.00               |            | Commercial and representation of products  |
| <b>Direct interest in joint operations: proportionate consolidation</b> |                      |            |  |
| Itá Energética S.A.   | 48.75                | 48.75      | Electric power generation  |
| Consórcio da Usina Hidrelétrica de Igarapava                            | 17.92                | 17.92      | Electric power consortium  |
| Consórcio Itaipua(2)  | 36.60                | 36.60      | Electric power generation  |
| Consórcio Passo Real (2)  | 46.97                |            | Electric power generation  |
| <b>Direct interest in joint ventures: equity method</b>                 |                      |            |  |
| MRS Logística S.A.  | 18.64                | 18.64      | Railroad transportation  |
| Aceros Del Orinoco S.A. (*)   | 31.82                | 31.82      | Dormant company  |
| Transnordestina Logística S.A.  | 48.03                | 48.03      | Railroad logistics   |
| Equimac S.A.  | 50.00                | 50.00      | Rental of commercial and industrial machinery and equipment                            |
| Consórcio Itaipua(2)  | 63.40                | 63.40      | Electric power generation  |
| Consórcio Passo Real (2)  | 53.03                |            | Electric power generation  |
| <b>Indirect interest in joint ventures: equity method</b>               |                      |            |  |
| MRS Logística S.A.  | 14.86                | 14.86      | Railroad transportation  |
| <b>Direct interest in associates: equity method</b>                     |                      |            |  |
| Arvedi Metaller do Brasil S.A.  | 20.00                | 20.00      | Metallurgy and Equity interests  |
| <b>Indirect interest in affiliates: equity method</b>                   |                      |            |  |
| Ventos da Lagoa Energia S.A. (3)  |                      | 10.00      | Electric power generation  |
| Jaguari Energética S.A.   | 10.39                | 10.39      | Electric power generation  |
| Chapecoense Geração S.A.  | 8.91                 | 8.91       | Electric power generation  |
| Parques Eólicos Palmares S.A. (3)                                       |                      | 10.00      | Electric power generation  |
| Ventos do Litoral Energia S.A. (3)                                      |                      | 10.00      | Electric power generation  |
| Ventos dos Índios Energia S.A. (3)                                      |                      | 10.00      | Electric power generation  |
| Companhia Energética Rio das Antas - Ceran                              | 29.69                | 29.69      | Electric power generation  |
| Ventos do Sul Energia S.A.  | 9.90                 | 10.00      | Electric power generation  |
| Foz Chapecó Energia S.A.  | 8.91                 | 8.91       | Electric power generation  |
| <b>Exclusive funds: full consolidation</b>                              |                      |            |  |
| Diplic II - Private credit balanced mutual fund                         | 100.00               | 100.00     | Investment fund  |
| Caixa Vértice - Private credit balanced mutual fund                     | 100.00               | 100.00     | Investment fund  |
| VR1 - Private credit balanced mutual fund                               | 100.00               | 100.00     | Investment fund  |

(\*) Dormant companies.

(\*\*) Company incorporated see note 10.b.

(1) On November 24, 2023, Companhia Florestal do Brasil ("CFB") carried out the settlement of the Public Acquisition Offer ("OPA") procedure for shares issued by Companhia Estadual de Geração de Energia Elétrica - CEEE-G ("CEEE-G"), obtaining, at the end of the procedure, the acquisition of 1,609 (one thousand, six hundred and nine) shares of CEEE-G, thus increasing its participation percentage from 98.96% to 98.98% of the Company's share capital.

(2) On June 1, 2023, MAZET - Maschinenbau Zerspanungstechnik GmbH was acquired by the indirect subsidiary Stalwerk Thüringen GmbH.

(3) On November 21, 2023, the company CSN Mining Internacional GmbH was incorporated by the Company's indirect subsidiary, CSN Mining Holding GmbH.

(4) On December 26, 2022, the Itaipua Consortium was created, with Companhia Siderúrgica Nacional S.A. as consortium members, with a 63.4% share, and CSN Cimentos Brasil S.A., with a 36.6% share. Additionally, on January 17, 2023, the Passo Real Consortium was formed, with the companies Companhia Siderúrgica Nacional S.A., Elizabeth Cimentos S.A., CSN Mineração S.A. and Minérios Nacional S.A. as consortium members, with shares of 46.97%, 28.18%, 23.29% and 1.56%, respectively.

(5) CEEE-G sold its shareholding in the affiliates Ventos Lagoa Energia S.A., Parques Eólicos Palmares S.A., Ventos do Litoral Energia S.A. and Ventos dos Índios Energia S.A.

#### 10.a) Changes in investments in joint ventures, joint operations, associates and other investments

The positions presented as of December 31, 2023 and 2022 and the changes refer to the interest held by CSN in these companies:

| Companies  | Final balance on<br>12/31/2022 | Capital<br>increase | Dividends        | Equity Income<br>(2) | Comprehensive<br>income | Others           | Consolidated<br>Final balance on<br>12/31/2023 |
|--|--------------------------------|---------------------|------------------|----------------------|-------------------------|------------------|--|
| <b>Investments under the equity method</b>                   |                                |                     |                  |                      |                         |                  |  |
| <b>Joint-venture, Joint-operation and Affiliate</b>          |                                |                     |                  |                      |                         |                  |  |
| MRS Logística <sup>(1)</sup>                                 | 2,054,898                      |                     | (106,747)        | 449,462              | 175                     | (16,181)         | 2,381,607                                      |
| Fair Value MRS   | 480,622                        |                     |                  |                      |                         |                  | 480,622  |
| Fair Value MRS amortization                                  | (82,225)                       |                     |                  | (11,746)             |                         |                  | (93,971)                                       |
| Transnordestina Logística S.A.                               | 1,184,514                      |                     |                  | (23,568)             |                         |                  | 1,160,946                                      |
| Fair Value -Transnordestina                                  | 659,106                        |                     |                  |                      |                         |                  | 659,106  |
| Arvedi Metafer do Brasil (affiliate)                         | 25,762                         | 11,037              |                  | (1,332)              |                         |                  | 35,467   |
| Equimac S.A  | 18,482                         |                     |                  | 5,311                |                         |                  | 23,793   |
| Indirect interest in affiliates - CEEE-G <sup>(2)</sup>      | 216,307                        |                     | (56,776)         | 50,757               |                         | (44,397)         | 165,891  |
| Fair Value indirect participation CEEE-G <sup>(3)</sup>      | 359,024                        |                     |                  | (39,315)             |                         |                  | 319,709  |
| Fair Value amortization indirect participation CEEE-G        | (25,889)                       |                     |                  | 1,993                |                         |                  | (23,896)                                       |
|  | <b>4,890,621</b>               | <b>11,037</b>       | <b>(163,523)</b> | <b>431,562</b>       | <b>175</b>              | <b>(60,578)</b>  | <b>5,109,294</b>                               |
| Equity interests evaluated by the cost method <sup>(4)</sup> | 41,093                         | 9,000               |                  |                      |                         |                  | 50,093   |
| Investments at fair value through profit or loss (note 14)   | 94,700                         |                     |                  |                      |                         | (15,963)         | 78,737   |
| Other  | 33,588                         |                     |                  |                      |                         | (34,535)         | (947)  |
|  | <b>169,381</b>                 | <b>9,000</b>        |                  |                      |                         | <b>(50,498)</b>  | <b>127,883</b>                                 |
| <b>Total shareholdings</b>                                   | <b>5,060,002</b>               | <b>20,037</b>       | <b>(163,523)</b> | <b>431,562</b>       | <b>175</b>              | <b>(111,076)</b> | <b>5,237,177</b>                               |
| <b>Classification of investments in the balance sheet</b>    |                                |                     |                  |                      |                         |                  |  |
| Equity interests   | 5,060,002                      |                     |                  |                      |                         |                  | 5,237,177                                      |
| Investment Property  | 159,080                        |                     |                  |                      |                         |                  | 205,954  |
| <b>Total investments in the asset</b>                        | <b>5,219,082</b>               |                     |                  |                      |                         |                  | <b>5,443,131</b>                               |

(1) The balance in others refers to the sale of treasury shares as approved at the Ordinary General Meeting on April 27, 2023.

(2) Mainly refers to the sale by CEEE-G in the first quarter of its shareholding in the affiliates Ventos Lagoa Energia S.A., Parques Eólicos Palmares S.A., Ventos do Litoral Energia S.A. and Ventos dos Índios Energia S.A., consequently, there was a write-off of these investments in the amount of (R\$43,567), the effect of the operation was classified in the group of other operating expenses and income.

(3) As of December 31, 2023, the balance of R\$ 359,024 refers to the Fair Value generated in the acquisition of CEEE-G, with the disposals mentioned in the item above, the Fair Value was written off in the amount of (R\$39,315) referring to the companies' surplus value sold, the effect of the write-off was classified in the equity equivalence group;

(4) These are strategic investments in startups made by the subsidiary CSN Nova Ventures, which are valued using the cost method, in the following companies: Alinea Health Holdings Ltda. I.Systems Aut. Ind., 2D Materials, H2Pro Ltda, 1S1 Energy, Traive INC., OICO Holdings, Clarke Software and Global Dot Com the latter acquired on June 5, 2023.

The reconciliation of equity in earnings of companies with shared control classified as joint ventures and associates and the amount presented in the income statement is presented below and results from the elimination of the results of CSN's transactions with these companies:

|  | 12/31/2023     | Consolidated<br>12/31/2022 |
|--|----------------|----------------------------|
| <b>Equity in results of affiliated companies</b> |                |                            |
| MRS Logística S.A.                               | 449,462        | 325,800                    |
| Transnordestina                                  | (23,568)       | (29,307)                   |
| Arvedi Metalfer do Brasil                        | (1,332)        | 4,702                      |
| Equimac S.A                                      | 5,311          | 3,936                      |
| Indirect interest in affiliates - CEEE-G         | 50,757         |                            |
| Fair Value Amortization                          | (49,068)       | (37,633)                   |
|  | <b>431,562</b> | <b>267,498</b>             |
| <b>Other adjustments</b>                         |                |                            |
| Cost of sales                                    | (110,734)      | (80,006)                   |
| To taxes   | 30,421         | 27,202                     |
| Others   | (118)          | 23,223                     |
| <b>Equity in results</b>                         | <b>351,131</b> | <b>237,917</b>             |

(1) The operating margin of intercompany operations with group companies classified as joint ventures, which are not consolidated, are reclassified in the Income Statement of the Investment group to the cost and income tax and social contribution group.

#### 10.b) Additional information on operational subsidiaries based in Brazil and abroad

##### • CSN CIMENTOS S.A. ("CSN CIMENTOS")

The cement operations in the Group began in May 2009 with a crushing unit in Volta Redonda/RJ, driven by the synergy between that activity and the generation of slag produced in our blast furnaces in the Presidente Vargas steel plant ("UPV"), a material used as raw material in the production of cement.

In 2011, our production of clinker was initiated after the installation of a furnace in Arcos/MG, using calcitic limestone extracted in the Bocaina mine, existing in the same location that also supplies steel limestone to UPV. The clinker produced is primarily loaded by rail to our cement plant in Volta Redonda/RJ.

In 2015, the unit in Arcos/MG started its production of cement with the installation of two vertical crushers. In 2016 a second production line of clinker was assembled, reaching full independence for clinker in the production of cement.

The production in Arcos is primarily of cement type CP-II, basically composed of clinker, slag, limestone and plaster, and the composition of those materials varies depending on the intended final product. Also, in Arcos, there is extraction of limestone and dolomite destined to UPV.

On August 31, 2023, the reverse merger of CSN Cimentos into CSN Cimentos Brasil was approved and consequently the transfer of all assets, properties, rights and obligations. The Valuation Report of CSN Cimentos net equity was prepared based on the June 30, 2023 balance sheet.

As a result of the merger, the net equity of CSN Cimentos Brasil was increased by R\$2,383,275,916.52 (two billion, three hundred and eighty-three million, two hundred and seventy-five thousand, nine hundred and sixteen reais and fifty-two centavos), with R\$2,300,489,487.22 (two billion, three hundred million, four hundred and eighty-nine thousand, four hundred and eighty-seven reais and twenty-two centavos) allocated to the share capital and R\$82,786,429.30 (eighty-two million, seven hundred and eighty-six thousand, four hundred and twenty-nine reais and thirty cents) to the capital reserve account.

| (R\$'000)  | Net equity as of June 30, 2023 |
|--|--------------------------------|
| Cash and cash equivalents  | 111,937                        |
| Trade receivables  | 95,506                         |
| Inventories  | 245,701                        |
| Other assets   | 229,560                        |
| Corporate investments  | 1,198,743                      |
| Property, plant and equipment                                      | 3,573,944                      |
| Intangible assets  | 889,979                        |
| Investment properties  | 631                            |
| <b>Total Assets</b>  | <b>6,346,001</b>               |
| Trade payables   | 375,049                        |
| Borrowings and financing   | 2,678,625                      |
| Salaries and social charges  | 15,432                         |
| Taxes payable  | 42,383                         |
| Lease liabilities  | 15,392                         |
| Tax, social security, labor and civil                              | 11,489                         |
| Provisions for environmental liabilities and asset decommissioning | 83,076                         |
| Other payables   | 741,279                        |
| <b>Total Liabilities</b>   | <b>3,962,725</b>               |
| <b>Net assets</b>  | <b>2,383,276</b>               |

• ELIZABETH CIMENTOS S.A. ("Elizabeth Cimentos")

On August 31, 2021, the acquisition of control of Elizabeth Cimentos and Elizabeth Mineração, through its subsidiary CSN Cimentos, was concluded.

Elizabeth Cimentos is a corporation located in Paraíba which manufactures and sells Portland cement and clinker. Its products are marketed in all states of the North and Northeast regions.

• SEPETIBA TECON S.A. ("Tecon")

It aims to explore Container Terminal at the Port of Itaguaí, located in Itaguaí, in the State of Rio de Janeiro. The terminal is connected to the UPV by the Southeast railroad network, which is granted to MRS Logística S.A. The services provided are handling operations and storage of containers, steel products and cargo in general, among other products and services for washing, maintenance and hygiene of containers.

Tecon won a bidding procedure and entered into the lease agreement on October 23, 1998, starting operations in 2001, for operation of the port terminal for a period of 25 years, extendable for an equal period. In 2022, this deadline was extended for additional 25 years.

Upon termination of the lease, all rights and benefits transferred to Tecon will return to the Federal Government, together with the assets owned by Tecon and those resulting from investments made by it in leased assets, declared reversible by the Federal Government as they are necessary for the continuity of the provision of the service granted. The assets declared reversible will be indemnified by the Federal Government at the residual value of their cost, determined by Tecon's accounting records after deducting depreciation.

• ESTANHO DE RONDÔNIA S.A. ("ERSA")

Headquartered in the state of Rondônia, the subsidiary operates two units, one in the city of Itapuã do Oeste/RO and the other in Ariquemes/RO. Mining is located in Itapuã do Oeste, where cassiterite (tin ore) is extracted, and in Ariquemes, the foundry where metallic tin is obtained, which is the raw material used at UPV for the manufacture of metal sheets.



- **COMPANHIA METALÚRGICA PRADA ("Prada")**

Prada operates in two segments: metal steel packaging and flat steel processing and distribution.

*Packaging*

In the metal steel packaging segment, Prada produces the best and safest cans, buckets, and aerosols. It serves the chemical and food segments, providing packaging and lithography services to the main companies in the market.

*Distribution*

Prada also operates in the flat steel processing and distribution area, with a diversified product line. Supplies coils, rolls, plates, stripes, blanks, metal sheets, profiles, tubes, and tiles, among other products, for the most different segments of the industry - from automotive to civil construction. It is also specialized in providing steel processing services, meeting the demand from companies all over the country.

- **METALGRÁFICA IGUAÇU S.A. ("Metalgráfica")**

Founded in 1951, Metalgráfica has units in Ponta Grossa (PR) and Goiânia (GO), and produces steel cans for the national and international market of metal food packaging. The operation is a strategic step towards expanding the production capacity of CSN's packaging division. The technology used by Metalgráfica is more modern than that used by CSN, improving the competitiveness of the business and strengthening the national chain, especially in relation to substitute packaging.

- **CSN ENERGIA S.A. ("Energia")**

Its main objective is to sell electric energy to supply the operational needs of its The Company and its respective subsidiaries. If there is a surplus of the acquired energy, it is sold to the market through the CCEE ("Electric Energy Trading Chamber"). The company's head office is located in Rio de Janeiro.

- **FTL - FERROVIA TRANSNORDESTINA LOGÍSTICA S.A. ("FTL")**

Company created for the purpose of incorporating the spun-off portion of Transnordestina Logística S.A. It operates public cargo transportation services in the northeast of Brazil, in the stretches between the cities of São Luís and Altos, Altos and Fortaleza, Fortaleza and Sousa, Sousa and Recife/Jorge Lins, Recife/Jorge Lins and Salgueiro, Jorge Lins and Propriá, Paula Cavalcante and Cabedelo (Branch of Cabedelo) and Itabaiana and Macau (Branch of Macau) ("Malha I").

On March 23, 2021, CSN subscribed FTL shares through the capitalization of credits arising from Advances for Future Capital Increase (AFAC) in the amount of R\$10,860, increasing its interest in FTL's capital from 92.38% to 92.71%. As a result of the operations described above, which caused a change in shareholder participation, the Company recorded a loss in the amount of R\$29, recorded in shareholders' equity under "Other comprehensive income". There was no change in the corporate structure in 2023.

- **CSN MINERAÇÃO S.A. ("CSN Mineração")**

Headquartered in Congonhas, in the State of Minas Gerais, CSN Mineração S.A. has as its main objective the production, purchase and sale of iron ore, and has the commercialization of products in the foreign market as its focal point. As of November 30, 2015, CSN Mineração S.A. started to centralize CSN's mining operations, including the establishments of the Casa de Pedra mine, the TECAR port and an 18.63% stake in MRS. CSN's stake in this subsidiary on December 31, 2023 and 2022 was of 79.75%.

- **MINÉRIOS NACIONAL S.A. ("Minérios Nacional")**

Headquartered in Congonhas, in the State of Minas Gerais, Minérios Nacional has as main objective the production and sale of iron ore. The subsidiary concentrates the mining rights assets related to the Fernandinho, Cayman and Pedras Pretas mines, all in Minas Gerais transferred to Minérios Nacional S.A. in the business combination operation that took place in 2015.

- CBSI - COMPANHIA BRASILEIRA DE SERVIÇOS DE INFRAESTRUTURA ("CBSI")

Located in the city of Araucária, PR, the main purpose of CBSI is to render services to subsidiaries, associates, controlling companies and third-party entities related to the recovery and maintenance of industrial machinery and equipment, civil maintenance, industrial cleaning, preparation product logistics, among others.

- COMPANHIA FLORESTAL DO BRASIL ("CFB")

Companhia Florestal do Brasil, a legal entity governed by private law, was incorporated on May 24, 2013. It is organized as a closely-held corporation and the company's head office is located in São Paulo.

- STAHLWERK THÜRINGEN GMBH ("SWT")

The SWT was formed from the defunct Maxhütte steel industrial complex in Unterwellenborn, Germany. SWT produces used steel profiles for civil construction in accordance with international quality standards. Its main raw material is steel scrap, and its installed production capacity is 1.1 million tons of steel per year. SWT is an indirect subsidiary of CSN Steel S.L.U., a wholly owned subsidiary of CSN.

- COMPANHIA SIDERÚRGICA NACIONAL - LLC ("CSN LLC")

Companhia Siderúrgica Nacional, LLC, a wholly owned subsidiary of CSN Steel S.L.U. which, in turn, is a wholly owned subsidiary of CSN, is an importer and marketer of steel products and maintains its activities in the United States.

- LUSOSIDER AÇOS PLANOS, S.A. ("Lusosider")

Incorporated in 1996, as a continuation of Siderúrgica Nacional - a company privatized by the Portuguese government that year, Lusosider is the only Portuguese industry in the steel sector to produce cold-rolled flat steel, with an anti-corrosion coating. Lusosider has an installed capacity of approximately 550 thousand tons/year to produce four large groups of steel products: galvanized sheet, cold-rolled sheet, pickled sheet, and oil-coated sheet. The products manufactured by Lusosider may be used in the packaging industry, civil construction (tubes and metallic structures) and in components for home appliances.

- COMPANHIA ESTADUAL DE GERAÇÃO DE ENERGIA ELÉTRICA - CEEE-G.

On October 21, 2022, Companhia Florestal Brasileira acquired a 66.23% stake in Companhia Estadual de Geração de Energia Elétrica - CEEE-G, which belonged to the State of Rio Grande do Sul, later it also acquired on December 15, 2022 the 32.73% stake in CEEE-G which belonged to Centrais Elétricas Brasileiras S.A. - Eletrobras.

Headquartered in Porto Alegre, State of Rio Grande do Sul. CEEE-G's main purpose is to carry out studies, projects, construction and operation of power plants, as well as entering into company acts resulting from these activities, such as the sale of electricity. CEEE-G exercises share control of Special Purpose Entities (SPEs) Ventos de Curupira S.A., Ventos de Povo Novo S.A. and Ventos de Vera Cruz S.A., incorporated in February 2014 and members of the consortium responsible for building the Povo Novo Wind Complex. CEEE-G's stake as of December 31, 2023 is 99.99%.

- COMPANHIA ENERGÉTICA CHAPECÓ - CEC

Companhia Energética Chapecó, headquartered in the city of São Paulo, is an independent electricity production concessionaire whose main activity is to take advantage of the electric energy potential located on the Chapecó River, through a hydroelectric power plant, among the municipalities of Ipuçu and São Domingos, in the state of Santa Catarina, called Quebra-Queixo Generator Center. On December 11, 2000, Companhia Energética Chapecó signed the Concession Agreement for the Use of Public Assets for the generation of electricity 94/2000 with the Brazilian Electricity Regulatory Agency - ANEEL. The concession has a term of 35 years from the date of signature of the concession contract by the granting authority, which may be extended under the conditions established by ANEEL, and provided that the exploration of the hydroelectric use is in accordance with the conditions of the concession contract and in the legislation of the sector.

•CSN CIMENTOS BRASIL S.A. ("CSN Cimentos Brasil")

On September 6, 2022, CSN and LafargeHolcim (Brasil) S.A. ("LafargeHolcim") is a corporation, domiciled in Brazil, with its headquarters located at Estrada Aterrado do Leme, Santa Cruz, Rio de Janeiro - RJ, with industrial plants, warehouses and branches in a large part of the national territory. Its main activities are: production, industry and general trade of cement, lime, mortar, minerals and metals in general and complementary products for civil construction, in natura. The stake as of December 31, 2023 is 99.99%.

**10.c) Main events occurred in the subsidiaries**

**IPO of CSN MINERAÇÃO**

(a) Initial Public Offering (IPO)

On February 17, 2021, the subsidiary CSN Mineração concluded its initial public offering at B3 - Brasil, Bolsa, Balcão. The final prospectus of the public offering consisted of: (i) primary distribution of 161,189,078 shares ("Primary Offering"); and (ii) secondary distribution of 422,961,066 shares, being initially 372,749,743 shares ("Secondary Offering"), increased by 50,211,323 supplementary shares held by CSN ("Supplementary Shares"). The price per share was fixed at R\$8.50 after the collection of intention of investments from institutional buyers in Brazil and abroad.

The Company's interest in the subsidiary CSN Mineração changed from 78.24% in December 2021 to 79.75% in December 2022.

**(i) Primary Distribution of Shares**

Upon the primary distribution, CSN Mineração issued 161,189,078 shares ("Primary Offering") and capitalized the total amount of R\$1,370,107 (R\$1,347,862 net of transaction costs).

The issuance of 161,189,078 shares diluted the Company's interest in the capital of CSN Mineração and, accordingly, the Company recognized in other comprehensive income a gain from the change of ownership percentage.

The impact of the transaction is presented below:

|  |                |
|--|----------------|
| Gain on participation in the capital increase                  | 1,060,530      |
| Loss due to dilution of participation with issue of new shares | (231,044)      |
| Equity adjustment by dilution of share percentage              | (7,393)        |
| <b>Net gain from the transaction</b>                           | <b>822,093</b> |

**(i) Secondary Distribution of Shares**

Upon the secondary distribution of shares, Companhia Siderúrgica Nacional sold 327,593,584 common shares of CSN Mineração and, additionally, in March 2021 sold supplementary 50,211,323 common shares, totaling 377,804,907 or 9.3% of shares previously held, in the total amount of R\$3,211,342 (R\$3,164,612 net of transaction costs). The gain for the sale was recognized as Other Operating Income.

The main impacts of the transaction are presented below:

|  |                  |
|--|------------------|
| Equity in the transaction                        | 9,947,525        |
| Number of share before initial public offering   | 5,430,057,060    |
| <b>Cost per share</b>                            | <b>R\$ 1.83</b>  |
| Number of shares sold by CSN                     | 377,804,907      |
| Price per share                                  | R\$ 8.50         |
| <b>(+) Net cash generated in the transaction</b> | <b>3,211,342</b> |
| <b>(-) Transaction cost</b>                      | <b>(46,730)</b>  |
| <b>(=) net cash receivable (a)</b>               | <b>3,164,612</b> |
| <b>(-) Cost of shares (b)</b>                    | <b>(692,115)</b> |
| <b>(=) Net gain from the transaction (a)+(b)</b> | <b>2,472,497</b> |

#### **- Shares repurchase program of subsidiary CSN Mineração**

On March 24, 2021, November 3, 2021, and May 18, 2022, the Board of Directors of CSN Mineração approved the Share Repurchase Plans, to remain in treasury and subsequent disposal or cancellation, pursuant to CVM Instruction 567/2015, described below.

On May 18, 2022, the cancellation of 105,907,300 nominative common shares without a nominal value, repurchased and held in treasury, was approved at a Board of Directors' Meeting. On December 31, 2023 the subsidiary CSN Mineração had no treasury shares.

| Program | Board's Authorization | Authorized quantity | Program period               | Average buyback price | Minimum and maximum buyback price | Number bought back | Share cancellation | Treasury balance |
|---------|-----------------------|---------------------|------------------------------|-----------------------|-----------------------------------|--------------------|--------------------|------------------|
| 1º      | 03/24/2021            | 58,415,015          | from 3/25/2021 to 9/24/2021  | R\$6.1451             | R\$5.5825 and R\$6.7176           | 52,940,500         |                    | 52,940,500       |
| 2º      | 11/03/2021            | 53,000,000          | from 11/04/2021 to 9/24/2022 | R\$6.1644             | R\$5.0392 and R\$6.1208           | 52,466,800         |                    | 105,907,300      |
|         | 05/18/2022            |                     |                              | Not applicable        | Not applicable                    |                    | 105,907,300        |                  |
| 3º      | 05/18/2022            | 106,000,000         | from 05/19/2022 to 5/18/2023 |                       |                                   |                    |                    |                  |
|         |                       |                     |                              |                       |                                   | <b>105,407,300</b> | <b>105,907,300</b> |                  |

#### **- Drop down - Cement**

The cement activities had been carried out as a business unit of CSN and, recently, the Company chose to segregate these activities to its subsidiary CSN Cimentos. This segregation was approved at an Extraordinary General Meeting of CSN Cimentos, held on January 31, 2021, which, among other matters, approved a capital increase in CSN Cimentos in the amount of R\$2,956,094, with the issuance of 2,956,094,491 new common shares, which were fully subscribed and paid in on the same date by the Company, upon assignment of the net assets, liabilities, goods, rights and obligations related to CSN's cement segment, as described in detail in the Appraisal Report, also approved at the aforementioned meeting.

Find below the breakdown of the net assets contributed:

|                               | Appraisal reports | 12/31/2020       | Close balance | 01/31/2021       |
|-------------------------------|-------------------|------------------|---------------|------------------|
| <b>Assets</b>                 |                   |                  |               |                  |
| Trade receivables             |                   | 37,171           |               | 54,684           |
| Inventories                   |                   | 134,309          |               | 164,460          |
| Other assets                  |                   | 29,186           |               | 30,228           |
| Property, plant and equipment |                   | 3,151,349        |               | 3,129,161        |
| Intangible assets             |                   | 8,086            |               | 8,086            |
| <b>Liabilities</b>            |                   |                  |               |                  |
| Trade payables                |                   | (253,186)        |               | (278,538)        |
| Other payables current        |                   | (42,074)         |               | (34,301)         |
| Lease liabilities             |                   | (42,257)         |               | (24,430)         |
| Other provisions              |                   | (66,490)         |               | (64,125)         |
| <b>Net assets</b>             |                   | <b>2,956,094</b> |               | <b>2,985,225</b> |

### Sale of shares - Consórcio Machadinho

The Consórcio Machadinho is responsible for the exploration of HPP Machadinho, located on the Uruguay River, on the border of the states of Santa Catarina and Rio Grande do Sul, with an installed capacity of 1,140 MW and a physical guarantee of 519.8 average MW. CEEE-G's share in the Consortium was 5.53%, which implied the same percentage of costs and charges for the project under its responsibility.

As provided for in item 5.54 of the Privatization Notice of Auction Notice No. 01/2022 and under the terms of the contract establishing the Consórcio Machadinho, the other consortium members exercised their right of preference to acquire the entire stake in CEEE-G. The sale of CEEE-G's stake in Consórcio Machadinho occurred after the parties agreed to all the terms and conditions of the definitive transaction documents and the usual conditions for closing.

Under the terms and conditions of the agreed contract, the completion of the transaction was subject to compliance with the Precedent Condition, with the closure subject to the parties obtaining prior approval from the National Electric Energy Agency - ANEEL to carry out the Transaction, the which was granted in August 2023. The Closing of the transaction was carried out on 09/29/2023, for the amount of R\$ 114,763,385.98 (one hundred and fourteen million, seven hundred and sixty-three thousand, three hundred and eighty-five reais and ninety-eight cents).

### 10.d) Joint ventures and joint operations financial information

The balance sheet and income statement balances of the companies whose control is shared are shown below and refer to 100% of the companies' results:

| Equity interest (%)                               | 12/31/2023        |   |               |                                   | 12/31/2022        |   |               |                                   |
|---|-------------------|---|---------------|-----------------------------------|-------------------|---|---------------|-----------------------------------|
|   | MRS Logística     | Joint-Venture<br>Transnordestina<br>Logística | Equimac S.A.  | Joint-Operation<br>Itá Energética | MRS Logística     | Joint-Venture<br>Transnordestina<br>Logística | Equimac S.A.  | Joint-Operation<br>Itá Energética |
|   | 37.27%            | 48.03%  | 50.00%        | 48.75%                            | 37.27%            | 48.03%  | 50.00%        | 48.75%                            |
| <b>Balance sheet</b>                              |                   |   |               |                                   |                   |   |               |                                   |
| <b>Current Assets</b>                             |                   |   |               |                                   |                   |   |               |                                   |
| Cash and cash equivalents                         | 3,388,052         | 786,007                                       | 13,953        | 93,712                            | 867,937           | 1,164   | 8,983         | 46,946                            |
| Advances to suppliers                             | 101,318           | 6,161   | 77            | 409                               | 29,500            | 21,036  | 1,384         | 1,273                             |
| Other current assets                              | 1,390,540         | 67,758  | 16,747        | 30,517                            | 1,351,335         | 78,777  | 11,648        | 30,735                            |
| <b>Total current assets</b>                       | <b>4,879,910</b>  | <b>859,926</b>                                | <b>30,777</b> | <b>124,638</b>                    | <b>2,248,772</b>  | <b>100,977</b>                                | <b>22,015</b> | <b>78,954</b>                     |
| <b>Non-current Assets</b>                         |                   |   |               |                                   |                   |   |               |                                   |
| Other non-current assets                          | 679,749           | 97,560  | 599           | 18,054                            | 887,987           | 255,367                                       | 1,643         | 19,007                            |
| Investments, PP&E and intangible assets           | 12,774,225        | 12,062,189                                    | 48,570        | 296,818                           | 11,541,779        | 11,029,525                                    | 41,709        | 325,911                           |
| <b>Total non-current assets</b>                   | <b>13,453,974</b> | <b>12,159,749</b>                             | <b>49,169</b> | <b>314,872</b>                    | <b>12,429,766</b> | <b>11,284,892</b>                             | <b>43,352</b> | <b>344,918</b>                    |
| <b>Total Assets</b>                               | <b>18,333,884</b> | <b>13,019,675</b>                             | <b>79,946</b> | <b>439,510</b>                    | <b>14,678,538</b> | <b>11,385,869</b>                             | <b>65,367</b> | <b>423,872</b>                    |
| <b>Current Liabilities</b>                        |                   |   |               |                                   |                   |   |               |                                   |
| Borrowings and financing                          | 993,367           | 167,201                                       | 8,552         |                                   | 735,231           | 142,073                                       | 5,497         |                                   |
| Lease liabilities                                 | 565,002           |   | 684           |                                   | 472,129           |   | 701           |                                   |
| Other current liabilities                         | 2,111,251         | 80,851  | 8,310         | 21,222                            | 1,682,928         | 150,268                                       | 5,777         | 14,326                            |
| <b>Total current liabilities</b>                  | <b>3,669,620</b>  | <b>248,052</b>                                | <b>17,546</b> | <b>21,222</b>                     | <b>2,890,288</b>  | <b>292,341</b>                                | <b>11,975</b> | <b>14,326</b>                     |
| <b>Non-current Liabilities</b>                    |                   |   |               |                                   |                   |   |               |                                   |
| Borrowings and financing                          | 5,879,207         | 8,481,707                                     | 12,734        |                                   | 3,604,793         | 7,142,895                                     | 14,446        |                                   |
| Lease liabilities                                 | 1,665,072         |   | 253           |                                   | 1,928,931         |   | 630           |                                   |
| Other non-current liabilities                     | 729,736           | 1,873,232                                     | 1,827         | 22,140                            | 740,892           | 1,484,884                                     | 1,353         | 18,914                            |
| <b>Total non-current liabilities</b>              | <b>8,274,015</b>  | <b>10,354,939</b>                             | <b>14,814</b> | <b>22,140</b>                     | <b>6,274,616</b>  | <b>8,627,779</b>                              | <b>16,429</b> | <b>18,914</b>                     |
| <b>Shareholders' equity</b>                       | <b>6,390,249</b>  | <b>2,416,684</b>                              | <b>47,586</b> | <b>396,148</b>                    | <b>5,513,634</b>  | <b>2,465,749</b>                              | <b>36,963</b> | <b>390,632</b>                    |
| <b>Total liabilities and shareholders' equity</b> | <b>18,333,884</b> | <b>13,019,675</b>                             | <b>79,946</b> | <b>439,510</b>                    | <b>14,678,538</b> | <b>11,385,869</b>                             | <b>65,367</b> | <b>423,872</b>                    |

| Equity interest (%)                 | 01/01/2023 to 12/31/2023 |   |                        |   | 01/01/2022 to 12/31/2022   |   |                        |   |
|-------------------------------------|--------------------------|---|------------------------|---|----------------------------|---|------------------------|---|
|                                     | MRS Logística<br>37.27%  | Joint-Venture<br>Transnordestina<br>Logística<br>48.03% | Equimac S.A.<br>50.00% | Joint-Operation<br>Itá Energética<br>48.75% | MRS<br>Logística<br>37.27% | Joint-Venture<br>Transnordestina<br>Logística<br>48.03% | Equimac S.A.<br>50.00% | Joint-<br>Operation<br>Itá Energética<br>48.75% |
| <b>Statements of Income</b>         |                          |   |                        |   |                            |   |                        |   |
| Net revenue                         | 6,445,618                | 570   | 52,453                 | 191,430                                     | 5,592,118                  | 375   | 41,307                 | 188,024   |
| Cost of sales and services          | (3,444,706)              |   | (29,333)               | (99,756)                                    | (3,477,896)                |   | (24,977)               | (100,454)                                       |
| Gross profit                        | 3,000,912                | 570   | 23,120                 | 91,674                                      | 2,114,222                  | 375   | 16,330                 | 87,570  |
| Operating (expenses) income         | (485,694)                | (38,885)  | (4,640)                | (83,139)                                    | (243,399)                  | (40,685)  | (3,769)                | (77,742)  |
| Financial income (expenses), net    | (722,407)                | (10,745)  | (2,763)                | 5,849                                       | (641,862)                  | (21,551)  | (3,211)                | 2,545   |
| Profit/(Loss) before IR/CSLL        | 1,792,811                | (49,060)  | 15,717                 | 14,384                                      | 1,228,961                  | (61,861)  | 9,350                  | 12,373  |
| Current and deferred IR/CSLL        | (586,831)                |   | (3,388)                | (4,673)                                     | (354,786)                  |   | (1,479)                | (4,408)   |
| <b>Profit / (loss) for the year</b> | <b>1,205,980</b>         | <b>(49,060)</b>   | <b>12,329</b>          | <b>9,711</b>                                | <b>874,175</b>             | <b>(61,861)</b>   | <b>7,871</b>           | <b>7,965</b>                                    |

• ITÁ ENERGÉTICA S.A. - ("ITASA")

ITASA is a corporation established in July 1996 that was engaged to operate under a concession, the Itá Hydropower Plant ("HPP Itá"), with 1,450 MW of installed power, located on the Uruguay River, on the Santa Catarina and Rio Grande do Sul state border. The HPP Itá concession is shared with ENGIE Brasil Energia S.A., with CSN holding 48.75%.

• MRS LOGÍSTICA S.A. ("MRS")

Located in the city of Rio de Janeiro-RJ, the company aims to exploit, for an onerous concession, the public service of railway cargo transportation in the areas of the Southeast Network, located on the Rio de Janeiro, São Paulo, and Minas Gerais axis, previously held by the extinct Rede Ferroviária Federal S.A. - RFFSA. The concession has a term of 30 years from December 1, 1996, extendable for an equal period by exclusive decision of the grantor. In July 2022, the granting authority approved the extension of the concession for additional 30 years from December 1, 2026.

MRS can also explore modal transport services related to rail transport and participate in projects aimed at expanding the rail services granted.

For the provision of services, MRS leased from RFFSA, for the same period of the concession, the assets necessary for the operation and maintenance of the rail freight transport activities. At the end of the concession, all leased assets will be transferred to the possession of the railway transport operator designated in that same act.

The Company directly holds an 18.64% interest in the total capital of MRS and indirectly, through its subsidiary CSN Mineração S.A., a 14.86% interest in the capital of MRS, totaling a 37.27% interest.

• CONSÓRCIO DA USINA HIDRELÉTRICA DE IGARAPAVA

The Igarapava Hydropower Plant is located on the Grande River, in the city of Conquista, MG, and has installed capacity of 210 MW. It consists of 5 Bulb-type generating units.

CSN holds 17.92% of the investment in the consortium, whose specific purpose is the distribution of electricity, which is distributed according to the percentage of participation of each company.

• CONSÓRCIO DA USINA HIDRELÉTRICA DE ITAÚBA

The Itaúba Hydroelectric Plant is located on the Jacuí River, in the municipality of Pinhal Grande, state of Rio Grande do Sul, and is composed of four by 4 Generating Units, with an installed power of 500,400.00 KW. CSN has a direct interest of 36.60% and indirectly through its subsidiaries a further 63.40%, totaling of 100%.

• CONSÓRCIO DA USINA HIDRELÉTRICA DE PASSO REAL

The Passo Real Hydroelectric Power Plant is located on the Jacuí River, in the municipality of Salto do Jacuí, state of Rio Grande do Sul, and is made up of four by 2 Generating Units, with an installed power of 158,000.00 KW. CSN has a direct stake of 46.97% and indirectly through its subsidiaries a further 53.03%, totaling a stake of 100%.

#### 10.e) TRANSNORDESTINA LOGÍSTICA S.A. ("TLSA")

TLSA is primarily engaged in the public service operation and development of a railroad network in the Northeast of Brazil, comprising the rail links Velha-Salgueiro, Salgueiro-Trindade, Trindade-Eliseu Martins, Salgueiro- Porto de Suape, and Missão Velha-Porto de Pecém ("Malha II"). On December 23, 2022, after extensive negotiations involving ANTT, TCU and the then Ministry of Infrastructure, the first amendment to the Concession Agreement was signed, which redefined the scope and deadlines for completion of the TLSA sections, notably to provide for the return of the section Salgueiro-Porto de Suape, which results in a project with the current 1,206 km of rail network and completion deadline up to December 2029.

Management relies on resources from its shareholders and third parties to complete the work, which is expected to be available, based on previously conducted agreements and recent discussions between the parties involved. After evaluating this matter, Management concluded that the use of the project's business continuity accounting basis in the preparation of the financial statements was considered appropriate.

#### Measurement of recoverable value:

| Cash flow projection   | By 2057  |
|------------------------|--|
| Gross margin           | Estimated based on market study to capture cargo and operating costs according to market trend studies |
| Cost estimate          | Study-based costs and market trends  |
| Perpetuity growth rate | Growth rate was not considered as a result of the projection model until the end of the concession     |
| Discount rate          | Range from 5.96% to 6.89% in real terms.   |

Additionally, CSN, as an investor, carried out its impairment test of its interest in TLSA through the ability to distribute dividends by TLSA, a methodology known as the Dividend Discount Model, or DDM, to remunerate the capital invested by its shareholders. For the performance of this test, some factors were taken into account, such as:

- The dividend flow was extracted from TLSA's nominal cash flow;
- The dividend flow was calculated considering the percentages of annual participation, considering the dilutions of CSN's participation resulting from the amortization of debts;
- This dividend flow was then discounted to present value using the cost of equity (Ke) embedded in TLSA's WACC rate; and
- This extracted Ke was the one calculated in "rolling WACC" from TLSA.

Due to the sharing of investors' risks and the fact that the asset being tested represents the cash-generating unit itself, which in turn equals the legal entity, the risk determined by CSN's Management is the same as that applied by TLSA when evaluating the investment of its own assets, with no additional risk factor to the model.

Based on the analyses and interpretations of the paragraphs of IAS 28 - Investments in Associates and Joint Ventures and measurement through the impairment test of the investment made, expanding its profitability projections, bringing greater security with respect to its operating assets, thus leading to the Company's decision to reverse impairment of the TLSA's Fair Value recorded in 2016, in the amount of R\$387,989. Therefore, it was not necessary to recognize any additional impairment.

#### 10.f) Other investments

##### • PANATLÂNTICA SA ("Panatlântica")

Publicly-held corporation headquartered in Gravataí-RS, whose purpose is the industrialization, trade, import, export and processing of steel and metals, ferrous or non-ferrous, coated or not. This investment is classified at fair value through profit or loss.

The Company currently holds 11.31% on December 31, 2023 and 2022 of Panatlântica's total share capital.

•ARVEDI METALFER DO BRASIL SA ("Arvedi")

Arvedi, headquartered in Salto, State of São Paulo, is engaged in pipe production. As of December 31, 2023 and 2022, CSN had a 20.00% interest in Arvedi's share capital.

#### Accounting Policy

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##### Equity method of accounting and consolidation

The equity method of accounting for subsidiaries, joint ventures and associates is applied. Other investments are held at fair value or cost.

**Subsidiaries:** They are entities in which the Company has significant influence over its financial and operating policies and/or potential exercisable or convertible voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and cease to be consolidated on the date on which control ceases.

**Jointly controlled entities:** are all entities in which the Company has jointly contractually controlled control with one or more parties and can be classified as follows:

Joint operations: are accounted for in the financial statements in order to represent the Company's contractual rights and obligations.

Joint ventures: are accounted for under the equity method and are not consolidated.

**Associates:** are all entities over which the Company has significant influence but not control, generally through a shareholding of 20% to 50% of the voting rights. Investments in associates are initially recognized at cost and subsequently measured using the equity method.

##### Exclusive funds

The exclusive funds are private investment funds in which CSN's resources are allocated according to the Company's intention. They are managed by BNY Mellon Serviços Financeiros DTVM S.A. and Caixa Econômica Federal (CEF).

##### Transactions between subsidiaries, associates, joint ventures and joint operations

Unrealized balances and gains on transactions with subsidiaries, jointly controlled entities and associates are eliminated proportionally to CSN's interest in the entity in question in the consolidation process. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The effects on the results of transactions with jointly controlled entities are also eliminated, where part of the equity in results of jointly controlled entities is reclassified to financial expenses, cost of products sold and income tax and social contribution.

The subsidiaries and jointly controlled entities have the same reporting date and accounting policies as those adopted by the Company.

##### Foreign currency transactions and balances

The transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuations when their values are remeasured. Foreign exchange gains and losses resulting from the settlement of those transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as financial result, except when they are recognized in shareholders' equity as a result of foreign operation characterized as foreign investment.

Advances made in foreign currencies are recorded at the exchange rate of the date the entity makes the advance payments or receipts, recognizes (transaction date) as a non-monetary asset or non-monetary liability.



### Impairment testing

Investments are reviewed for verification of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized at the amount by which the carrying amount of the asset exceeds its recoverable amount.

### 10.g) Investment properties

The balance of investment properties is shown below:

|  | Land           | Buildings     | Consolidated<br>Total |
|--|----------------|---------------|-----------------------|
| <b>Balance at December 31, 2021</b>                            | <b>101,542</b> | <b>60,639</b> | <b>162,181</b>        |
| Cost   | 101,542        | 87,977        | 189,519               |
| Accumulated depreciation                                       |                | (27,338)      | (27,338)              |
| <b>Balance at December 31, 2021</b>                            | <b>101,542</b> | <b>60,639</b> | <b>162,181</b>        |
| Acquisitions   |                |               |                       |
| Depreciation (note 26)   |                | (3,072)       | (3,072)               |
| Write-off  | (29)           |               | (29)                  |
| <b>Balance at December 31, 2022</b>                            | <b>101,513</b> | <b>57,567</b> | <b>159,080</b>        |
| Cost   | 101,513        | 87,977        | 189,490               |
| Accumulated depreciation                                       |                | (30,410)      | (30,410)              |
| <b>Balance at December 31, 2022</b>                            | <b>101,513</b> | <b>57,567</b> | <b>159,080</b>        |
| Acquisitions   | 48,000         |               | 48,000                |
| Depreciation (note 26)   |                | (3,048)       | (3,048)               |
| Transfer between groups - fixed assets and investment property | 7,298          |               | 7,298                 |
| Write-off  |                | (5,376)       | (5,376)               |
| <b>Balance at December 31, 2023</b>                            | <b>156,811</b> | <b>49,143</b> | <b>205,954</b>        |
| Cost   | 156,811        | 82,737        | 239,548               |
| Accumulated depreciation                                       |                | (33,594)      | (33,594)              |
| <b>Balance at December 31, 2023</b>                            | <b>156,811</b> | <b>49,143</b> | <b>205,954</b>        |

The Company's estimate of the fair value of investment properties was made for December 31, 2023. The fair value of investment property in the Company balance as of December 31, 2023 is R\$2,235,614 (R\$2,163,610 as of December 31, 2022).

The average estimated useful lives for the years are as follows (in years):

|           | 12/31/2023 | Consolidated<br>12/31/2022 |
|-----------|------------|----------------------------|
| Buildings | 28         | 27                         |

### Accounting Policy

The Company's investment properties consist of land and buildings maintained to earn rental income and capital appreciation. The measurement method used is the acquisition or construction cost less accumulated depreciation and reduction to its recoverable value, when applicable. The accumulated depreciation of buildings is calculated using the straight-line method based on the estimated useful life of the properties subject to depreciation. Land is not depreciated since it has an indefinite useful life.

## 11. PROPERTY, PLANT AND EQUIPMENT

|  |                |                              |                                     |                        |                               |                  |                | Consolidated      |
|--|----------------|------------------------------|-------------------------------------|------------------------|-------------------------------|------------------|----------------|-------------------|
|  | Land           | Buildings and Infrastructure | Machinery, equipment and facilities | Furniture and fixtures | Construction in progress (ii) | Right of use (i) | Other (*)      | Total             |
| <b>Balance at December 31, 2021</b>                                  | <b>349,495</b> | <b>3,019,934</b>             | <b>13,800,888</b>                   | <b>29,037</b>          | <b>3,643,682</b>              | <b>581,824</b>   | <b>106,274</b> | <b>21,531,134</b> |
| Cost   | 349,495        | 5,358,388                    | 29,348,048                          | 190,847                | 3,643,682                     | 754,606          | 445,870        | 40,090,936        |
| Accumulated depreciation   |                | (2,338,454)                  | (15,547,160)                        | (161,810)              |                               | (172,782)        | (339,596)      | (18,559,802)      |
| <b>Balance at December 31, 2021</b>                                  | <b>349,495</b> | <b>3,019,934</b>             | <b>13,800,888</b>                   | <b>29,037</b>          | <b>3,643,682</b>              | <b>581,824</b>   | <b>106,274</b> | <b>21,531,134</b> |
| Effect of foreign exchange differences                               | (12,314)       | (21,167)                     | (66,796)                            | (756)                  | (6,137)                       | (1,024)          | (334)          | (108,528)         |
| Acquisitions   | 1,402          | 48,061                       | 6,631                               | 6,618                  | 3,213,068                     | 26,218           | 58,521         | 3,360,519         |
| Capitalized interest <sup>(1)</sup> (notes 28)                       |                |                              |                                     |                        | 135,242                       |                  |                | 135,242           |
| Write-offs (note 27)   |                | (272)                        | 25,229                              |                        |                               | (754)            | (41)           | 24,162            |
| Depreciation (note 26)   |                | (218,941)                    | (2,334,638)                         | (7,245)                |                               | (104,382)        | (54,495)       | (2,719,701)       |
| Transfers to other asset categories                                  |                | 314,131                      | 2,800,864                           | 5,421                  | (2,965,725)                   |                  | (84,171)       |                   |
| Transfers to intangible assets                                       |                |                              |                                     |                        | (101,449)                     |                  |                | (101,449)         |
| Right of Use - Initial Recognition                                   |                |                              |                                     |                        |                               |                  |                |                   |
| Right of use - Remesurement  |                |                              |                                     |                        |                               | 99,728           |                | 99,728            |
| Update of the ARO (Asset retirement obligation)                      |                |                              |                                     |                        |                               |                  |                |                   |
| Transfers to fixed assets to investment property without cash effect |                |                              |                                     |                        |                               |                  |                |                   |
| Consolidation of acquired companies and asset value                  | 217,044        | 1,309,277                    | 2,288,415                           | 7,801                  | 106,869                       | 43,272           | 171,916        | 4,144,594         |
| Acquisition of Elizabeth   |                |                              |                                     |                        |                               |                  |                |                   |
| Transfers to inventory   |                |                              |                                     |                        |                               |                  |                |                   |
| Others   |                | 91                           | 4,700                               | 6                      |                               | (2)              | (51)           | 4,744             |
| <b>Balance at December 31, 2022</b>                                  | <b>485,107</b> | <b>4,451,114</b>             | <b>16,525,293</b>                   | <b>40,882</b>          | <b>4,025,550</b>              | <b>644,880</b>   | <b>197,619</b> | <b>26,370,445</b> |
| Cost   | 485,107        | 8,741,911                    | 36,373,386                          | 284,863                | 4,025,550                     | 1,057,566        | 643,304        | 51,611,687        |
| Accumulated depreciation   |                | (4,290,797)                  | (19,848,093)                        | (243,981)              |                               | (412,686)        | (445,685)      | (25,241,242)      |
| <b>Balance at December 31, 2022</b>                                  | <b>485,107</b> | <b>4,451,114</b>             | <b>16,525,293</b>                   | <b>40,882</b>          | <b>4,025,550</b>              | <b>644,880</b>   | <b>197,619</b> | <b>26,370,445</b> |
| Effect of foreign exchange differences                               | (4,586)        | (5,859)                      | (19,497)                            | (1,877)                | (2,973)                       | (1,667)          | (104)          | (36,563)          |
| Acquisitions   | 49,434         | 45,852                       | 265,728                             | 2,791                  | 4,040,151                     | 73,215           | 59,035         | 4,536,206         |
| Capitalized interest <sup>(1)</sup> (notes 28)                       |                |                              |                                     |                        | 182,799                       |                  |                | 182,799           |
| Write-offs (note 27) <sup>(2)</sup>                                  | (1,627)        | (12,021)                     | (15,118)                            | (27)                   | (82,136)                      |                  | (6,590)        | (117,519)         |
| Depreciation (note 26)   |                | (282,612)                    | (2,600,210)                         | (10,245)               |                               | (165,952)        | (69,220)       | (3,128,239)       |
| Transfers to other asset categories                                  | 3,025          | 347,730                      | 3,250,098                           | 13,901                 | (3,737,635)                   |                  | 122,881        |                   |
| Transfer between groups - intangible assets and investment property  | (6,637)        | (21,528)                     | 3,420                               | 101                    | (13,979)                      |                  | 42             | (38,581)          |
| Right of use - Remesurement  |                |                              |                                     |                        |                               | 124,310          |                | 124,310           |
| Mazet Acquisition  | 591            | 9,468                        | 8,281                               | 391                    |                               |                  | 814            | 19,545            |
| Others   |                | 175                          | 1,527                               |                        | 13,353                        |                  |                | 15,055            |
| <b>Balance at December 31, 2023</b>                                  | <b>525,307</b> | <b>4,532,319</b>             | <b>17,419,522</b>                   | <b>45,917</b>          | <b>4,425,130</b>              | <b>674,786</b>   | <b>304,477</b> | <b>27,927,458</b> |
| Cost   | 525,307        | 9,110,694                    | 39,597,174                          | 297,916                | 4,425,130                     | 1,126,977        | 860,818        | 55,944,016        |
| Accumulated depreciation   |                | (4,578,375)                  | (22,177,652)                        | (251,999)              |                               | (452,191)        | (556,341)      | (28,016,558)      |
| <b>Balance at December 31, 2023</b>                                  | <b>525,307</b> | <b>4,532,319</b>             | <b>17,419,522</b>                   | <b>45,917</b>          | <b>4,425,130</b>              | <b>674,786</b>   | <b>304,477</b> | <b>27,927,458</b> |

(\*) Refer substantially to assets for railway use, such as yards, rails, mines, and railroad materials;

(\*\*) Advances in business expansion projects stand out, mainly Expansion of the port in Itaguaí and Casa de Pedra, Itabirito Project, Recovery of tailings from dams, Projects for new integrated Cement Plants and repairs to coke batteries in Presidente Vargas Plant.

(1) The capitalized borrowing costs are basically determined for the projects in Steel and Mining and refer substantially, to:  
 - CSN: Technological updates and acquisition of new equipment for maintenance of the production capacity of UPV Plant (RJ);  
 - CSN Mineração: Expansion of Casa de Pedra (MG) and TECAR (RJ).

(2) In September 2023, CEEE-G sold its stake in Consórcio Machadinho, and the write-off of the related assets was recognized in the amount of R\$22,326, in other operating expenses (see note 27).

### (i) Right of use

Below the movements of the right of use:

|  | Land           | Buildings and Infrastructure | Machinery, equipment and facilities | Others        | Consolidated Total |
|--|----------------|------------------------------|-------------------------------------|---------------|--------------------|
| <b>Balance at December 31, 2021</b>    | <b>439,285</b> | <b>68,145</b>                | <b>53,759</b>                       | <b>20,635</b> | <b>581,824</b>     |
| Cost                                   | 500,826        | 94,196                       | 99,103                              | 60,483        | 754,606            |
| Accumulated depreciation               | (61,541)       | (26,051)                     | (45,344)                            | (39,848)      | (172,784)          |
| <b>Balance at December 31, 2021</b>    | <b>439,285</b> | <b>68,145</b>                | <b>53,759</b>                       | <b>20,635</b> | <b>581,824</b>     |
| Effect of foreign exchange differences |                | (360)                        | (62)                                | (602)         | (1,024)            |
| Addition                               | 2,520          | 2,042                        | 4,191                               | 17,465        | 26,218             |
| Remesurement                           | 45,410         | 8,325                        | 38,430                              | 7,563         | 99,728             |
| Consolidation of acquired companies    |                | 1,092                        | 35,511                              | 6,669         | 43,272             |
| Depreciation                           | (22,153)       | (16,726)                     | (48,142)                            | (17,361)      | (104,382)          |
| Write-offs                             |                |                              | (754)                               |               | (754)              |
| Transfers to other asset categories    | (14)           | (87)                         | 228                                 | (127)         |                    |
| Others                                 |                |                              |                                     | (2)           | (2)                |
| <b>Balance at December 31, 2022</b>    | <b>465,048</b> | <b>62,431</b>                | <b>83,161</b>                       | <b>34,240</b> | <b>644,880</b>     |
| Cost                                   | 548,756        | 107,762                      | 277,865                             | 123,164       | 1,057,567          |
| Accumulated depreciation               | (83,708)       | (45,351)                     | (194,704)                           | (88,924)      | (412,687)          |
| <b>Balance at December 31, 2022</b>    | <b>465,048</b> | <b>62,431</b>                | <b>83,161</b>                       | <b>34,240</b> | <b>644,880</b>     |
| Effect of foreign exchange differences |                | (503)                        | (340)                               | (824)         | (1,667)            |
| Addition                               | 65,081         | 4,400                        |                                     | 3,734         | 73,215             |
| Remesurement                           | 16,704         | 37,506                       | 64,755                              | 5,345         | 124,310            |
| Depreciation                           | (31,751)       | (18,116)                     | (97,181)                            | (18,904)      | (165,952)          |
| Transfers to other asset categories    | (2,159)        | 339                          | 3,754                               | (1,934)       |                    |
| <b>Balance at December 31, 2023</b>    | <b>512,923</b> | <b>86,057</b>                | <b>54,149</b>                       | <b>21,657</b> | <b>674,786</b>     |
| Cost                                   | 629,004        | 143,926                      | 254,640                             | 99,407        | 1,126,977          |
| Accumulated depreciation               | (116,081)      | (57,869)                     | (200,491)                           | (77,750)      | (452,191)          |
| <b>Balance at December 31, 2023</b>    | <b>512,923</b> | <b>86,057</b>                | <b>54,149</b>                       | <b>21,657</b> | <b>674,786</b>     |

The average estimated useful lives are as follows (in years):

|                                     | 12/31/2023 | Consolidated 12/31/2022 |
|-------------------------------------|------------|-------------------------|
| Buildings and Infrastructure        | 33         | 34                      |
| Machinery, equipment and facilities | 20         | 18                      |
| Furniture and fixtures              | 11         | 12                      |
| Others                              | 10         | 9                       |

#### Accounting Policy

Property, plant and equipment are carried at cost of acquisition, formation or construction, minus accumulated depreciation or depletion and any impairment loss. Depreciation is calculated using the straight-line method based on the remaining useful life of assets or the term of the contract, whichever is shorter. The depletion of mines is calculated based on the quantity of ore mined. Land is not depreciated since their useful life is considered indefinite. All other disbursements are expensed as incurred.

- **Capitalized interest**

Borrowing costs directly attributable to the acquisition, construction and or production of qualifying assets are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits and on which date they are ready to determine their functions in the manner intended by the Company.

- **Development costs of new ore deposits**

Costs for the development of new ore deposits, or for the expansion of the capacity of the mines in operation are capitalized and amortized by the method of units produced (extracted) based on the probable and proven quantities of ore.

- **Exploration expenses**

Exploration expenses are recognized as expenses until the viability of the mining activity is established; after that period, subsequent costs are capitalized.

- **Waste removal costs**

Expenses incurred during the development phase of a mine, prior to the production phase, are accounted for as part of the depreciable development costs. Subsequently, these costs are amortized over the useful life of the mine on the basis of probable and proven reserves.

- **Stripping costs**

The stripping costs incurred in the production phase are added to the stock value, except when a specific extraction campaign is carried out to access deeper deposits of the deposit. In this case, costs are capitalized and classified in non-current assets and are amortized over the useful life of the deposit.

## 12. INTANGIBLE ASSETS

|  |                  |                        |               |                        |                         |              | Consolidated      |
|--|------------------|------------------------|---------------|------------------------|-------------------------|--------------|-------------------|
|  | Goodwill         | Customer relationships | Software      | Trademarks and patents | Rights and licenses (*) | Others       | Total             |
| <b>Balance at December 31, 2021</b>                            | <b>3,729,236</b> | <b>207,912</b>         | <b>66,440</b> | <b>213,609</b>         | <b>3,437,883</b>        | <b>1,970</b> | <b>7,657,050</b>  |
| Cost   | 3,969,643        | 816,206                | 221,712       | 213,609                | 3,484,778               | 1,970        | 8,707,918         |
| Accumulated amortization                                       | (131,077)        | (608,294)              | (155,272)     |                        | (46,895)                |              | (941,538)         |
| Adjustment for accumulated recoverable value                   | (109,330)        |                        |               |                        |                         |              | (109,330)         |
| <b>Balance at December 31, 2021</b>                            | <b>3,729,236</b> | <b>207,912</b>         | <b>66,440</b> | <b>213,609</b>         | <b>3,437,883</b>        | <b>1,970</b> | <b>7,657,050</b>  |
| Effect of foreign exchange differences                         |                  | (26,059)               | (544)         | (25,399)               |                         | (214)        | (52,216)          |
| Acquisitions   |                  |                        | 830           |                        | 76,764                  | 644          | 78,238            |
| Transfer of property, plant and equipment                      |                  |                        | 30,456        |                        | 70,993                  |              | 101,449           |
| Amortization (note 26)   |                  | (63,351)               | (15,344)      | (1,393)                | (74,795)                |              | (154,883)         |
| Consolidation of acquired companies                            | 402,247          | 33,982                 | 6,008         | 38,370                 | 2,677,809               |              | 3,158,416         |
| <b>Balance at December 31, 2022</b>                            | <b>4,131,483</b> | <b>152,484</b>         | <b>87,846</b> | <b>225,187</b>         | <b>6,188,654</b>        | <b>2,400</b> | <b>10,788,054</b> |
| Cost   | 4,371,890        | 753,307                | 296,456       | 226,581                | 6,400,593               | 2,400        | 12,051,227        |
| Accumulated amortization                                       | (131,077)        | (600,823)              | (208,610)     | (1,394)                | (211,939)               |              | (1,153,843)       |
| Adjustment for accumulated recoverable value                   | (109,330)        |                        |               |                        |                         |              | (109,330)         |
| <b>Balance at December 31, 2022</b>                            | <b>4,131,483</b> | <b>152,484</b>         | <b>87,846</b> | <b>225,187</b>         | <b>6,188,654</b>        | <b>2,400</b> | <b>10,788,054</b> |
| Effect of foreign exchange differences                         |                  | (4,999)                | 2,182         | (9,104)                |                         | (117)        | (12,038)          |
| Acquisitions   |                  | 349                    | 1,956         |                        | 9,700                   |              | 12,005            |
| Transfer between groups - fixed assets and investment property | (5,228)          |                        | 16,179        | 83                     | 20,249                  |              | 31,283            |
| Write-offs (note 27)   |                  |                        | (35,245)      |                        |                         |              | (35,245)          |
| Amortization (note 26)   |                  | (62,558)               | (55,486)      | (2,169)                | (127,641)               |              | (247,854)         |
| Others   |                  |                        | 276           |                        |                         |              | 276               |
| <b>Balance at December 31, 2023</b>                            | <b>4,126,255</b> | <b>85,276</b>          | <b>17,708</b> | <b>213,997</b>         | <b>6,090,962</b>        | <b>2,283</b> | <b>10,536,481</b> |
| Cost   | 4,675,302        | 718,929                | 276,617       | 217,560                | 6,431,706               | 2,283        | 12,322,397        |
| Accumulated amortization                                       | (549,047)        | (633,653)              | (258,909)     | (3,563)                | (340,744)               |              | (1,785,916)       |
| <b>Balance at December 31, 2023</b>                            | <b>4,126,255</b> | <b>85,276</b>          | <b>17,708</b> | <b>213,997</b>         | <b>6,090,962</b>        | <b>2,283</b> | <b>10,536,481</b> |

(\*) Comprised mainly of: (i) mining rights whose amortization is based on production volume and (ii) Concession agreement for the use of water resources in the acquisition of control of CEEE-G, amortized over the agreement term in this case, 30 years.

|                        | 12/31/2023 | Consolidated<br>12/31/2022 |
|------------------------|------------|----------------------------|
| Software               | 10         | 10                         |
| Customer relationships | 13         | 13                         |

### 12.a) Goodwill impairment test

Goodwill arising from expected future profitability of acquired companies and intangible assets with indefinite useful lives (trademarks) were allocated to CSN's cash-generating units (CGUs) which represent the lowest level of assets or group of assets of the Group. According to IAS36, when a CGU has an intangible asset with no defined useful life allocated, the Company must perform an impairment test. The CGUs with intangible assets in this situation are shown below:

| Cash generating unity      | Segment | Goodwill         |                  | Trademarks     |                | Total            |            | Consolidated     |                  |
|----------------------------|---------|------------------|------------------|----------------|----------------|------------------|------------|------------------|------------------|
|                            |         | 12/31/2023       | 12/31/2022       | 12/31/2023     | 12/31/2022     | 12/31/2023       | 12/31/2022 | 12/31/2023       | 12/31/2022       |
| Packaging <sup>(1)</sup>   | Steel   | 170,163          | 170,163          |                |                | 170,163          |            | 170,163          | 170,163          |
| Long steel <sup>(2)</sup>  | Steel   | 235,595          | 235,595          | 213,997        | 225,187        | 449,592          |            | 449,592          | 460,782          |
| Mining <sup>(3)</sup>      | Mining  | 3,236,402        | 3,236,402        |                |                | 3,236,402        |            | 3,236,402        | 3,236,402        |
| Other Steel <sup>(4)</sup> | Steel   | 15,225           | 15,225           |                |                | 15,225           |            | 15,225           | 15,225           |
| Cements <sup>(5)</sup>     | Cement  | 468,870          | 474,098          |                |                | 468,870          |            | 468,870          | 474,098          |
|                            |         | <b>4,126,255</b> | <b>4,131,483</b> | <b>213,997</b> | <b>225,187</b> | <b>4,340,252</b> |            | <b>4,340,252</b> | <b>4,356,670</b> |

- (1) The goodwill of R\$268,078 from the Packaging cash generating unit is presented net of the loss due to reduction in recoverable value (impairment) in the amount of R\$109,330, recognized in 2011. In August 2022, goodwill was recognized on the acquisition of Metalgráfica Iguaçú in the amount of R\$96,472.
- (2) The goodwill and trademark that are recorded in intangible assets at long steel segment, derives from the business combination of Stahlwerk Thüringen GmbH ("SWT") and Gallardo Sections CSN. The assets mentioned are considered to have indefinite useful lives as they are expected to contribute indefinitely to the Company's cash flows.
- (3) Refers to goodwill due to expected future profitability, resulting from the acquisition of Namisa by CSN Mineração, concluded in December 2015. From 2016 onwards, the balance began to be tested annually for recoverability analysis purposes.
- (4) On November 29, 2019, CSN acquired the stake held by CKTR Brasil Serviços Ltda., corresponding to 50% of CBSI's shares, and now holds 100% of CBSI's share capital.
- (5) In the acquisition of Elizabeth Cimentos S.A. in August 2021 goodwill for expected future profitability in the amount of R\$83,266 was generated, and in December 2022 goodwill for expected future profitability of CSN Cimentos Brasil S.A. in the amount of R\$390,832 was recognized. The goodwill is recorded in the acquirer CSN Cimentos S.A. In 2023, R\$5,228 was transferred to fixed assets.

The impairment testing of the goodwill and the trademark include the balance of property, plant and equipment of the cash-generating units and also the intangible assets. The test is based on the comparison between the actual balances and the value in use of those units, determining based on the projections of discounted cash flows and use of such assumptions and judgments as: growth rate, costs and expenses, discount rate, working capital, future Capex and macroeconomic assumptions observable in the market.

The main assumptions used in calculating the values in use as of December 31, 2023 are as follows:

|   | Packaging  | Mining  | Other Steelmaking   | Flat Steel (*)  | Flat Steel (*)  | Logistics (**)  | Cements   |
|---|--|---|---|---|---|---|---|
| <b>Measurement of recoverable value</b> | Discounted Cash Flow   | Discounted Cash Flow  | Discounted Cash Flow  | Discounted Cash Flow  | Discounted Cash Flow  | Discounted Cash Flow  | Discounted Cash Flow  |
| <b>Cash flow projection</b>             | Until 2033 + perpetuity  | Until the end of the mine's useful life   | Until 2033 + perpetuity   | Until 2033 + perpetuity   | Until 2033 + perpetuity   | Until 2027  | Until 2033 + perpetuity   |
| <b>Gross Margin</b>                     | Gross margin updated based on historical data, impacts of business restructuring and market trends   | It reflects projection of costs due to the progress of the mining plan as well as startup and project ramp up. Prices and exchange rates projected according to sectoral reports. | Gross margin updated based on historical data and market trends | Gross margin updated based on historical data and market trends | Gross margin updated based on historical data and market trends | Estimated based on market study to captures cargo and operational costs according to market trend studies | Gross margin updated based on historical data and market trends |
| <b>Cost atualization</b>                | Cost based on historical data of each product and impacts of business restructuring  | Update of costs based on historical data, progress of the mining plan as well as startup and project ramp up  | Updated costs based on historical data and market trends        | Updated costs based on historical data and market trends        | Updated costs based on historical data and market trends        | Study-based costs and market trends   | Study-based costs and market trends                             |
| <b>Perpetual growth rate</b>            | Without growth   | Without perpetuity  | Without growth  | Without growth  | Without growth  | Without perpetuity  | Without growth  |
| <b>Discount rate</b>                    | For packaging, cash flows were discounted using a discount rate around 9.13% p.a. in real terms. For mining, steel, cement and other steel, cash flows were discounted using a discount rate between 3.53% to 13.09% p.a. in real terms and in nominal terms between 5.60% to 16.49% p.a. For logistics, cash flows were discounted using a discount rate between 6.01% to 7.56% p.a. in real terms. The discount rate was based on the weighted average cost of capital ("WACC") that reflects the specific risk of each segment. |   |   |   |   |   |   |

\* Refers to the assets of the subsidiary Lusosider, located in Portugal and also the assets of Stahlwerk Thüringen (SWT) located in Germany. The discount rate was applied on the discounted cash flow prepared in Euros, the functional currency of these subsidiaries.

\*\* Refers to the assets of the subsidiary FTL - Ferrovia Transnordestina Logística S.A.

## Accounting Policy

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Intangible assets basically comprise assets acquired from third parties, including through business combinations. These assets are recorded at acquisition or formation cost and deducted from amortization calculated using the straight-line method based on the economic useful life of each asset, within the estimated periods of exploration or recovery.

Mineral exploration rights are classified as rights and licenses in the intangible group.

Intangible assets with an indefinite useful life are not amortized.

- **Goodwill**

Goodwill represents the positive difference between the amount paid and/or payable for the acquisition of a business and the net fair values of assets and liabilities of the subsidiary acquired. Goodwill on acquisitions in business combinations is recorded as intangible assets in the consolidated financial statements. The gain on bargain purchase is recognized as a gain in the income statement for the period of the acquisition. Goodwill is tested for impairment annually or at any time when circumstances indicate a possible loss. Recognized impairment losses on goodwill, if any, are not reversed. Gains and losses on the disposal of a Cash Generating Unit ("CGU"), if any, include the carrying amount of goodwill related to the CGU sold.

- **Impairment of Non-financial Assets**

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization and/or depreciation, such as fixed assets and investment properties, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized at the amount by which the carrying amount of the asset exceeds its recoverable amount. The latter is the higher of an asset's fair value less costs to sell and its value in use. For impairment assessment purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units). Non-financial assets other than goodwill that have suffered impairment are reviewed subsequently each year for possible reversal of the impairment.

## 13. BORROWINGS AND FINANCING

The balances of borrowings and financing that, recorded at amortized cost are as follows:

|  | Current Liabilities |                  | Consolidated Non-current Liabilities |                   |
|--|---------------------|------------------|--------------------------------------|-------------------|
|  | 12/31/2023          | 12/31/2022       | 12/31/2023                           | 12/31/2022        |
| <b>Foreign Debt</b>                                      |                     |                  |                                      |                   |
| <b>Floating Rates in USD</b>                             |                     |                  |                                      |                   |
| Prepayment   | 548,230             | 1,571,208        | 6,576,696                            | 5,474,359         |
| <b>Fixed Rates in USD</b>                                |                     |                  |                                      |                   |
| Bonds, Perpetual bonds, Facility, CCE and ACC            | 2,079,972           | 1,189,717        | 17,815,926                           | 16,790,284        |
| Intercompany   |                     |                  |                                      |                   |
| <b>Fixed interest in EUR</b>                             |                     |                  |                                      |                   |
| Intercompany   |                     |                  |                                      |                   |
| Facility   | 327,873             | 62,187           | 114,227                              | 166,302           |
|  | <b>2,956,075</b>    | <b>2,823,112</b> | <b>24,506,849</b>                    | <b>22,430,945</b> |
| <b>Debt agreements in Brazil</b>                         |                     |                  |                                      |                   |
| <b>Floating Rate Securities in R\$:</b>                  |                     |                  |                                      |                   |
| BNDES/FINAME/FINEP, Debentures, NCE and CCB              | 4,745,721           | 2,446,840        | 13,265,267                           | 13,740,051        |
|  | <b>4,745,721</b>    | <b>2,446,840</b> | <b>13,265,267</b>                    | <b>13,740,051</b> |
| <b>Total Borrowings and Financing</b>                    |                     |                  |                                      |                   |
| Transaction Costs and Issue Premiums                     | 7,701,796           | 5,269,952        | 37,772,116                           | 36,170,996        |
|  | (88,429)            | (76,316)         | (526,408)                            | (445,890)         |
| <b>Total Borrowings and Financing + Transaction cost</b> | <b>7,613,367</b>    | <b>5,193,636</b> | <b>37,245,708</b>                    | <b>35,725,106</b> |

### 13.a) Movements of borrowings and financing

The following table shows amortization and funding during the year:

|                            | 12/31/2023        | Consolidated 12/31/2022 |
|----------------------------|-------------------|-------------------------|
| <b>Opening balance</b>     | <b>40,918,742</b> | <b>32,507,522</b>       |
| New debts                  | 15,753,501        | 20,248,223              |
| Repayment                  | (9,892,344)       | (10,782,858)            |
| Payments of charges        | (3,428,721)       | (2,315,586)             |
| Accrued charges (note 28)  | 3,664,313         | 2,595,011               |
| Consolidation of companies |                   | 81,978                  |
| Others (1)                 | (2,156,416)       | (1,415,548)             |
| <b>Closing balance</b>     | <b>44,859,075</b> | <b>40,918,742</b>       |

(1) Including unrealized exchange and monetary variations and funding cost.

In 2023, the Company entered into new debt agreements and amortized borrowings and financing as shown below:

| Nature  | New debts         | Maturities   | Repayment          | Consolidated 12/31/2023 |                    |
|---|-------------------|--------------|--------------------|-------------------------|--------------------|
|   |                   |              |                    | Interest payment        |                    |
| Pre-Payment   | 1,890,333         | 2023 to 2035 | (1,264,949)        |                         | (450,272)          |
| Bonds, ACC, CCE and Facility                          | 8,106,514         | 2023 to 2025 | (4,728,468)        |                         | (999,626)          |
| BNDES/FINAME/FINEP, Debentures, NCE, Facility and CCB | 5,756,654         | 2023 to 2038 | (3,898,927)        |                         | (1,978,823)        |
|   | <b>15,753,501</b> |              | <b>(9,892,344)</b> |                         | <b>(3,428,721)</b> |

**13.b) Maturities of borrowings and financing presented in current and non-current liabilities**

|              | Borrowings and financing in foreign currency<br>in Dólar 6.79% in Euro 5.44% |  | Borrowings and financing in national currency<br>in Real 13.68% |  | Consolidated<br>12/31/2023 |
|--------------|--|--|---|--|----------------------------|
| Average rate |  |  |   |  | Total                      |
| 2024         | 2,956,075  |  | 4,746,339   |  | 7,702,414                  |
| 2025         | 3,537,254  |  | 1,786,460   |  | 5,323,714                  |
| 2026         | 2,214,220  |  | 2,588,940   |  | 4,803,160                  |
| 2027         | 907,498  |  | 2,584,111   |  | 3,491,609                  |
| 2028         | 6,860,953  |  | 1,383,493   |  | 8,244,446                  |
| 2029 to 2031 | 7,964,495  |  | 2,112,635   |  | 10,077,130                 |
| After 2032   | 3,022,429  |  | 2,809,010   |  | 5,831,439                  |
|              | <b>27,462,924</b>  |  | <b>18,010,988</b>   |  | <b>45,473,912</b>          |

**• Covenants**

The Company debt agreements provide for the fulfillment of certain non-financial obligations, as well as the maintenance of certain parameters and performance indicators, such as disclosure of its audited financial statements according to regulatory deadlines or payment of commission for risk assumption, if the indicator of net debt to EBITDA reaches the levels foreseen in those agreements.

As of December 31, 2023, the Company is compliant with the financial and non-financial obligations (covenants) of its existing agreements.

**Accounting Policy**

Borrowings and financing are initially recognized at fair value, net of transaction costs and subsequently measured at amortized cost using the effective interest rate and charges methods. Interest, commissions, and possible financial charges are recorded pro-rata on an accrual basis.

**14. FINANCIAL INSTRUMENTS**
**14.a) Identification and valuation of financial instruments**

The Company may operate with several financial instruments, with emphasis on cash and cash equivalents, including financial investments, marketable securities, accounts receivable from customers, accounts payable to suppliers and borrowings and financing. Additionally, the Company may also operate with derivative financial instruments, such as swap of exchange or interest and commodities derivatives.

Considering the nature of these instruments, their fair values are basically determined by the use of quotations in the capital markets in Brazil and the Mercantile and Futures Exchange. The amounts recorded in current assets and liabilities have immediate liquidity or maturity, mostly in the short term. Considering the terms and characteristics of these instruments, the carrying amounts approximate the fair values.



- Classification of financial instruments

| Consolidated                      | Notes | Fair value through other comprehensive income | Fair value through profit or loss | Measured at amortized cost | 12/31/2023        |                                   | Consolidated 12/31/2022    |                   |
|-----------------------------------|-------|---|-----------------------------------|----------------------------|-------------------|-----------------------------------|----------------------------|-------------------|
|                                   |       |   |                                   |                            | Balances          | Fair value through profit or loss | Measured at amortized cost | Balances          |
| <b>Assets</b>                     |       |   |                                   |                            |                   |                                   |                            |                   |
| <b>Current</b>                    |       |   |                                   |                            |                   |                                   |                            |                   |
| Cash and cash equivalents         | 4     |   |                                   | 16,046,218                 | 16,046,218        |                                   | 11,991,356                 | 11,991,356        |
| Short-term investments            | 5     |   | 1,493,204                         | 39,800                     | 1,533,004         | 1,184,895                         | 271,590                    | 1,456,485         |
| Trade receivables                 | 6     |   |                                   | 3,269,764                  | 3,269,764         |                                   | 3,233,164                  | 3,233,164         |
| Dividends and interest on equity  | 9     |   |                                   | 185,178                    | 185,178           |                                   | 77,377                     | 77,377            |
| Derivative financial instruments  | 9     |   | 32,211                            |                            | 32,211            |                                   |                            |                   |
| Trading securities                | 9     |   | 7,198                             |                            | 7,198             | 9,596                             |                            | 9,596             |
| Loans - related parties           | 9     |   |                                   | 5,316                      | 5,316             |                                   | 5,383                      | 5,383             |
| <b>Total</b>                      |       |   | <b>1,532,613</b>                  | <b>19,546,276</b>          | <b>21,078,889</b> | <b>1,194,491</b>                  | <b>15,578,870</b>          | <b>16,773,361</b> |
| <b>Non-current</b>                |       |   |                                   |                            |                   |                                   |                            |                   |
| Investments                       | 5     |   |                                   | 251,299                    | 251,299           |                                   | 156,185                    | 156,185           |
| Other trade receivables           | 9     |   |                                   | 10,406                     | 10,406            |                                   | 8,059                      | 8,059             |
| Eletrobrás compulsory loan        | 9     |   |                                   | 62,913                     | 62,913            |                                   | 58,030                     | 58,030            |
| Receivables by indemnity          | 9     |   |                                   | 992,577                    | 992,577           |                                   | 974,863                    | 974,863           |
| Loans - related parties           | 9     |   |                                   | 1,659,412                  | 1,659,412         |                                   | 1,384,773                  | 1,384,773         |
| Investments                       | 10    |   | 78,737                            |                            | 78,737            | 94,700                            |                            | 94,700            |
| <b>Total</b>                      |       |   | <b>78,737</b>                     | <b>2,976,607</b>           | <b>3,055,344</b>  | <b>94,700</b>                     | <b>2,581,910</b>           | <b>2,676,610</b>  |
| <b>Total Assets</b>               |       |   | <b>1,611,350</b>                  | <b>22,522,883</b>          | <b>24,134,233</b> | <b>1,289,191</b>                  | <b>18,160,780</b>          | <b>19,449,971</b> |
| <b>Liabilities</b>                |       |   |                                   |                            |                   |                                   |                            |                   |
| <b>Current</b>                    |       |   |                                   |                            |                   |                                   |                            |                   |
| Borrowings and financing          | 13    |   |                                   | 7,701,796                  | 7,701,796         |                                   | 5,269,952                  | 5,269,952         |
| Leases                            | 15    |   |                                   | 137,638                    | 137,638           |                                   | 177,010                    | 177,010           |
| Trade payables                    | 16    |   |                                   | 7,739,520                  | 7,739,520         |                                   | 6,596,915                  | 6,596,915         |
| Trade payables -drawee risk       | 17    |   |                                   | 4,209,434                  | 4,209,434         |                                   | 5,709,069                  | 5,709,069         |
| Dividends and interest on capital | 17    |   |                                   | 80,624                     | 80,624            |                                   | 611,307                    | 611,307           |
| Derivative financial instruments  | 17    | 672,280                                       | 263,747                           |                            | 936,027           | 416,935                           |                            | 416,935           |
| <b>Total</b>                      |       | <b>672,280</b>                                | <b>263,747</b>                    | <b>19,869,012</b>          | <b>20,805,039</b> | <b>416,935</b>                    | <b>18,364,253</b>          | <b>18,781,188</b> |
| <b>Non-current</b>                |       |   |                                   |                            |                   |                                   |                            |                   |
| Borrowings and financing          | 13    |   |                                   | 37,772,116                 | 37,772,116        |                                   | 36,170,996                 | 36,170,996        |
| Leases                            | 15    |   |                                   | 596,123                    | 596,123           |                                   | 516,836                    | 516,836           |
| Trade payables                    | 16    |   |                                   | 31,060                     | 31,060            |                                   | 46,269                     | 46,269            |
| Derivative financial instruments  | 17    |   | 60,468                            |                            | 60,468            | 69,472                            |                            | 69,472            |
| Concessions payable               | 17    |   |                                   | 74,177                     | 74,177            |                                   | 77,296                     | 77,296            |
| <b>Total</b>                      |       |   | <b>60,468</b>                     | <b>38,473,476</b>          | <b>38,533,944</b> | <b>69,472</b>                     | <b>36,811,397</b>          | <b>36,880,869</b> |
| <b>Total Liabilities</b>          |       | <b>672,280</b>                                | <b>324,215</b>                    | <b>58,342,488</b>          | <b>59,338,983</b> | <b>486,407</b>                    | <b>55,175,650</b>          | <b>55,662,057</b> |

- Fair value measurement

The following table shows the financial instruments recorded at fair value through profit or loss, classifying them according to the fair value hierarchy:

| Consolidated                     | 12/31/2023       |                | 12/31/2022       |                |
|----------------------------------|------------------|----------------|------------------|----------------|
|                                  | Level 1          | Level 2        | Level 1          | Level 2        |
| <b>Assets</b>                    |                  |                |                  |                |
| <b>Current</b>                   |                  |                |                  |                |
| Financial investments            | 1,493,204        |                | 1,184,895        |                |
| Derivative financial instruments | 32,211           |                |                  |                |
| Trading securities               | 7,198            |                | 9,596            |                |
| <b>Non-current</b>               |                  |                |                  |                |
| Investments                      | 78,737           |                | 94,700           |                |
| <b>Total Assets</b>              | <b>1,611,350</b> |                | <b>1,289,191</b> |                |
| <b>Liabilities</b>               |                  |                |                  |                |
| <b>Current</b>                   |                  |                |                  |                |
| Derivative financial instruments |                  | 263,747        |                  | 416,935        |
| <b>Non-current</b>               |                  |                |                  |                |
| Derivative financial instruments |                  | 60,468         |                  | 69,472         |
| <b>Total Liabilities</b>         |                  | <b>324,215</b> |                  | <b>486,407</b> |

**Level 1** - Data prices are quoted in an active market for items identical to the assets and liabilities being measured.

**Level 2** - Consider inputs observable in the market, such as interest rates, exchange rates, etc., but are not prices negotiated in active markets.

**Level 3** - There are no assets and liabilities classified as level 3.

#### 14.b) Financial risk management

The Company uses risk management strategies with guidance on the risks incurred on the business. The nature and general position of financial risks are regularly monitored and managed in order to assess results and the financial impact on cash flow. Credit limits and hedge quality of counterparties are also reviewed periodically.

Market risks are hedged when is considered necessary to support the corporate strategy or when it is necessary to maintain the level of financial flexibility.

The Company is exposed to exchange rate, interest rate, market price and liquidity risks.

The Company may manage some of the risks through the use of derivative instruments not associated with any speculative trading or short selling.

- **Exchange rate risk**

The exposure arises from the existence of assets and liabilities denominated in Dollar or Euro, since the Company's functional currency is substantially the Real and is referred to as natural exchange exposure. The net exposure is the result of the offsetting of the natural exchange exposure by the instruments of hedge adopted by CSN.

The consolidated net exposure as of December 31, 2023 is shown below:

| <b>Foreign Exchange Exposure</b>                                      | <b>12/31/2023</b>            | <b>12/31/2022</b>            |
|---|------------------------------|------------------------------|
|   | <b>(Amounts in US\$'000)</b> | <b>(Amounts in US\$'000)</b> |
| Cash and cash equivalents overseas                                    | 2,228,736                    | 1,191,036                    |
| Trade receivables   | 292,028                      | 315,920                      |
| Financial investments   | 15,597                       | 26,930                       |
| Borrowings and financing  | (5,615,893)                  | (4,594,471)                  |
| Trade payables  | (524,622)                    | (366,149)                    |
| Others  | (42,474)                     | (23,079)                     |
| <b>Natural Gross Foreign Exchange Exposure (assets - liabilities)</b> | <b>(3,646,628)</b>           | <b>(3,449,813)</b>           |
| Cash flow hedge accounting  | 3,931,879                    | 4,409,760                    |
| Exchange rate swap CDI x Dollar                                       | (67,000)                     | (67,000)                     |
| Exchange rate swap Real x Dollar                                      | (115,000)                    | (115,000)                    |
| <b>Net foreign exchange exposure</b>                                  | <b>103,251</b>               | <b>777,947</b>               |

CSN uses Hedge Accounting strategy, as well as derivative financial instruments to protect future cash flows.

#### Sensitivity analysis of derivative financial instruments and consolidated foreign exchange exposure

The Company considered scenarios 1 and 2 to be 25% and 50% deterioration for currency volatility, using the exchange rate closing rate as of December 31, 2023, as a reference.

The currencies used in the sensitivity analysis and their respective scenarios are shown below:

| <b>Currency</b> | <b>Exchange rate</b> | <b>Probable scenario</b> | <b>Scenario 1</b> | <b>Scenario 2</b> | <b>12/31/2023</b> |
|-----------------|----------------------|--------------------------|-------------------|-------------------|-------------------|
| USD             | 4.8413               | 4.9408                   | 6.0516            | 7.2620            | 7.2620            |
| EUR             | 5.3516               | 5.3474                   | 6.6895            | 8.0274            | 8.0274            |
| USD x EUR       | 1.1054               | 1.0823                   | 1.3818            | 1.6581            | 1.6581            |

The effects on the result, considering scenarios 1 and 2, are shown below:

| Instruments                      | Notional       | Risk          | Probable scenario (*) R\$ | Scenario 1 R\$ | Scenario 2 R\$ |
|----------------------------------|----------------|---------------|---------------------------|----------------|----------------|
| Gross exchange position          | (3,646,628)    | Dollar        | (362,839)                 | (4,413,605)    | (8,827,210)    |
| Cash flow hedge accounting       | 3,931,879      | Dollar        | 391,222                   | 4,758,851      | 9,517,703      |
| Exchange rate swap CDI x Dollar  | (67,000)       | Dollar        | (6,666)                   | (81,092)       | (162,184)      |
| Exchange rate swap Real x Dollar | (115,000)      | Dollar        | (11,443)                  | (139,187)      | (278,375)      |
| <b>Net exchange position</b>     | <b>103,251</b> | <b>Dollar</b> | <b>10,274</b>             | <b>124,967</b> | <b>249,934</b> |

(\*) The probable scenarios were calculated considering the following variations for the risks: Real x Dollar - devaluation of the Real by 2.06% / Real x Euro - valuation of the Real by 0.8% / Euro x Dollar - appreciation of the Dollar by 2.09%. Source: Central Bank of Brazil and European Central Bank quotations on February 20, 2024.

#### • Interest rate risk

This risk arises from financial investments, borrowings and financing and debentures linked to the fixed and floating interest rates of the CDI, TJLP and SOFR, exposing these financial assets and liabilities to interest rate fluctuations as shown in the sensitivity analysis table below.

With the modification of the global financial market in recent years and in line with the recommendations of international regulatory bodies, the market began to transition from the Libor rate (London Interbank Offered Rate) to the SOFR (Secured Overnight Financing Rate) as of 2022. On December 31, 2023, all contracts were migrated to SOFR, as evidenced in the interest rate sensitivity analysis.

#### Sensitivity analysis of changes in interest rates

We present below the sensitivity analysis for interest rate risks. The Company considered scenarios 1 and 2 to be 25% and 50% deterioration for interest rate volatility using the closing rate as of December 31, 2023, as a reference.

The interest rates used in the sensitivity analysis and their scenarios are shown below:

| Interest   | Interest rate | Consolidated |            |            |
|------------|---------------|--------------|------------|------------|
|            |               | Scenario 1   | Scenario 2 | 12/31/2023 |
| CDI        |               | 11.65%       | 14.56%     | 17.48%     |
| TJLP       |               | 6.55%        | 8.19%      | 9.83%      |
| IPCA       |               | 4.62%        | 5.78%      | 6.93%      |
| SOFR 6M    |               | 5.16%        | 6.45%      | 7.74%      |
| SOFR       |               | 5.38%        | 6.73%      | 8.07%      |
| EURIBOR 3M |               | 3.91%        | 4.89%      | 5.86%      |
| EURIBOR 6M |               | 3.86%        | 4.83%      | 5.79%      |

The effects on profit and loss, considering scenarios 1 and 2, are shown below:

| Changes in interest rates | % p.a | Assets    |  | Liabilities  | Probable scenario (*) | Scenario 1   | Consolidated Scenario 2 |
|---------------------------|-------|-----------|--|--------------|-----------------------|--------------|-------------------------|
|                           |       |           |  |              |                       |              |                         |
| ODI                       | 11.65 | 5,145,643 |  | (15,051,974) | (11,060,419)          | (11,348,940) | (11,637,462)            |
| TJLP                      | 6.55  |           |  | (850,558)    | (906,270)             | (920,197)    | (934,125)               |
| IPCA                      | 4.62  |           |  | (34,181)     | (35,761)              | (36,155)     | (36,550)                |
| SOFR 6M                   | 5.16  |           |  | (3,609,189)  | (3,795,341)           | (3,841,879)  | (3,888,417)             |
| SOFR                      | 5.38  |           |  | (3,936,332)  | (4,148,107)           | (4,201,050)  | (4,253,994)             |
| EURIBOR 3M                | 3.91  |           |  | (415,455)    | (431,695)             | (435,755)    | (439,815)               |
| EURIBOR 6M                | 3.86  |           |  | (26,008)     | (27,012)              | (27,263)     | (27,514)                |

(\*) The sensitivity analysis is based on the premise of maintaining the market values as of December 31, 2023 as a probable scenario recorded in the company's assets and liabilities.

#### • Market price risk

The Company is also exposed to market risks related to the volatility of commodity and input prices. In line with its risk management policy, risk mitigation strategies involving commodities can be used to reduce cash flow volatility. These mitigation strategies may incorporate derivative instruments, predominantly forward transactions, futures, and options.

Below are the instruments for price risk protection, as shown in the following topics:

#### a) Cash flow hedge accounting - "Platts" index

The Company has derivative operations for iron ore, contracted by the subsidiary CSN Mineração, with the objective of reducing the volatility of its exposure to the commodity.

In order to better reflect the accounting effects of the Platts hedge strategy in the result, CSN Mineração opted to make the formal designation of the hedge and consequently adopted hedge accounting of the iron ore derivative as a hedge accounting instrument of its highly probable future iron ore sales. With this, the mark-to-market resulting from the volatility of Platts will be temporarily recorded in shareholders' equity and will be taken to the result when the referred sales occur according to the contracted period of assessment, thus allowing the recognition of the volatility of Platts on the sales of iron ore to be recognized at the same moment.

The table below shows the result of the derivative instrument until December 31, 2023:

| Maturity                           | Notional | Appreciation (R\$) |                    | Fair value (market) Amounts receivable / (payable) | Other income and expenses (note 25) | Other comprehensive income | Exchange variation |                |
|------------------------------------|----------|--------------------|--------------------|--|-------------------------------------|----------------------------|--------------------|----------------|
|                                    |          | Asset position     | Liability position |  |                                     |                            |                    |                |
| 05/31/2022 (Settled)               | Platts   |                    |                    |  | 23,374                              |                            | (1,087)            |                |
| 12/01/2022 to 12/31/2022 (Settled) | Platts   |                    |                    |  | (75,664)                            | 341,269                    | (3,246)            |                |
| 01/01/2023 to 11/30/2023 (Settled) | Platts   |                    |                    |  | (527,076)                           |                            | (11,844)           |                |
| 12/01/2023 to 12/31/2023 (*)       | Platts   | 1,708,582          | (1,972,329)        | (263,747)  | (263,853)                           |                            | 599                |                |
| 01/01/2024 to 01/31/2024           | Platts   | 2,122,502          | (2,411,003)        | (288,501)  |                                     | (288,501)                  | 4,477              |                |
| 02/01/2024 to 02/28/2024           | Platts   | 1,314,990          | (1,504,462)        | (189,472)  |                                     | (189,472)                  | 3,370              |                |
| 03/01/2024 to 03/31/2024           | Platts   | 1,348,909          | (1,440,328)        | (91,419)   |                                     | (91,419)                   | 889                |                |
| 04/01/2024 to 04/30/2024           | Platts   | 964,254            | (1,028,079)        | (63,825)   |                                     | (63,825)                   | 789                |                |
| 05/01/2024 to 05/31/2024           | Platts   | 783,144            | (817,011)          | (33,867)   |                                     | (33,867)                   | 365                |                |
| 06/01/2024 to 06/30/2024           | Platts   | 283,636            | (288,832)          | (5,196)  |                                     | (5,196)                    | 32                 |                |
|                                    |          | <b>8,526,017</b>   | <b>(9,462,044)</b> | <b>(936,027)</b>                                   | <b>(790,929)</b>                    | <b>(672,280)</b>           | <b>341,269</b>     | <b>(1,323)</b> |
|                                    |          |                    |                    |  |                                     |                            |                    | <b>(4,333)</b> |

(\*) The transaction matured on December 31, 2023 and was settled at the beginning of January 2024.

The changes in the amounts related to cash flow hedge accounting - Platts index recorded in shareholders' equity on December 31, 2023, are shown as follows:

|  | 12/31/2022       | Movement         | Realization    | 12/31/2023       |
|--|------------------|------------------|----------------|------------------|
| Cash flow hedge accounting - "Platts"                            | (341,269)        | (1,121,940)      | 790,929        | (672,280)        |
| Income tax and social contribution on cash flow hedge accounting | 116,031          | 381,460          | (268,916)      | 228,575          |
| <b>Fair Value of cash flow accounting - Platts, net</b>          | <b>(225,238)</b> | <b>(740,480)</b> | <b>522,013</b> | <b>(443,705)</b> |

The cash flow hedge accounting - Platts index - has been fully effective since the derivative instruments were contracted.

To support the above-mentioned designations, the Company prepared formal documentation indicating how the designation of cash flow hedge accounting - Platts index is aligned with CSN's risk management objective and strategy, identifying the hedge instruments used, the hedge object, the nature of the risk to be protected and demonstrating the expectation of high effectiveness of the relations designated. Iron ore derivative instruments ("Platts" index) were designated in amounts equivalent to the portion of future sales, comparing the amounts designated with the amounts expected and approved in the Management and Board budgets.

#### Sensitivity analysis for Platts price risks

We present below the sensitivity analysis for Platts price risks. The Company considered scenarios 1 and 2 to be 25% and 50% devaluation in the share price using the closing rate on December 31, 2023, as a reference.

The effects on the result, considering probable scenarios 1 and 2, are shown below:

| Maturity                 | Probable scenario (*) R\$ | Scenario 1 R\$     | Scenario 2 R\$ | 12/31/2023         |
|--------------------------|---------------------------|--------------------|----------------|--------------------|
| 01/01/2024 to 01/31/2024 | (202,888)                 | (783,153)          |                | (1,363,417)        |
| 02/01/2024 to 02/29/2024 | (50,344)                  | (390,249)          |                | (730,155)          |
| 03/01/2024 to 03/31/2024 | 79,161                    | (239,566)          |                | (558,293)          |
| 04/01/2024 to 04/30/2024 | 55,298                    | (172,219)          |                | (399,736)          |
| 05/01/2024 to 05/31/2024 | 59,651                    | (121,760)          |                | (303,171)          |
| 06/01/2024 to 06/30/2024 | 27,517                    | (37,046)           |                | (101,609)          |
|                          | <b>(31,605)</b>           | <b>(1,743,993)</b> |                | <b>(3,456,381)</b> |

(\*) The probable scenario was calculated considering the "Platts" price on February 20, 2024.

#### b) Cash flow hedge accounting

##### Foreign exchange hedge

The Company and its subsidiary CSN Mineração formally designates relations of hedge of cash flows to protect highly probable future flows exposed to the dollar related to sales made in dollars.

With the objective of better reflecting the accounting effects of the hedge exchange rate in the result, CSN and its subsidiary CSN Mineração designated part of their dollar liabilities as an instrument of future hedge exports. As a result, the exchange rate variation resulting from the designated liabilities will be temporarily recorded in shareholders' equity and will be reflected in the income statement when said exports occur, thus allowing the recognition of dollar fluctuations on liabilities and on exports to be recorded at the same time. It is noteworthy that the adoption of this hedge accounting does not imply the contracting of any financial instrument.

The table below presents a summary of the relations of hedge as of December 31, 2023:

| Designation Date | Hedging Instrument                                    | Hedged item   | Type of hedged risk                       | Hedged period                                   | Exchange rate on designation | Designated amounts (US\$'000) | Amortized part (USD'000) | Effect on Result (*) (R\$'000) | 12/31/2023 Impact on Shareholders' equity (R\$'000) |
|------------------|---|---|---|---|------------------------------|-------------------------------|--------------------------|--------------------------------|---|
| 2/4/2018         | Bonds   | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | July 2018 - February 2023                       | 3.3104                       | 1,170,045                     | (1,170,045)              | (281,258)                      |   |
| 07/31/2019       | Bonds and Export prepayments in US\$ to third parties | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | January 2020 - April 2026                       | 3.7649                       | 1,342,761                     | (871,761)                | (57,873)                       | (506,984)   |
| 10/1/2020        | Bonds   | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | March 2020 to November 2025 until December 2050 | 4.0745                       | 1,416,000                     | (1,404,021)              |                                | (1,332,313)   |
| 01/28/2020       | Bonds   | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | March 2027 - January 2028                       | 4.2064                       | 1,000,000                     |                          |                                | (634,900)   |
| 1/6/2022         | Bonds and Export prepayments in US\$ to third parties | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | June 2022 - April 2032                          | 4.7289                       | 1,145,300                     | (137,300)                | (24,475)                       | (113,299)   |
| 1/6/2022         | Export prepayments in US\$ to third parties           | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | June 2022 - May 2033                            | 4.7289                       | 878,640                       | (110,740)                | (14,312)                       | (86,312)  |
| 1/12/2022        | Advance on foreign exchange contract                  | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | December 2022 - November 2023                   | 5.1643                       | 60,000                        | (60,000)                 | 16,398                         |   |
| 1/12/2022        | Advance on foreign exchange contract                  | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | December 2022 - December 2025                   | 5.2565                       | 100,000                       |                          |                                | 41,520  |
| 1/12/2022        | Advance on foreign exchange contract                  | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | December 2022 - January 2024                    | 5.2660                       | 50,000                        |                          |                                | 21,235  |
| 1/12/2022        | Advance on foreign exchange contract                  | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | December 2022 - November 2023                   | 5.3270                       | 20,000                        | (20,000)                 | 8,720                          |   |
| 1/12/2022        | Bonds   | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | December 2022 - June 2031                       | 5.0360                       | 490,000                       | (37,000)                 | (606)                          | 88,199  |
| 1/12/2022        | Export prepayments in US\$ to third parties           | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | December 2022 - June 2027                       | 5.0360                       | 70,000                        |                          |                                | 13,629  |
| <b>Total</b>     |   |   |   |   |                              | <b>7,742,746</b>              | <b>(3,810,867)</b>       | <b>(353,406)</b>               | <b>(2,509,225)</b>                                  |

(\*) The realization of Hedge accounting cash flow is recognized in Other operating income and expenses, note 27.

The net balance of amounts designated and already amortized in dollars totals US\$3,810,867.

In the hedging relationships described above, the amounts of the debt instruments were fully designated for equivalent iron ore export portions.

As of December 31, 2023, the hedging relationships established by the Company were effective according to the retrospective and prospective tests performed. Thus, no reversal for cash flow hedge accounting ineffectiveness was recognized.

#### c) Net investment hedge in foreign subsidiaries

The information related to the net investment hedge did not change in relation to that disclosed in the Company's financial statements as of December 31, 2022. The balance recorded as of December 31, 2023 and December 31, 2022 is R\$6,293.

#### d) Hedge accounting movements

The changes in the amounts related to cash flow hedge accounting recorded in shareholders' equity as of December 31, 2023 are shown as follows:

|  | 12/31/2022         | Movement         | Realization    | Consolidated 12/31/2023 |
|--|--------------------|------------------|----------------|-------------------------|
| Cash flow hedge accounting                                       | (4,434,697)        | 1,572,066        | 353,406        | (2,509,225)             |
| Income tax and social contribution on cash flow hedge accounting | 1,507,797          | (534,502)        | (120,158)      | 853,137                 |
| <b>Fair Value of cash flow accounting, net taxes</b>             | <b>(2,926,900)</b> | <b>1,037,564</b> | <b>233,248</b> | <b>(1,656,088)</b>      |

- **Credit risk**

The exposure to credit risks of financial institutions considers the parameters established in the financial policy. The Company practices a detailed analysis of the financial situation of its customers and suppliers, the determination of a credit limit and the permanent monitoring of its outstanding balance.

With regard to financial investments, the Company only invests in institutions with low credit risk assessed by credit rating agencies. Since part of the funds is invested in repo operations that are backed by Brazilian government bonds, there is also exposure to the credit risk of the country.

As for the exposure to credit risk in accounts receivable and other receivables, the Company has a credit risk committee, in which each new customer is analyzed individually regarding their financial condition, before granting the credit limit and payment terms, and periodically reviewed based on procedures and circumstances of each business area.

- **Liquidity risk**

It is the risk that the Company may not have sufficient net funds to honor its financial commitments as a result of the mismatch of term or volume between expected receipts and payments.

Future receipt and payment premises are established to manage cash liquidity in domestic and foreign currencies, which are monitored on a day-to-day basis by the Treasury Department. The payment schedules for long-term installments of borrowings, financing and debentures are shown in note 13.

|   | Less than one year | From one to two years | From two to five years | Over five years   | Consolidated Total |
|---|--------------------|-----------------------|------------------------|-------------------|--------------------|
| <b>At December 31, 2023</b>                       |                    |                       |                        |                   |                    |
| Borrowings, financing and debentures (note 13)    | 7,701,796          | 10,126,875            | 12,315,903             | 15,329,338        | 45,473,912         |
| Lease Liabilities (note 15)                       | 137,638            | 208,039               | 138,412                | 249,672           | 733,761            |
| Derivative financial instruments (note 14 a)      | 936,027            | 60,468                |                        |                   | 996,495            |
| Trade payables (note 16)                          | 7,739,520          | 28,059                | 514                    | 2,487             | 7,770,580          |
| Trade payables - Drawee Risk (note 16 and 17)     | 4,209,434          |                       |                        |                   | 4,209,434          |
| Dividends and interest on equity (note 16 and 17) | 80,624             |                       |                        |                   | 80,624             |
|   | <b>20,805,039</b>  | <b>10,423,441</b>     | <b>12,454,829</b>      | <b>15,581,497</b> | <b>59,264,806</b>  |

#### IV - Fair values of assets and liabilities in relation to the book value

Financial assets and liabilities measured at fair value through profit or loss are recorded in current and non-current assets and liabilities and gains and losses are recorded as financial income and expenses, respectively.

The amounts are recorded in the financial statements at their book values, which are substantially similar to those that would be obtained if they were traded on the market. The fair values of other long-term assets and liabilities do not differ significantly from their book values, except for the amounts below.

The estimated fair value for certain consolidated long-term borrowings and financing was calculated at current market rates, considering the nature, term and risks similar to those of the registered contracts, as follows:

|                      | Closing Balance | Fair value | Closing Balance | Fair value |
|----------------------|-----------------|------------|-----------------|------------|
|                      |                 | 12/31/2023 |                 | 12/31/2022 |
| Fixed Rate Notes (*) | 15,030,441      | 12,825,475 | 15,656,088      | 13,782,836 |

(\*) Source: Bloomberg

#### 14.c) Derivative financial instruments portfolio position

##### Swap exchange rate Dollar x Euro

The subsidiary Lusosider Produtos Siderúrgicos S.A. has derivative transactions to hedge its dollar exposure, maturing in February 2024.

#### Swap exchange rate CDI x Dollar

The Company has derivative transactions to protect its debt in NCE raised in September 2019 with maturity in October 2023 in the amount of US\$67 million (equivalent to R\$278 million) at a cost compatible with that usually practiced by the Company, an operation that was settled on the due date.

In the same period, the Company contracted a new operation to protect an NCE raised with maturity in October 2028, in the amount of R\$680 million.

#### Swap exchange rate Real x Dollar

The subsidiary CSN Cimentos, after contracting a borrowing in foreign currency of US\$115,000, contracted derivative operations to protect its exposure to the dollar, maturing on June 10, 2027.

#### Swap exchange rate CDI x IPCA

The CSN Mineração, CSN Cimentos and CSN issued debentures during 2021, 2022 and 2023, respectively, and entered derivative transactions to hedge their exposure to the IPCA. CSN Mineração's contracts have maturities scheduled from 2031 and 2037, CSN Cimentos' contracts mature in 2032 and CSN's mature between 2030 and 2038.

Below is the position of the derivatives:

| Instrument   | Maturity   | Functional Currency | Notional amount  | Appreciation (R\$) |                    | Fair value (market) Amounts receivable / (payable) | 12/31/2023         | 12/31/2022       | Consolidated 12/31/2021 |
|--|------------|---------------------|------------------|--------------------|--------------------|--|--------------------|------------------|-------------------------|
|  |            |                     |                  | Asset position     | Liability position |  |                    |                  |                         |
| <b>Exchange rate swap</b>                          |            |                     |                  |                    |                    |  |                    |                  |                         |
| Exchange rate swap Dollar x Euro                   | Settled    | Dollar              |                  |                    |                    |  |                    |                  | 7,119                   |
| Exchange rate swap Dollar x Real                   | Settled    | Dollar              |                  |                    |                    |  |                    | 176,991          | 37,322                  |
| Exchange rate swap CDI x Dollar                    | Settled    | Dollar              |                  |                    |                    |  | 31,469             | 43,817           | (9,960)                 |
| Exchange rate swap Dollar x Euro                   | 5/2/2024   | Dollar              | 20,000           |                    |                    | 9,567  |                    |                  |                         |
| Exchange rate swap CDI x Dollar                    | 10/4/2028  | Real                | 680,000          | 748,622            | (736,499)          | 12,123   | 12,122             |                  |                         |
| Exchange rate swap Dollar x Real                   | 10/6/2027  | Dollar              | 115,000          | 572,648            | (633,116)          | (60,468)   | (96,602)           |                  | (11,467)                |
| <b>Total Swap</b>                                  |            |                     | <b>815,000</b>   | <b>1,321,270</b>   | <b>(1,369,615)</b> | <b>(38,778)</b>                                    | <b>(43,444)</b>    | <b>209,341</b>   | <b>34,481</b>           |
| <b>Interest rate swap</b>                          |            |                     |                  |                    |                    |  |                    |                  |                         |
| Interest rate (Debentures) CDI x IPCA              | 07/15/2031 | Real                | 576,448          | 681,828            | (627,557)          | 54,271   | 55,829             | (67,471)         | (17,432)                |
| Interest rate (Debentures) CDI x IPCA              | 07/15/2032 | Real                | 745,000          | 859,068            | (821,688)          | 37,380   | 5,842              | (36,571)         |                         |
| Interest rate (Debentures) CDI x IPCA              | 07/15/2036 | Real                | 423,552          | 479,374            | (471,900)          | 7,474  | 49,964             | (25,057)         | (17,488)                |
| Interest rate (Debentures) CDI x IPCA              | 07/15/2037 | Real                | 655,382          | 706,622            | (697,546)          | 9,076  | (53,027)           | (25,579)         |                         |
| Interest rate (Debentures) CDI x IPCA              | 02/16/2032 | Real                | 600,000          | 699,420            | (638,471)          | 60,949   | 22,690             | (24,089)         |                         |
| Interest rate (Debentures) CDI x IPCA              | 2/12/2032  | Real                | 600,000          | 707,137            | (653,164)          | 53,973   | 16,462             | (79,130)         |                         |
| Interest rate (Debentures) CDI x IPCA              | 07/15/2030 | Real                | 325,384          | 346,536            | (337,730)          | 8,806  | 8,806              |                  |                         |
| Interest rate (Debentures) CDI x IPCA              | 07/15/2033 | Real                | 183,185          | 202,594            | (195,441)          | 7,153  | 7,153              |                  |                         |
| Interest rate (Debentures) CDI x IPCA              | 07/14/2038 | Real                | 203,620          | 208,937            | (209,962)          | (1,025)  | (1,025)            |                  |                         |
| <b>Total interest rate (Debentures) CDI x IPCA</b> |            |                     | <b>4,312,571</b> | <b>4,891,515</b>   | <b>(4,653,458)</b> | <b>238,057</b>                                     | <b>112,694</b>     | <b>(257,897)</b> | <b>(34,920)</b>         |
|  |            |                     |                  |                    |                    | <b>6,212,785</b>                                   | <b>(6,023,073)</b> | <b>199,279</b>   | <b>69,250</b>           |
|  |            |                     |                  |                    |                    |  |                    | <b>(48,556)</b>  | <b>(439)</b>            |

#### • Classification of derivatives in the balance sheet and income statement

| Instruments                                      | Assets        |               | Liabilities      |                | Total            | 12/31/2023    | 12/31/2022      | 12/31/2021   |
|--|---------------|---------------|------------------|----------------|------------------|---------------|-----------------|--------------|
|  | Current       | Total         | Current          | Non-current    |                  |               |                 |              |
| Exchange rate swap (NDF) Dollar x real (settled) |               |               |                  |                |                  |               |                 | 37,322       |
| Iron ore derivative                              | 10,521        | 10,521        | (936,027)        |                | (936,027)        |               |                 |              |
| Exchange rate swap Dollar x Euro                 | 9,567         | 9,567         |                  |                |                  | 9,567         |                 | 7,119        |
| Exchange rate swap CDI x Dollar                  | 12,123        | 12,123        |                  |                |                  | 43,591        | 43,817          | (9,960)      |
| Exchange rate swap CDI x IPCA (1)                |               |               |                  | 238,057        | 238,057          | 112,694       | (257,897)       | (34,920)     |
| Exchange rate swap Dollar x real                 |               |               |                  | (60,468)       | (60,468)         | (96,602)      | (11,467)        |              |
|  | <b>32,211</b> | <b>32,211</b> | <b>(936,027)</b> | <b>177,589</b> | <b>(758,438)</b> | <b>69,250</b> | <b>(48,556)</b> | <b>(439)</b> |

Derivative instruments SWAP CDI x IPCA are fully classified in the borrowings and financing group, since they are linked to debentures in order to protect exposure to the IPCA.



#### 14.d) Investments in securities measured at fair value through profit or loss

The Company has common shares (USIM3), preferred shares (USIM5) of Siderúrgica de Minas Gerais S.A. ("Usiminas") and shares of Panatlântica S.A. (PAT3), which are designated as fair value through profit or loss.

Usiminas shares are classified as current assets in financial investments and Panatlântica shares are classified as non-current assets under the investment line item. They are recorded at fair value, based on the market price quote in B3.

In accordance with the Company's policy, the gains and losses arising from the variation in the share price are recorded directly in the income statement as financial result in the case of financial investments, or as other operating income and expenses in the case of long-term investments.

| Class of shares | Quantity    | 12/31/2023          |             |                  | 12/31/2022  |                     |             | Closing Balance  | Closing Balance | 12/31/2023         | 12/31/2022     | 12/31/2021 |
|-----------------|-------------|---------------------|-------------|------------------|-------------|---------------------|-------------|------------------|-----------------|--------------------|----------------|------------|
|                 |             | Equity interest (%) | Share price | Closing Balance  | Quantity    | Equity interest (%) | Share price |                  |                 |                    |                |            |
| USIM3           | 106,620,851 | 15.12%              | 9.20        | 980,912          | 106,620,851 | 15.12%              | 7.41        | 790,061          | 190,851         | (757,008)          | (121,593)      |            |
| USIM5           | 55,144,456  | 10.07%              | 9.29        | 512,292          | 55,144,456  | 10.07%              | 7.16        | 394,834          | 117,458         | (441,156)          | 506,890        |            |
|                 |             |                     |             | <b>1,493,204</b> |             |                     |             | <b>1,184,895</b> | <b>308,309</b>  | <b>(1,198,164)</b> | <b>385,297</b> |            |
| PAT3            | 2,705,726   | 11.31%              | 29.10       | 78,737           | 2,705,726   | 11.31%              | 35.00       | 94,700           | (15,963)        | (95,620)           | 109,254        |            |
|                 |             |                     |             | <b>1,571,941</b> |             |                     |             | <b>1,279,595</b> | <b>292,346</b>  | <b>(1,293,784)</b> | <b>494,551</b> |            |

#### • Stock market price risks

The Company is exposed to the risk of changes in the stock price due to the investments measured at fair value through profit or loss that have their quotations based on the market price on the B3.

#### Sensitivity analysis for stock price risks

We present below the sensitivity analysis for the stock price risks. The Company considered scenarios 1 and 2 with 25% and 50% devaluation in the stock price using as reference the closing price on December 31, 2023. The probable scenario considered a 5% devaluation in the stock price.

The effects on the result, considering probable scenarios, 1 and 2 are demonstrated below:

| Class of shares | Probable scenario<br>5% | Scenario 1<br>25% | Scenario 2<br>50% | 12/31/2023 |
|-----------------|-------------------------|-------------------|-------------------|------------|
|                 |                         |                   |                   |            |
| USIM3           | (49,046)                | (245,228)         |                   | (490,456)  |
| USIM5           | (25,615)                | (128,073)         |                   | (256,146)  |
| PAT3            | (3,937)                 | (19,684)          |                   | (39,368)   |

#### 14.e) Capital management

The Company seeks to optimize its capital structure in order to reduce its financial costs and maximize the return to its shareholders. The table below shows the evolution of the Company's consolidated capital structure, with financing by equity and third-party capital:

| Thousands of reais                             | 12/31/2023 | 12/31/2022 |
|--|------------|------------|
| Shareholder's equity (equity)                  | 19,684,838 | 21,907,929 |
| Borrowings and Financing (Third-party capital) | 44,859,075 | 40,918,742 |
| Gross Debit/Shareholder's equity               | 2.28       | 1.87       |

#### Accounting Policy

The Company's financial instruments are classified according to the definition of the business model adopted by the Company and the characteristics of the cash flow, in the case of financial assets.

Upon initial recognition, financial assets can be classified into three categories: assets measured at amortization cost, fair value through profit or loss and fair value through other comprehensive income.

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred; in the latter case, provided that the Company has substantially transferred all risks and rewards of ownership.

If the company substantially holds all the risks and rewards of ownership of the financial asset, it must continue to recognize the financial asset.

Financial liabilities are classified as amortized cost or fair value through profit or loss. Management determines the classification of its financial liabilities upon initial recognition.

Financial liabilities are derecognized only when they are extinguished, that is, when the obligation specified in the contract is settled, canceled, or expires. The Company also derecognizes a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle them on a net basis, or realize the asset and settle the liability simultaneously.

#### **Derivative Financial Instruments and Hedging Activities**

Initially, derivatives are recognized at fair value on the date that a derivative contract is entered and are subsequently measured at fair value with the changes recorded in the income statement in the caption Financial Result in the income statement.

**Hedge accounting:** The Company adopts hedge accounting and designates certain financial liabilities as a hedging instrument for foreign exchange risk and price risk ("Platts" index) associated with cash flows arising from forecasted and highly probable exports (cash flow hedge).

The Company documents, at the inception of the transaction, the relationships between the hedging instruments and the hedged items (expected exports), as well as the risk management objectives and strategy for undertaking various hedging transactions. In addition, it documents its assessment, both at the hedge's inception and on an ongoing basis, that the hedge transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of the changes in the fair value of financial liabilities designated and qualifying as cash flow hedge is recognized in equity, under "Hedge Accounting". Gains or losses related to the ineffective portion are recognized in other operating expenses/income, when applicable.

Gains and losses from cash flow hedge accounting of debt financial instruments and iron ore derivative financial instruments will not immediately affect the Company's result, but only to the extent that exports are realized.

The amounts accumulated in equity are realized in the operating result in the periods when the forecast exports affect the result.

When a hedge instrument expires or is settled early, or when the hedge relationship no longer meets the criteria for hedge accounting, or when Management decides to discontinue hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity, and from that time onwards the foreign exchange variations are recorded in the financial result. When the forecast transaction is realized, the gain or loss is reclassified to operating income. When a forecast transaction is no longer expected to take place, the cumulative gain or loss that had been reported in equity is immediately transferred to the income statement under "Other operations".

**Investment hedge:** The Company designates for net investment hedge a portion of its financial liabilities as a hedging instrument of its investments abroad with functional currency different from the Group's currency in accordance with IAS 39 and IFRS 9. This relationship occurs because financial liabilities are related to investments in the amounts necessary for the effective relationship.

The Company documents, at the inception of the transaction, the relationships between hedging instruments and hedged items, as well as the risk management objectives and strategy for undertaking hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, that the hedging transactions are highly effective in offsetting changes in the hedged items.

The effective portion of changes in the fair value of financial liabilities that are designated and qualify as net investment hedges is recognized in equity under Hedge Accounting. The gains or losses related to the ineffective portion are recognized in Other Operations, when applicable. If at any time during the hedge relationship the debt balance is greater than the investment balance, the exchange variation on the excess debt is reclassified to the income statement as other operating income/expenses (hedge ineffectiveness).

The amounts accumulated in the equity will be realized in the income statement by the disposal or partial disposal of the foreign operation.

#### 15. LEASE LIABILITIES

Lease liabilities are shown below:

|                                   | 12/31/2023     | Consolidated<br>12/31/2022 |
|-----------------------------------|----------------|----------------------------|
| Leases                            | 2,044,694      | 1,916,636                  |
| Present value adjustment - Leases | (1,310,933)    | (1,222,790)                |
|                                   | <b>733,761</b> | <b>693,846</b>             |
| <b>Classified:</b>                |                |                            |
| Current                           | 137,638        | 177,010                    |
| Non-current                       | 596,123        | 516,836                    |
|                                   | <b>733,761</b> | <b>693,846</b>             |

The Company has lease agreements for port terminals in Itaguaí, the Solid Bulk Terminal - TECAR, used for loading and unloading iron ores and others and the Container Terminal - TECON, with remaining terms of 24 and 28 years, respectively, and lease agreement for railway operation using the Northeast network with a remaining term of 4 years.

Additionally, the Company has operating equipment lease agreements, used mainly in the mining and steel operations, and real estate, used as operating facilities and administrative and sales offices, in several locations where the Company operates, with remaining terms of 1 to 12 years.

The present value of the future obligations was measured using the implicit rate observed in the contracts and for the contracts that did not have a rate, the Company applied the incremental borrowing rate - IBR, both in nominal terms.

The average incremental rate used in measuring lease and right-of-use liabilities in the agreements entered into during the year ended December 31, 2023 is 13.75% p.a. for contracts with a term of 5 years and 12.50% p.a. for contracts with a term of 3 years.

The movement of lease liabilities is shown in the table below:

|  | 12/31/2023     | Consolidated<br>12/31/2022 |
|--|----------------|----------------------------|
| <b>Opening balance</b>                 | <b>693,846</b> | <b>611,551</b>             |
| New leases                             | 189,855        | 29,633                     |
| Present Value Adjustments - New leases | (116,640)      | (3,300)                    |
| Contract review                        | 124,310        | 99,419                     |
| Write-off                              |                | (781)                      |
| Payments                               | (239,909)      | (155,995)                  |
| Interest appropriated                  | 82,521         | 69,510                     |
| Acquisition of companies               |                | 45,352                     |
| Exchange variation                     | (222)          | (1,543)                    |
| <b>Net balance</b>                     | <b>733,761</b> | <b>693,846</b>             |

The estimated future minimum payments for the lease agreements include determinable variable payments, which are certain to occur, based on minimum performance and contractually fixed rates.

As of December 31, 2023, the expected minimum payments are the following:

|                                   | Less than one year | Between one and five years | Over five years | Consolidated Total |
|-----------------------------------|--------------------|----------------------------|-----------------|--------------------|
| Leases                            | 148,553            | 484,680                    | 1,411,461       | 2,044,694          |
| Present value adjustment - Leases | (10,915)           | (138,229)                  | (1,161,789)     | (1,310,933)        |
|                                   | <b>137,638</b>     | <b>346,451</b>             | <b>249,672</b>  | <b>733,761</b>     |

- **Recoverable PIS / COFINS**

Lease liabilities were measured at the amount of consideration with suppliers, that is, without considering the tax credits incurred after payment. The potential right of PIS and COFINS embedded in the lease liability is shown below.

|  | 12/31/2023  | 12/31/2022  |
|--|-------------|-------------|
| Leases   | 1,755,060   | 1,835,101   |
| Present value adjustment - Leases                          | (1,195,780) | (1,221,378) |
| Potential PIS and COFINS credit                            | 162,343     | 169,747     |
| Present value adjustment - Potential PIS and COFINS credit | (110,610)   | (112,977)   |

- **Lease payments not recognized as a liability:**

The Company chose not to recognize lease liabilities in contracts with a term of less than 12 months and for low value assets. Payments made for these contracts are recognized as expenses when incurred.

The Company has contracts for the right to use ports (TECAR) and railways (FTL) which, even if they establish minimum performance, it is not possible to determine its cash flow since these payments are fully variable and will only be known when they occur. In such cases, payments will be recognized as expenses when incurred.

The expenses related to payments not included in the measurement of the lease liability during the year are:

|                              | 12/31/2023     | 12/31/2022     | Consolidated 12/31/2021 |
|------------------------------|----------------|----------------|-------------------------|
| Contract less than 12 months | 3,746          | 995            | 339                     |
| Lower Assets value           | 14,986         | 5,859          | 4,975                   |
| Variable lease payments      | 411,996        | 325,913        | 498,529                 |
|                              | <b>430,728</b> | <b>332,767</b> | <b>503,843</b>          |

#### Accounting Policy

When entering into a contract, the Company assesses whether the contract is, or contains, a lease. The lease is characterized by a lease or transfer of the right to use for a fixed period in exchange for monthly payments. The leased asset must be clearly specified.

The Company determines in the initial recognition, the lease term or non-cancellable term, which will be used in the measurement of the right-of-use assets and the lease liability. The lease term will be reevaluated by the Company when a significant event or significant change occurs in the circumstances that are under the control of the lessee and affects the non-cancellable term. The Company adopts exemption from recognition, as provided for in the standard, for the lessee of contracts with terms of less than 12 (twelve) months, or whose underlying asset object of the contract is of low value.

At inception, the Company recognizes the right to use the asset and the lease liability at present value. The right-of-use asset should be measured at cost. The cost includes the lease liability, upfront costs, advance payments, and estimated costs to disassemble, remove or restore. The lease liability is measured at the present value of the lease payments expected to be made during the life of the agreement, discounted at the implicit interest rate of the lease or, if the rate is not determinable, an incremental rate will be used to determine the present value.

For contracts that the Company determines the business rate, it is understood that this rate is the rate implied in nominal terms and to which it is applied in discounting the flow of future payments. In contracts with no rate definition, the Company applied the incremental loan rate, obtaining it through consultations with banks where it has a relationship, adjusted for the inflation forecast for the coming years.

For the subsequent measurement, the cost method to the right-of-use asset is used and, in depreciation the requirements of IAS 16 - Property, Plant and Equipment are applied. However, for the purpose of depreciation, the Company determines the use of the straight-line method based on the remaining useful life of the assets or the term of the contract, whichever is the shorter.

The effects of PIS and COFINS recoverable generated after the effective payment of the obligations will be recorded as a reduction of the depreciation expenses of the right of use and of the financial expenses recognized monthly.

The IAS 36 - Impairment of Assets will also be applied in order to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

In accordance with the guidelines of IFRS 16, the Company used the discounted cash flow technique to measure and remeasure liabilities, without considering the projected inflation in the flows to be discounted.

#### 16. TRADE PAYABLES

|                              | 12/31/2023       | 12/31/2022 | Consolidated     |
|------------------------------|------------------|------------|------------------|
| Trade payables               | 7,867,431        |            | 6,723,077        |
| (-) Adjustment present value | (96,851)         |            | (79,893)         |
|                              | <b>7,770,580</b> |            | <b>6,643,184</b> |
| <b>Classified:</b>           |                  |            |                  |
| Current                      | 7,739,520        |            | 6,596,915        |
| Non-current                  | 31,060           |            | 46,269           |
|                              | <b>7,770,580</b> |            | <b>6,643,184</b> |

#### Accounting Policy

They are initially recognized at fair value, and subsequently measured at amortized cost, using the effective interest rate method and adjusted to present value when applicable, based on the estimated rate of the Company's cost of capital.

## 17. OTHER PAYABLES

The other payables classified in current and non-current liabilities are comprised as follows:

|  | Current          |                  | Non-current      |            | Consolidated     |
|--|------------------|------------------|------------------|------------|------------------|
|  | 12/31/2023       | 12/31/2022       | 12/31/2023       | 12/31/2022 | 12/31/2022       |
| Payables to related parties (note 22 b)                    | 29,651           | 109,087          | 38,058           |            | 53,356           |
| Derivative financial instruments (note 14 d)               | 936,027          | 416,935          | 60,468           |            | 69,472           |
| Dividends and interest on capital                          | 80,624           | 611,307          |                  |            |                  |
| Advances from customers <sup>(1)</sup>                     | 2,063,509        | 1,120,072        | 5,144,623        |            | 943,919          |
| Taxes in installments (note 19)                            | 75,735           | 280,721          | 154,089          |            | 184,106          |
| Profit sharing - employees                                 | 260,109          | 266,705          |                  |            |                  |
| Taxes payable  |                  |                  | 30,902           |            | 10,925           |
| Provision for consumption and services                     | 177,152          | 241,965          |                  |            |                  |
| Third party materials in our possession                    | 285,250          | 303,858          |                  |            |                  |
| Trade payables - Drawee Risk and forfaiting <sup>(2)</sup> | 4,209,434        | 5,709,069        |                  |            |                  |
| Trade payables (note 16)                                   |                  |                  | 31,060           |            | 46,269           |
| Lease Liabilities (note 15)                                | 137,638          | 177,010          | 596,123          |            | 516,836          |
| Concessions payable  |                  |                  | 74,177           |            | 77,296           |
| Other payables   | 39,231           | 81,922           | 308,992          |            | 314,239          |
|  | <b>8,294,360</b> | <b>9,318,651</b> | <b>6,438,492</b> |            | <b>2,216,418</b> |

(1) **Advances from Customers:** On December 31, 2022, the subsidiaries CSN Mineração and CSN Cimentos signed advance contracts for the sale of electricity with national operators in the sector to be executed for up to 8 years. Additionally, the subsidiary CSN Mineração S.A. received in advance the total amount of US\$500,000 (R\$2,599,300) relating to supply contracts for approximately 13 million tons of iron ore signed with an important international player, to be executed within a period of 4 years, with supply scheduled to begin in 2024. On June 30, 2023, the subsidiary CSN Mineração entered into an addendum to the advance contract, signed on January 16, 2023, in the amount of US\$300,000 for additional supply of 6.3 million tons of iron ore. From this amendment, the Company received the amount of US\$205,000 (R\$987,936) on June 30, 2023, the remaining balance of US\$95,000 was received on July 31, 2023.

(2) The Company discloses and classifies in the group of other obligations under a specific heading its drawn risk and forfaiting operations with suppliers where the nature of the securities continue to be part of the Company's operational cycle. These operations are negotiated with financial institutions to enable the Company's suppliers to advance receivables arising from sales of goods and, consequently, extend the payment terms for the Company's own obligations. The term of these operations varies from 180 days to 360 days.

## 18. INCOME TAX AND SOCIAL CONTRIBUTION

### 18.a) Income tax and social contribution recognized in profit or loss:

The income tax and social contribution recognized in net income for the year are as follows:

|  | 12/31/2023       | 12/31/2022         | Consolidated<br>12/31/2021 |
|--|------------------|--------------------|----------------------------|
| <b>Income tax and social contribution income (expense)</b> |                  |                    |                            |
| Current  | (1,036,262)      | (1,537,966)        | (4,240,802)                |
| Deferred   | 403,544          | (420,773)          | (759,355)                  |
|  | <b>(632,718)</b> | <b>(1,958,739)</b> | <b>(5,000,157)</b>         |

The reconciliation of the Company's income tax and social contribution expenses and income and the of the effective tax rate on income before IRPJ and CSLL are shown below:

|  | 12/31/2023       | 12/31/2022         | Consolidated<br>12/31/2021 |
|--|------------------|--------------------|----------------------------|
| <b>Profit/(Loss) before income tax and social contribution</b>       | <b>1,035,367</b> | <b>4,126,437</b>   | <b>18,595,778</b>          |
| Tax rate   | 34%              | 34%                | 34%                        |
| <b>Income tax and social contribution at combined statutory rate</b> | <b>(352,025)</b> | <b>(1,402,989)</b> | <b>(6,322,565)</b>         |
| <b>Adjustment to reflect the effective rate:</b>                     |                  |                    |                            |
| Equity in results of affiliated companies                            | 178,978          | 155,125            | 71,833                     |
| Difference Tax Rate in companies abroad                              | (181,409)        | (338,278)          | (437,567)                  |
| Transfer Price Adjustment and Profits Abroad                         | (91,883)         | (195,112)          | (55,821)                   |
| Income taxes and social contribution on foreign profit               | 131,836          |                    |                            |
| Tax incentives   | 71,756           | 50,333             | 273,040                    |
| Interest on equity   | 47,315           | 290,968            | 185,325                    |
| Recognition/(reversal) of tax credits                                | (337,239)        | (562,014)          | 1,027,252                  |
| Other permanent deductions (additions)                               | (100,047)        | 43,228             | 258,346                    |
| <b>Income tax and social contribution in net income for the year</b> | <b>(632,718)</b> | <b>(1,958,739)</b> | <b>(5,000,157)</b>         |
| <b>Effective tax rate</b>  | <b>61%</b>       | <b>47%</b>         | <b>27%</b>                 |

#### 18.b) Deferred income tax and social contribution:

Deferred income tax and social contribution balances are as follows:

|   | 12/31/2023         | 12/31/2022       | Consolidated<br>12/31/2021 |
|---|--------------------|------------------|----------------------------|
| <b>Deferred</b>   |                    |                  |                            |
| Income tax losses   | 4,198,734          | 2,679,028        | 1,537,623                  |
| Social contribution tax losses                                  | 1,441,925          | 894,183          | 583,845                    |
| <b>Temporary differences</b>                                    | <b>(911,027)</b>   | <b>1,305,557</b> | <b>2,447,543</b>           |
| Tax, social security, labor, civil and environmental provisions | 550,567            | 584,834          | 265,328                    |
| Estimated losses on assets                                      | 238,211            | 369,826          | 283,266                    |
| Gains/(Losses) on financial assets                              | 328,678            | 468,813          | 6,484                      |
| Actuarial Liabilities (Pension and Health Plan)                 | 171,816            | 226,875          | 210,009                    |
| Provision for consumption and services                          | 22,346             | 205,880          | 163,620                    |
| Cash Flow Hedge Accounting and Unrealized Exchange Variations   | 509,386            | 1,459,012        | 2,985,859                  |
| (Gain) on loss of control of Transnordestina                    | (224,096)          | (224,096)        | (92,180)                   |
| Fair Value SWT/CBL Acquisition                                  | (149,489)          | (149,489)        | (178,160)                  |
| Business combination  | (1,473,119)        | (1,632,370)      | (1,338,674)                |
| Others  | (885,327)          | (3,728)          | 141,991                    |
| <b>Total</b>  | <b>4,729,632</b>   | <b>4,878,768</b> | <b>4,569,011</b>           |
| <b>Total Deferred Assets</b>                                    | <b>5,991,213</b>   | <b>5,095,718</b> | <b>5,072,092</b>           |
| <b>Total Deferred Liabilities</b>                               | <b>(1,261,581)</b> | <b>(216,950)</b> | <b>(503,081)</b>           |
| <b>Total Deferred</b>   | <b>4,729,632</b>   | <b>4,878,768</b> | <b>4,569,011</b>           |

The Company has subsidiaries abroad in its corporate structure, whose profits are taxed by income tax in the respective countries in which they were established at rates lower than those in force in Brazil. In the period between 2018 and 2023, these subsidiaries generated profits in the amount of R\$155,482. If the Brazilian tax authorities understand that these profits are subject to additional taxation in Brazil through income tax and social contribution, these, if due, would amount to approximately R\$52,864. The Company, based on the position of its legal advisors, only assessed the probability of loss in the event of a possible tax challenge as possible and, therefore, no provision was recognized in the financial statement.

In addition, management evaluated the precepts of IFRIC 23 - "Uncertainty Over Income Tax Treatments" and recognized in 2021 the credit for the unconstitutionality of the levy of the IRPJ and CSLL on the amounts of default interest referring to the SELIC rate received due to the repetition of tax undue payment.

A sensitivity analysis of consumption of tax credits was carried out considering a variation in macroeconomic assumptions, operating performance, and liquidity events. Thus, considering the results of the study carried out, which indicates that it is probable the existence of taxable income to use the balance of deferred income tax and social contribution.

|                                       | <b>Consolidated</b> |
|---------------------------------------|---------------------|
| 2024                                  | 782,640             |
| 2025                                  | 760,047             |
| 2026                                  | 492,913             |
| 2027                                  | 476,082             |
| 2028 and beyond                       | 3,479,531           |
| <b>Deferred asset</b>                 | <b>5,991,213</b>    |
| Deferred liabilities - Parent Company | (957,579)           |
| <b>Net deferred asset</b>             | <b>5,033,634</b>    |
| Deferred liabilities - subsidiaries   | (304,002)           |
| <b>Net deferred asset</b>             | <b>4,729,632</b>    |

#### 18.c) Changes in deferred income tax and social contribution

The changes in deferred taxes is shown below:

|  | <b>Consolidated</b> |
|--|---------------------|
| <b>Balance at December 31, 2020</b>      | <b>3,256,110</b>    |
| Recognized in the result                 | (759,355)           |
| Recognized in other comprehensive income | 2,073,437           |
| Acquisition of companies                 | (1,181)             |
| <b>Balance at December 31, 2021</b>      | <b>4,569,011</b>    |
| Recognized in the result                 | (420,773)           |
| Recognized in other comprehensive income | (322,876)           |
| Acquisition of companies                 | 1,053,406           |
| <b>Balance at December 31, 2022</b>      | <b>4,878,768</b>    |
| Recognized in the result                 | 403,544             |
| Recognized in other comprehensive income | (559,050)           |
| Use of tax credit in installment program | (445)               |
| Reverse incorporation                    | 6,815               |
| <b>Balance at December 31, 2023</b>      | <b>4,729,632</b>    |

#### 18.d) Income tax and social contribution recognized in equity:

The income tax and social contribution recognized directly in equity are shown below:

|  | <b>12/31/2023</b> | <b>Consolidated<br/>12/31/2022</b> |
|--|-------------------|------------------------------------|
| <b>Income tax and social contribution</b>              |                   |                                    |
| Actuarial gains on defined benefit pension plan        | 83,436            | 100,139                            |
| Exchange differences on translating foreign operations | (325,350)         | (325,350)                          |
| Cash flow hedge accounting                             | 1,030,432         | 1,571,953                          |
|  | <b>788,518</b>    | <b>1,346,742</b>                   |

#### Accounting Policy

Current income tax and social contribution are calculated based on the tax laws enacted by the end of the reporting period, including in the countries where the Group entities operate and generate taxable income. Management periodically assesses the positions taken in the tax calculations with respect to situations where applicable tax regulations are open to interpretations. The Group recognizes provisions where appropriate, based on the estimated payments to tax authorities. The income tax and social contribution expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they are related to business combinations or items recognized directly in equity.



Current tax expense is the expected payment of taxable income for the year, using the nominal rate approved or substantially approved on the balance sheet date, and any adjustment of taxes payable related to previous years. Current income tax and social contribution are posted net in liabilities whenever there are amounts payable, or in assets whenever such amounts paid in advance exceed the total amount due at the reporting date.

Deferred tax is recognized in relation to temporary differences between the tax bases of assets and liabilities and their book values in the financial statements. Deferred tax is not recognized for temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination, that does not affect nor accounting profit nor tax profit or loss, differences related to investments in subsidiaries and controlled entities when it is probable that they will not revert in a foreseeable future and from the initial recognition of goodwill, in accordance with IAS 12 - Income Taxes. The amount of the deferred tax determined is based on the expectation of realization or settlement of the temporary difference and uses the nominal rate approved or substantially approved.

Deferred income tax assets and liabilities are presented net in the balance sheet whenever there is a legal right and the intention to offset them upon the calculation of current taxes, usually related to the same legal entity and the same taxation authority.

Deferred income tax and social contribution assets are recognized on recoverable balances of tax loss and negative basis of CSLL, tax credits and deductible temporary differences. Such assets are reviewed at each year-end date and will be reduced to the extent that their realization is less likely to occur.

#### 19. TAXES IN INSTALLMENTS

The position of REFIS debts and other installments, recorded in taxes in installments in current and non-current liabilities, as shown in note 18, are shown below:

|                             | 12/31/2023     | Consolidated<br>12/31/2022 |
|-----------------------------|----------------|----------------------------|
| Federal REFIS Law 11.941/09 | 9,942          | 17,585                     |
| Federal REFIS Law 12.865/13 | 34,775         | 39,522                     |
| Other taxes in installments | 185,107        | 407,720                    |
|                             | <b>229,824</b> | <b>464,827</b>             |
| <b>Classified:</b>          |                |                            |
| Current                     | 75,735         | 280,721                    |
| Non-current                 | 154,089        | 184,106                    |
|                             | <b>229,824</b> | <b>464,827</b>             |

Refers to the balance arising from the adhesion to the REFIS related to the refinancing programs of Law 11,941/09, Law 12,865/13 and the installment that allows the taxpayer to pay the debts registered in overdue debt of the Federal Government with benefits, reduced down payment and extended payment term. The installments are paid in monthly installments, with interest at the SELIC rate.

#### 20. PROVISIONS FOR TAX, SOCIAL SECURITY, LABOR, CIVIL AND ENVIRONMENTAL RISKS AND JUDICIAL DEPOSITS

Claims of different nature are being challenged at the appropriate courts. Details of the accrued amounts and related judicial deposits are as follows:

|                        | Accrued liabilities |                  | Judicial deposits |            | Consolidated   |
|------------------------|---------------------|------------------|-------------------|------------|----------------|
|                        | 12/31/2023          | 12/31/2022       | 12/31/2023        | 12/31/2022 | 12/31/2022     |
| Tax                    | 154,626             | 219,196          | 153,715           |            | 184,687        |
| Social security        | 1,609               | 1,567            | 4                 |            |                |
| Labor                  | 366,645             | 375,416          | 288,389           |            | 297,507        |
| Civil                  | 778,796             | 851,305          | 24,880            |            | 25,502         |
| Environmental          | 41,194              | 37,341           | 3,340             |            | 2,859          |
| Deposit of a guarantee |                     |                  | 21,554            |            | 23,109         |
|                        | <b>1,342,870</b>    | <b>1,484,825</b> | <b>491,882</b>    |            | <b>533,664</b> |
| <b>Classified:</b>     |                     |                  |                   |            |                |
| Current                | 36,000              | 73,089           |                   |            |                |
| Non-current            | 1,306,870           | 1,411,736        | 491,882           |            | 533,664        |
|                        | <b>1,342,870</b>    | <b>1,484,825</b> | <b>491,882</b>    |            | <b>533,664</b> |

The changes in tax, social security, labor, civil and environmental provisions in the year ended December 31, 2023 can be summarized as follows:

| Nature          | 12/31/2022       | Additions     | Accrued charges | Net utilization of reversal | Consolidated          |
|-----------------|------------------|---------------|-----------------|-----------------------------|-----------------------|
|                 |                  |               |                 |                             | Current + Non-current |
|                 | 12/31/2022       |               |                 |                             | 12/31/2023            |
| Tax             | 219,196          | 7,880         | 15,113          | (87,563)                    | 154,626               |
| Social security | 1,567            |               | 81              | (39)                        | 1,609                 |
| Labor           | 375,416          | 38,241        | 47,732          | (94,744)                    | 366,645               |
| Civil           | 851,305          | 21,747        | 54,150          | (148,406)                   | 778,796               |
| Environmental   | 37,341           | 2,382         | 2,457           | (986)                       | 41,194                |
|                 | <b>1,484,825</b> | <b>70,250</b> | <b>119,533</b>  | <b>(331,738)</b>            | <b>1,342,870</b>      |

The provision for tax, social security, labor, civil and environmental risks was estimated by Management and is mainly based on the legal advisors' assessment. Only lawsuits for which the risk is classified as probable loss are provisioned. Additionally, tax liabilities from actions initiated by the Company is included in this provision and is subject to SELIC (Central Bank's policy rate).

#### Tax proceedings

The main lawsuits that are considered by the external legal advisors as probable loss, to which CSN or its subsidiaries are parties, are (i) some ISS tax assessment notices; (ii) divergences between calculated and paid ICMS; (iii) Requests for offsetting not approved due to lack of credit rights.

#### Labor proceedings

The Group appears as a defendant in labor claims. The majority of claims for actions are related to subsidiary and/or joint liability, equal pay, unhealthy and hazardous work premiums, overtime, health insurance, indemnity claims arising from alleged involvement of occupational diseases or accidents at work, intra-day break and differences in profit sharing in the years 1997 to 1999 and 2000 to 2003.

During the year ended December 31, 2023, there were addition or write-off movements in labor lawsuits arising from the definite conclusion and the constant revision of the Company's accounting estimates related to the provision for contingencies that take into consideration the different nature of the claims made, as required by the Company's accounting policies.

#### Civil proceedings

Among the civil lawsuits in which it is a defendant, there are mainly suits for damages. Such processes, in general, result from work accidents, occupational diseases, contractual discussions, related to the Group's industrial activities, real estate actions, health insurance.

**Environmental proceedings**

The main environmental lawsuits that are considered by the external legal advisors to be probable losses, to which CSN or its subsidiaries are a party, are (i) administrative infraction notices, for alleged environmental violations; (ii) judicial annulment actions and tax foreclosures, arising from environmental fines; (iii) procedural fines for alleged non-compliance with court orders.

Among the environmental administrative/judicial proceedings in which the Company is a defendant, there are administrative procedures aimed at finding possible occurrences of environmental irregularities and regularizing environmental licenses; at the judicial level, there are actions for the enforcement of fines imposed as a result of such alleged irregularities and public civil actions with a request for regularization combined with indemnities, which consist of environmental recomposition, in most cases. Such processes, in general, result from discussions of alleged impact to the environment related to the Company's industrial activities.

- **Administrative and judicial proceedings**

The Company does not make provisions for lawsuits, which Management's expectations, based on the opinion of legal counsel, is a possible loss. The following table shows a summary of the balance of the main matters classified as possible risk compared to the balance as of December 31, 2023 and 2022.

|  | 12/31/2023        | Consolidated<br>12/31/2022 |
|--|-------------------|----------------------------|
| Notice of Violation and Imposition of Fine (AIIM) / Tax Foreclosure - RFB - IRPJ/CSLL - Capital Gain for alleged sale of equity interest in subsidiary NAMISA                            | 15,606,600        | 14,174,838                 |
| Notice of Violation and Imposition of Fine (AIIM) / Tax Foreclosure - RFB - IRPJ/CSLL - Disallowance of goodwill deductions generated in the reverse incorporation of Big Jump by Namisa | 5,443,666         | 4,920,177                  |
| Notice of Violation and Imposition of Fine (AIIM) / Tax Enforcement - RFB - IRPJ/CSLL - Disallowance of prepayment interest arising from iron ore supply and port services contracts     | 2,124,479         | 2,388,423                  |
| Notice of Violation and Imposition of Fine (AIIM) / Writ of Mandamus - RFB - IRPJ/CSLL - Profits earned abroad in 2008, 2010, 2011, 2012, 2014, 2015, 2016, 2017 and 2018                | 5,828,921         | 4,104,626                  |
| Unapproved compensation - RFB - IRPJ/CSLL, PIS/COFINS and IPI  | 2,052,564         | 2,138,608                  |
| ICMS - SEFAZ/RJ - Assessment Notice - questions about sales for incentive area   | 1,016,381         | 1,255,251                  |
| Notice of Violation and Imposition of Fine (AIIM) - RFB - Disallowance of PIS/COFINS Credits for inputs and freight  | 1,388,918         | 1,238,018                  |
| CFEM - difference of understanding between CSN and ANM on the calculation basis  | 1,452,933         | 1,143,275                  |
| Notice of Infraction and Imposition of Fine (AIIM) - RFB - Collection IRRF - Business Combinations CMIN 2015   | 1,106,401         | 986,196                    |
| ICMS - SEFAZ/RJ - ICMS Credits for acquisition of Electric Energy Industrialization  | 1,065,918         | 950,469                    |
| Notice of Violation and Imposition of Fine (AIIM) - IRPJ/CSLL - Disallowance of deductions of goodwill generated in the acquisition of Cimentos Mauá                                     | 810,907           | 715,152                    |
| ICMS - SEFAZ/RJ - Disallowance of the ICMS credits - Transfer of iron ore  | 731,416           | 666,816                    |
| ICMS - SEFAZ/RJ - Disallowance of credits on purchases of intermediate products  | 445,682           | 623,748                    |
| Disallowance of tax loss and negative calculation base resulting from adjustments in SAPLI - RFB   | 741,056           | 663,594                    |
| Infraction and Fine Imposition Notices (AIIM) - RFB - IRPJ/CSLL - Transfer Pricing   | 363,043           |                            |
| ICMS - SEFAZ/RJ - Transfer of imported raw material for a value lower than the TECAR import document   | 394,865           | 357,006                    |
| Notice of Violation and Imposition of Fine (AIIM) / Annulment Action - RFB - IRRF - Capital gain of CFM company sellers located abroad   | 317,522           | 289,406                    |
| Other tax lawsuits (federal, state, and municipal)   | 6,282,247         | 5,579,232                  |
| Social security lawsuits   | 288,973           | 187,338                    |
| Action to discuss the balance of the construction contract - Tebas   | 593,716           | 560,638                    |
| Action related to power supply payment's charge - Light  | 440,002           | 386,834                    |
| Action that discusses Negotiation of energy sales - COPEN - CEEE-G   | 201,123           | 193,469                    |
| Collection of defaulted amounts of contracts for the execution of the Presidente Médici Thermoelectric Power Plant - SACE - CEEE-G   | 205,262           | 192,212                    |
| Enforcement action applied by Brazilian antitrust authorities (CADE)   | 122,136           | 109,206                    |
| Other civil lawsuits   | 1,423,591         | 1,168,591                  |
| Labor and social security lawsuits   | 2,091,666         | 1,726,517                  |
| Tax Execution Traffic Ticket Volta Grande IV   | 137,668           | 122,639                    |
| ACP Landfill Márcia I  | 306,389           | 306,389                    |
| Other environmental lawsuits   | 667,901           | 539,410                    |
|  | <b>53,651,946</b> | <b>47,688,078</b>          |

In the first quarter of 2021, the Company was notified of an arbitration proceeding based on an alleged unfulfillment of iron ore supply contracts. The counterparty asks for approximately US\$1 billion, and the Company has no knowledge of the basis for the estimates of the amount asked. Finally, the Company informs that has responded the arbitration requirements in conjunction with its legal counselors and is currently at the initial stage of its defense. The Company expects the arbitration will be concluded in 2 years. The relevance of the arbitration to the Company is related to the amount attributed to the cause and its eventual financial impact. The discussion involves arbitration disputes initiated by both parties.

The Company has been offering judicial guarantees (Guarantee Insurance/Letter of Guarantee) in the total amount updated to December 31, 2023 of R\$8,768,003 (December 31, 2022 R\$4,939,419), as determined by the procedural legislation in force.

The assessments made by legal advisors define these administrative and judicial proceedings as a possible risk of loss and, consequently, no loss provisions have been recognized in accordance with Management's judgment and with IFRS.

#### Accounting Policy

Only provisions estimated as probable risk of loss are recorded, substantiated in the assessment of our legal advisors, and at amounts that will be required to settle the litigations. The obligation is updated in accordance with the evolution of the lawsuit or financial charges incurred and may be reversed if the estimated loss is no longer considered probable due to changes in circumstances or derecognized when the obligation is settled.

#### 21. PROVISION FOR ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS

The balance of provisions for environmental liabilities and asset retirement obligation is as follows:

|                              | 12/31/2023       | Consolidated<br>12/31/2022 |
|------------------------------|------------------|----------------------------|
| Environmental liabilities    | 176,181          | 172,574                    |
| Asset retirement obligations | 842,624          | 765,083                    |
|                              | <b>1,018,805</b> | <b>937,657</b>             |

#### Accounting Policy

The Company recognizes a provision for recovery costs when a loss is probable and the amounts of the related costs are reasonably determined. Generally, the provisioning period for the amount to be used for recovery coincides with the completion of a feasibility study or commitment to a formal action plan.

Expenses related to compliance with environmental regulations are charged to income or capitalized, as appropriate. Capitalization is considered appropriate when expenses refer to items that will continue to benefit the Company and that are basically relevant to the acquisition and installation of equipment for pollution control and/or prevention.

Asset retirement obligations (ARO) consist of cost estimates for decommissioning, demobilization, or restoration of areas at the end of mining activities and extraction of mineral resources. The initial measurement is recognized as a liability discounted to present value and, subsequently, carried to expenses over time. The asset decommissioning cost equivalent to the initial liability is capitalized as part of the asset's carrying amount and is depreciated over the asset's useful life.

#### 22. RELATED-PARTY BALANCES AND TRANSACTIONS

##### 22.a) Transactions with holding companies

Vicunha Aços S.A. is the Company's controlling shareholder, with a 40.99% interest in its voting capital.

Rio Iaco Participações S.A. also controls the Company, with a 3.45% and CFL Ana Participações S.A. with 10.25%, both interest in CSN's voting capital.

The corporate structure of Vicunha Aços S.A. is as follows:

- (a) Vicunha Steel S.A. - holds a 100% interest in Vicunha Aços S.A.
- (b) Rio Purus Participações S.A. - holds a 100% interest in Vicunha Steel S.A.

• **Liabilities**

At a meeting held on November 13, 2023, the Board of Directors approved the payment of interim dividends, to the profit reserve account, in the amount of R\$985,000, corresponding to the value of R\$0.742782969659389 per share. R\$403,790 was paid to Vicunha Aços S.A., R\$33,950 to Rio Iaco Participações S.A. and R\$100,948 to CFL Ana Participações S.A. on November 31, 2023.

**22.b) Transactions with subsidiaries, jointly controlled entities, associates, exclusive funds and other related parties**

|                                       |     | Subsidiaries and associates | Joint-ventures and Joint Operation | Other related parties | 12/31/2023       | Subsidiaries and associates | Joint-ventures and Joint Operation | Other related parties | Consolidated     |
|---------------------------------------|-----|-----------------------------|------------------------------------|-----------------------|------------------|-----------------------------|------------------------------------|-----------------------|------------------|
|                                       |     |                             |                                    |                       | Total            |                             |                                    |                       | 12/31/2022       |
| Assets                                |     |                             |                                    |                       |                  |                             |                                    |                       |                  |
| <b>Current Assets</b>                 |     |                             |                                    |                       |                  |                             |                                    |                       |                  |
| Investments                           | (1) |                             |                                    | 2,128,183             | 2,128,183        |                             |                                    | 1,768,915             | 1,768,915        |
| Trade receivables (note 6)            | (2) | 34,441                      | 2,658                              | 131,268               | 168,367          | 48,236                      | 1,182                              | 59,716                | 109,134          |
| Dividends (note 9)                    | (3) |                             | 185,178                            |                       | 185,178          |                             | 77,377                             |                       | 77,377           |
| Loans (note 9)                        | (4) |                             | 5,316                              |                       | 5,316            |                             | 5,383                              |                       | 5,383            |
| Other receivables (note 9)            |     |                             | 6,480                              | 1,829                 | 8,309            | 30                          |                                    | 1,828                 | 1,858            |
|                                       |     | <b>34,441</b>               | <b>199,632</b>                     | <b>2,261,280</b>      | <b>2,495,353</b> | <b>48,266</b>               | <b>83,942</b>                      | <b>1,830,459</b>      | <b>1,962,667</b> |
| <b>Non-current Assets</b>             |     |                             |                                    |                       |                  |                             |                                    |                       |                  |
| Investments                           | (1) |                             |                                    | 111,350               | 111,350          |                             |                                    | 140,510               | 140,510          |
| Loans (note 9)                        | (4) | 3,732                       | 1,655,680                          |                       | 1,659,412        | 3,678                       | 1,381,095                          |                       | 1,384,773        |
| Actuarial asset (note 9)              |     |                             |                                    | 39,530                | 39,530           |                             |                                    | 35,477                | 35,477           |
| Other receivables (note 9)            | (5) |                             | 1,792,579                          |                       | 1,792,579        |                             | 1,484,759                          |                       | 1,484,759        |
|                                       |     | <b>3,732</b>                | <b>3,448,259</b>                   | <b>150,880</b>        | <b>3,602,871</b> | <b>3,678</b>                | <b>2,865,854</b>                   | <b>175,987</b>        | <b>3,045,519</b> |
|                                       |     | <b>38,173</b>               | <b>3,647,891</b>                   | <b>2,412,160</b>      | <b>6,098,224</b> | <b>51,944</b>               | <b>2,949,796</b>                   | <b>2,006,446</b>      | <b>5,008,186</b> |
| <b>Liabilities</b>                    |     |                             |                                    |                       |                  |                             |                                    |                       |                  |
| <b>Current Liabilities</b>            |     |                             |                                    |                       |                  |                             |                                    |                       |                  |
| Trade payables                        |     |                             | 140,579                            | 35,435                | 176,014          |                             | 93,115                             | 37,448                | 130,563          |
| Accounts payable (note 22 b)          |     | 46                          | 22,378                             |                       | 22,424           |                             | 23,555                             | 24,134                | 47,689           |
| Provision for consumption (note 22 b) |     |                             | 7,227                              |                       | 7,227            |                             | 61,398                             |                       | 61,398           |
|                                       |     | <b>46</b>                   | <b>170,184</b>                     | <b>35,435</b>         | <b>205,665</b>   |                             | <b>178,068</b>                     | <b>61,582</b>         | <b>239,650</b>   |
| <b>Non-current Liabilities</b>        |     |                             |                                    |                       |                  |                             |                                    |                       |                  |
| Accounts payable                      |     |                             | 38,058                             |                       | 38,058           |                             | 53,356                             |                       | 53,356           |
|                                       |     |                             | <b>38,058</b>                      |                       | <b>38,058</b>    |                             | <b>53,356</b>                      |                       | <b>53,356</b>    |
|                                       |     | <b>46</b>                   | <b>208,242</b>                     | <b>35,435</b>         | <b>243,723</b>   |                             | <b>231,424</b>                     | <b>61,582</b>         | <b>293,006</b>   |

|  |     | Subsidiaries and associates | Joint-ventures and Joint Operation | Other related parties | 12/31/2023    | Subsidiaries and associates | Joint-ventures and Joint Operation | Other related parties | Consolidated    |
|--|-----|-----------------------------|------------------------------------|-----------------------|---------------|-----------------------------|------------------------------------|-----------------------|-----------------|
|  |     |                             |                                    |                       | Total         |                             |                                    |                       | 12/31/2022      |
| P&L  |     |                             |                                    |                       |               |                             |                                    |                       |                 |
| Sales                                      |     | 206,158                     | 21,663                             | 1,769,915             | 1,997,736     | 234,150                     | 34,924                             | 2,442,586             | 2,711,660       |
| Cost and expenses                          |     | (2,581)                     | (2,135,810)                        | (301,503)             | (2,439,894)   | (66)                        | (1,538,194)                        | (216,110)             | (1,754,370)     |
| <b>Financial income (expenses)</b>         |     |                             |                                    |                       |               |                             |                                    |                       |                 |
| Interest (note 27)                         |     |                             | 178,448                            | 38,452                | 216,900       |                             | 144,355                            | 29,828                | 174,183         |
| Exchange rate variations and monetary, net |     |                             |                                    | (58,837)              | (58,837)      |                             |                                    | (13,584)              | (13,584)        |
| Financial investments                      | (1) |                             |                                    | 308,309               | 308,309       |                             |                                    | (1,198,164)           | (1,198,164)     |
| Other operating income and expenses        |     |                             | (8,893)                            |                       | (8,893)       |                             |                                    |                       |                 |
|  |     | <b>203,577</b>              | <b>(1,944,592)</b>                 | <b>1,756,336</b>      | <b>15,321</b> | <b>234,084</b>              | <b>(1,358,915)</b>                 | <b>1,044,556</b>      | <b>(80,275)</b> |

**Consolidated Information:**

- (1) **Financial investments:** Refers mainly to investments in Usiminas shares, cash and cash equivalents and Bonds with Banco Fibra and government bonds and CDBs with the exclusive funds.
- (2) **Accounts receivables:** Refers mainly to sales transactions of steel products from the Company to related parties.
- (3) **Dividends receivable:** In the Consolidated, it refers to dividends from MRS Logística in the amount of R\$106,747 on December 31, 2023 (R\$77,377 on December 31, 2022).
- (4) **Loans (Assets):**  
**Long term:** refers mainly to loan agreements with Transnordestina Logística R\$1,646,264 (R\$1,384,773 as of December 31, 2022) with an average rate of 125.0% to 130.0% of CDI.
- (5) **Others (Assets):** refers advance for future capital increase with Transnordestina Logística S.A. of R\$1,792,579 as of December 31, 2023 (R\$1,484,759 as of December 31, 2022).
- (6) **Borrowings (Liabilities):**  
**Foreign currency:** In the Parent Company these are intercompany contracts amounting to R\$9,409,992 as of December 31, 2023 ((R\$ 10,027,851 as of December 31, 2022).

## 22.c) Other unconsolidated related parties

- **CBS Previdência**

The Company is its main sponsor, being a not-for-profit civil society established in July 1960 and whose main objective is the payment of benefits complementary to those of the official social security for the participants. As a sponsor, it maintains transactions for payment of contributions and recognition of actuarial liabilities determined in defined benefit plans.

- **Banco Fibra**

Banco Fibra is under the control structure of Vicunha Aços S.A., the major shareholder of the Company and the financial transactions carried out with this bank are limited to movements in checking accounts and financial investments in fixed-income securities.

- **CSN Foundation**

The Company develops socially responsible policies concentrated today in the CSN Foundation, of which it is the founder. Transactions between the parties are related to operational and financial support for the Foundation to conduct social projects developed mainly in the locations where it operates.

- **Related Parties under the control of a member of the Company's Management**

The following companies are under the control of a member of the Management, which maintain some minor transactions with the Company:

- Partifib Projetos Imobiliários Ltda;
- Vicunha Imóveis Ltda;
- Vicunha Serviços Ltda;
- Ibis Participações e Serviços Ltda;
- Party Negócios e Participações Ltda;
- Jockey Club de São Paulo;
- Fibra Sequoia Guarulhos Empreendimentos.

## 22.d) Key management personnel

The key management personnel with authority and responsibility for planning, directing, and controlling the Company's activities include members of the Board of Directors and statutory officers. The following is information on the compensation of such personnel and the related balances as of December 31, 2023 and 2022.

|  | 12/31/2023    | P&L | 12/31/2022    | 12/31/2021    |
|--|---------------|-----|---------------|---------------|
| Short-term benefits for employees and officers | 62,478        |     | 52,001        | 46,747        |
| Post-employment benefits                       | 450           |     | 266           | 192           |
|  | <b>62,928</b> |     | <b>52,267</b> | <b>46,939</b> |

## 22.e)Guarantees

The Company is liable for guarantees of its subsidiaries and jointly controlled entities as follows:

|                           | Currency | Maturities                      | Borrowings        |                   | Tax foreclosure |              | Others         |                | Total             |                   |
|---------------------------|----------|---------------------------------|-------------------|-------------------|-----------------|--------------|----------------|----------------|-------------------|-------------------|
|                           |          |                                 | 12/31/2023        | 12/31/2022        | 12/31/2023      | 12/31/2022   | 12/31/2023     | 12/31/2022     | 12/31/2023        | 12/31/2022        |
| Transnordestina Logística | R\$      | Up to 09/19/2056 and Indefinite | 3,695,183         | 2,096,291         | 10,029          | 9,365        | 4,235          | 3,853          | 3,709,447         | 2,109,509         |
| Group subsidiaries        | R\$      | Up to 12/21/2024 and indefinite | 1,903,235         |                   |                 | 197          | 131,920        | 2,163          | 2,035,155         | 2,360             |
| CSN Mineração             | R\$      | Up to 12/21/2024                |                   | 540,946           |                 |              |                |                |                   | 540,946           |
| <b>Total in R\$</b>       |          |                                 | <b>5,598,418</b>  | <b>2,637,237</b>  | <b>10,029</b>   | <b>9,562</b> | <b>136,155</b> | <b>6,016</b>   | <b>5,744,602</b>  | <b>2,652,815</b>  |
| CSN Inova Ventures        | US\$     | 01/28/2028                      | 1,300,000         | 1,300,000         |                 |              |                |                | 1,300,000         | 1,300,000         |
| CSN Resources             | US\$     | Up to 04/17/2026                | 1,530,000         | 1,150,000         |                 |              |                |                | 1,530,000         | 1,150,000         |
| CSN Cimentos              | US\$     | Indefinite                      | 115,000           | 115,000           |                 |              |                |                | 115,000           | 115,000           |
| <b>Total in US\$</b>      |          |                                 | <b>2,945,000</b>  | <b>2,565,000</b>  |                 |              |                |                | <b>2,945,000</b>  | <b>2,565,000</b>  |
| Lusosider Aços Planos     | EUR      | Indefinite                      |                   |                   |                 |              | 75,000         | 75,000         | 75,000            | 75,000            |
| <b>Total in EUR</b>       |          |                                 |                   |                   |                 |              | <b>75,000</b>  | <b>75,000</b>  | <b>75,000</b>     | <b>75,000</b>     |
| <b>Total in R\$</b>       |          |                                 | <b>14,257,629</b> | <b>13,867,929</b> |                 |              | <b>401,370</b> | <b>396,780</b> | <b>14,658,999</b> | <b>14,264,709</b> |
|                           |          |                                 | <b>19,856,047</b> | <b>16,505,166</b> | <b>10,029</b>   | <b>9,562</b> | <b>537,525</b> | <b>402,796</b> | <b>20,403,601</b> | <b>16,917,524</b> |

## Accounting Policy

Transactions with related parties were carried out by the Company on terms equivalent to those prevailing in market transactions, observing the price and the usual market conditions. Therefore, these transactions are in conditions that are no less favorable for the Company than those negotiated with third-parties.

Transactions between the related parties are eliminated and adjusted to ensure consistency with the practices adopted by The Company.

The Company's related parties are subsidiaries, joint ventures, affiliates, shareholders and their related companies and the key personnel of the Company's management.

## 23. SHAREHOLDERS' EQUITY

### 23.a)Paid-in capital

The fully subscribed and paid-in capital as of December 31, 2023 and 2022 is R\$10,240,000, divided into 1,326,093,947 common and book-entry shares, with no par value. Each common share entitles to one vote in the resolutions of the General Meeting.

### 23.b)Authorized capital

The Company's bylaws in effect on December 31, 2023 define that the share capital may be increased to up to 2,400,000,000 shares, by decision of the Board of Directors, regardless of amendments to the bylaws.

### 23.c)Legal reserve

It is constituted at the rate of 5% of the net income calculated in each fiscal year, before any other allocation, pursuant to art. 193 of Law 6,404/86, up to a limit of 20% of the capital stock.

### 23.d)Ownership structure

As of December 31, 2023 and 2022, the Company's ownership structure was as follows:



|                                 | 12/31/2023              |                   |                     | 12/31/2022              |                   |                     |
|---------------------------------|-------------------------|-------------------|---------------------|-------------------------|-------------------|---------------------|
|                                 | Number of common shares | % of total shares | % of voting capital | Number of common shares | % of total shares | % of voting capital |
| Vicunha Aços S.A. (*)           | 543,617,803             | 40.99%            | 40.99%              | 679,522,254             | 51.24%            | 51.24%              |
| Rio Iaco Participações S.A. (*) | 45,706,242              | 3.45%             | 3.45%               | 45,706,242              | 3.45%             | 3.45%               |
| CFL Ana Participações S.A. (*)  | 135,904,451             | 10.25%            | 10.25%              | 0                       | 0.00%             | 0.00%               |
| NYSE (ADRs)                     | 273,702,845             | 20.64%            | 20.64%              | 254,520,040             | 19.19%            | 19.19%              |
| Other shareholders              | 327,162,606             | 24.67%            | 24.67%              | 346,345,411             | 26.12%            | 26.12%              |
| <b>Outstanding shares</b>       | <b>1,326,093,947</b>    | <b>100.00%</b>    | <b>100.00%</b>      | <b>1,326,093,947</b>    | <b>100.00%</b>    | <b>100.00%</b>      |

(\*) Controlling group companies.

### 23.e) Treasury shares

As of December 31, 2023, the Company had no treasury share position:

| Program | Board's Authorization | Authorized quantity | Program period                | Average buyback price | Minimum and maximum buyback price | Number bought back | Share cancellation | Sale of shares | Balance in treasury |
|---------|-----------------------|---------------------|-------------------------------|-----------------------|-----------------------------------|--------------------|--------------------|----------------|---------------------|
|         | 04/20/2018            | 30,391,000          | From 4/20/2018 to 4/30/2018   | Not applicable        | Not applicable                    |                    |                    | 22,981,500     | 7,409,500           |
| 1°      | 06/21/2021            | 24,154,500          | From 06/22/2021 to 12/22/2021 | R\$ 21.82             | R\$20.06 and R\$23.22             | 24,082,000         |                    |                | 31,491,500          |
| 2°      | 6/12/2021             | 30,000,000          | From 12/07/2021 to 6/30/2022  | R\$ 25.00             | R\$17.20 and R\$26.76             | 29,938,600         |                    |                | 61,430,100          |
|         | 05/18/2022            |                     |                               | Not applicable        | Not applicable                    |                    | 61,430,100         |                |                     |
| 3°      | 05/18/2022            | 58,000,000          | From 05/19/2022 to 05/18/2023 |                       |                                   |                    |                    |                |                     |

At a Board of Directors Meeting held on May 18, 2022, the Company approved (i) the closing of the share repurchase

program, (ii) cancellation of 61,430,100 common shares held in treasury with no change in the Company's capital stock, which is now represented by 1,326,093,947 common book-entry shares without nominal value.

### 23.f) Earnings per share

The earnings per share are shown below:

|  | 12/31/2023       | 12/31/2022       | 12/31/2021        |
|--|------------------|------------------|-------------------|
| <b>(Loss)/profit for the year</b>                  | <b>(318,206)</b> | <b>1,554,060</b> | <b>12,258,628</b> |
| Weighted average number of shares                  | 1,326,093,947    | 1,327,028,614    | 1,376,362,149     |
| <b>Basic and diluted (loss)/earnings per share</b> | <b>(0.23996)</b> | <b>1.17108</b>   | <b>8.90654</b>    |

### Accounting Policy

#### Share capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the amount raised, net of taxes.

#### Earnings (loss) per share

Basic earnings (loss) per share is calculated using the net income (loss) for the year attributable to the Company's controlling shareholders and the weighted average number of outstanding common shares in the respective period. Diluted earnings (loss) per share is calculated using the aforementioned average of outstanding shares, adjusted by instruments potentially convertible into shares, with a dilutive effect, in the periods presented. The Company does not have potential instruments convertible into shares and, consequently, the diluted and basic earnings (loss) per share are the same.

#### Treasury shares

When the Company purchases shares of the capital stock of the Company itself (treasury shares), the amount paid, including any directly attributable additional costs (net of income tax), is deducted from the equity attributable to the shareholders of the Company until the shares are canceled or disposed of. When such shares are subsequently disposed of, any amounts received, net of any directly attributable additional transaction costs and the respective income tax and social contribution effects, are included in the equity attributable to the Company's shareholders.

#### Result per share

Basic and diluted earnings (loss) per share was calculated based on the profit attributable to CSN's controlling shareholders divided by the weighted average number of common shares outstanding during the period, excluding common shares purchased and held as treasury shares. The Company does not hold potential dilutable common shares in circulation that could result in the dilution of earnings per share.

#### Non-controlling interest and transactions

The Company considers transactions with non-controlling interests as transactions with owners of the Company's assets. For non-controlling interests, the difference between any consideration paid and the acquired portion of the carrying amount of the subsidiary's net assets is recorded in equity. Gains or losses on disposals for non-controlling interests are also recorded directly in equity.

When the Company ceases to have control, any interest held in the entity is remeasured at fair value, with the change in carrying amount recognized in the income statement. The fair value is the initial carrying amount for the subsequent accounting of the retained interest in an associate, a joint venture or a financial asset. In addition, any amounts previously recognized in other comprehensive income related to that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This means that the amounts previously recognized in other comprehensive income are reclassified to income.

#### 24. SHAREHOLDER'S COMPENSATION

|  | 12/31/2023       |
|--|------------------|
| <b>Loss for the year</b>                 | <b>(318,206)</b> |
| Earnings reserves                        | 8,988,442        |
| Interest on equity prescribed            |                  |
| <b>Net loss after destination</b>        | <b>(318,206)</b> |
| Dividends from earning reserves          | (985,000)        |
| Dividends proposed to the profit account | (1,614,000)      |

#### Deliberation and/or payment of dividends occurred in 2023:

On November 13, 2023, the Board of Directors approved the proposed distribution of interim dividends, from the earnings reserve account, in the amount of R\$985,000, corresponding to the amount of R\$0.742782969659389 per share. The dividends were paid, without monetary adjustment, on November 29, 2023.

On April 28, 2023, the Annual General Meeting approved the distribution of proposed additional dividends in the amount of R\$1,614,000, corresponding to the value of R\$1.21710833810 per share. The amounts were credited based on the Shareholders' positions on April 28, 2023.

#### Accounting Policy

The Company adopts a profit distribution policy which, in compliance with the provisions of Law No. 6,404/76 as amended by Law 9,457/97, will imply the allocation of all net income to its shareholders, provided that the following priorities are preserved, regardless of its order: (i) business strategy; (ii) compliance with obligations; (iii) making the necessary investments; and (iv) the maintenance of a good financial situation for the Company.

In accordance with article 33 of the Company's Bylaws, at least 25% of the net income for the year, adjusted under the terms of article 202 of Law 6,404/76, will be distributed as dividends in each fiscal year, which will be reflected in current liabilities. In addition, the Board of Directors may pay interest on equity by allocating the amount of interest paid or credited to the minimum mandatory dividends mentioned above. If the Company reports a dividend higher than the mandatory minimum in the allocation proposal, this amount is highlighted in a specific account in equity under "Proposed Additional Dividend".

## 25. NET REVENUE FROM SALES

Net sales revenue is comprised as follows:

|                                      | 12/31/2023         | 12/31/2022         | Consolidated<br>12/31/2021 |
|--------------------------------------|--------------------|--------------------|----------------------------|
| <b>Gross revenue</b>                 |                    |                    |                            |
| Domestic market                      | 28,383,814         | 30,343,033         | 29,724,648                 |
| Foreign market                       | 23,596,603         | 20,691,181         | 25,090,313                 |
|                                      | <b>51,980,417</b>  | <b>51,034,214</b>  | <b>54,814,961</b>          |
| <b>Deductions</b>                    |                    |                    |                            |
| Sales returns, discounts and rebates | (673,746)          | (371,189)          | (272,842)                  |
| Taxes on sales                       | (5,868,721)        | (6,300,905)        | (6,630,080)                |
|                                      | <b>(6,542,467)</b> | <b>(6,672,094)</b> | <b>(6,902,922)</b>         |
| <b>Net revenue</b>                   | <b>45,437,950</b>  | <b>44,362,120</b>  | <b>47,912,039</b>          |

### Accounting Policy

The Company's revenue is recognized as soon as all the conditions below are met:

- Identification of the contract for the sale of goods or provision of services;
- Identification of performance obligations;
- Determination of the contract value;
- Calculations of the value allocated to each of the performance obligations included in the contract; It is
- Revenue recognition over time or at the time performance obligations are completed.

The Company's operating revenues are generated through the production and sale of steel, ore and cement products, freight services in the case of product exports, railway and port logistics services and energy sales, in the case of normal course of activities is measured by the fair value of the consideration that the entity expects to receive in exchange for the delivery of the good or service promised to the customer.

Revenue recognition occurs when or as the entity satisfies a performance obligation by transferring the good or service to the customer, and performance obligation is understood as an enforceable promise in a contract with a customer for the transfer of a good/service or a series of goods or services.

If it is probable that discounts will be granted and the value can be measured reliably, then the discount is recognized as a reduction in operating income as sales are recognized.

Export freight services in the CFR (Cost and Freight) and CIF (Cost, Insurance and Freight) modalities, where the Company is responsible for the freight service, they are considered distinct services and, therefore, a separate obligation, having its allocation separately from the transaction price and recognized in the result according to the effective provision of the service over time. Such revenue allocated to freight does not significantly affect the Company's results for the year and, therefore, it is not presented separately in the financial statements. For other services provided, the Revenue is recognized based on its realization.

**26. EXPENSES BY NATURE**

|   | 12/31/2023          | 12/31/2022          | Consolidated<br>12/31/2021 |
|---|---------------------|---------------------|----------------------------|
| Raw materials and inputs                  | (12,732,273)        | (14,572,337)        | (10,405,028)               |
| Outsourcing material                      | (5,104,273)         | (3,265,627)         | (4,476,702)                |
| Labor cost                                | (4,268,241)         | (3,320,234)         | (2,746,454)                |
| Supplies                                  | (3,735,873)         | (3,501,649)         | (2,297,069)                |
| Maintenance cost (services and materials) | (578,514)           | (916,646)           | (1,268,752)                |
| Outsourcing services                      | (2,905,888)         | (2,178,589)         | (2,119,515)                |
| Freight                                   | (4,185,360)         | (2,826,821)         | (1,835,601)                |
| Depreciation, amortization and depletion  | (3,291,149)         | (2,792,845)         | (2,114,681)                |
| Others                                    | (1,163,601)         | (929,205)           | (1,533,119)                |
|   | <b>(37,965,172)</b> | <b>(34,303,953)</b> | <b>(28,796,921)</b>        |
| <b>Classified as:</b>                     |                     |                     |                            |
| Cost of sales                             | (33,475,189)        | (31,054,016)        | (25,837,475)               |
| Selling expenses                          | (3,729,089)         | (2,575,818)         | (2,372,298)                |
| General and administrative expenses       | (760,894)           | (674,119)           | (587,148)                  |
|   | <b>(37,965,172)</b> | <b>(34,303,953)</b> | <b>(28,796,921)</b>        |

The depreciation, amortization and depletion for the year were distributed as follows.

|                                     | 12/31/2023         | 12/31/2022         | Consolidated<br>12/31/2021 |
|-------------------------------------|--------------------|--------------------|----------------------------|
| Production costs <sup>(1)</sup>     | (3,226,469)        | (2,752,557)        | (2,075,488)                |
| Selling expenses                    | (29,593)           | (13,948)           | (11,227)                   |
| General and administrative expenses | (35,087)           | (26,340)           | (27,966)                   |
|                                     | <b>(3,291,149)</b> | <b>(2,792,845)</b> | <b>(2,114,681)</b>         |
| Other operational <sup>(2)</sup>    | (80,924)           | (77,386)           | (97,725)                   |
|                                     | <b>(3,372,073)</b> | <b>(2,870,231)</b> | <b>(2,212,406)</b>         |

(1) The cost of production includes PIS and COFINS credits on lease agreements as of December 31, 2023, in the amount of R\$7,068 (R\$7,429 as of December 31, 2022).

(2) They mainly refer to the depreciation of investment properties, paralyzed equipment and amortization of the SWT customer portfolio, classified in other operating expenses, see note 27.

**27. OTHER OPERATING INCOME AND EXPENSES**

|  | 12/31/2023         | 12/31/2022         | Consolidated<br>12/31/2021 |
|--|--------------------|--------------------|----------------------------|
| <b>Other operating income</b>  |                    |                    |                            |
| Receivables by indemnity   | 12,608             | 10,588             | 13,646                     |
| Rentals and leases   | 20,730             | 17,178             | 11,688                     |
| Dividends received   | 1,039              | 832                | 26,600                     |
| PIS, COFINS and INSS to compensate   |                    |                    | 236,000                    |
| Contractual fines  | 4,356              | 11,863             | 1,468                      |
| Updated shares - Fair value through profit or loss (note 13)   | (15,963)           | (95,620)           | 109,254                    |
| Gain on disposal of investments <sup>(1)</sup>   | 114,763            |                    |                            |
| Tax Recovery <sup>(2)</sup>  | 249,852            |                    |                            |
| Net gain in shares sale (note 10.d) <sup>(3)</sup>   |                    |                    | 2,472,497                  |
| Others revenues <sup>(4)</sup>   | 62,631             | 308,392            | 87,219                     |
|  | <b>450,016</b>     | <b>253,233</b>     | <b>2,958,372</b>           |
| <b>Other operating expenses</b>  |                    |                    |                            |
| Taxes and fees   | (106,771)          | (372,897)          | (109,693)                  |
| Expenses/reversal with environmental liabilities, net  | (18,031)           | (10,145)           | (8,789)                    |
| Write-off/(Provision) of judicial lawsuits   | (12,441)           | (209,396)          | (25,063)                   |
| Depreciation and amortization (note 26)  | (80,924)           | (77,386)           | (97,725)                   |
| Reversal/(Write-offs) of estimated losses in fixed assets, intangible assets and Investment properties, net of reversal (notes 10.g, 11 e 12) <sup>(5)</sup> | (122,894)          | 24,133             | (112,886)                  |
| Reversal of Impairment Fair Value Transnordestina (note 10.e)  |                    | 387,989            |                            |
| Estimated (Loss)/reversal in inventories <sup>(6)</sup>  | (655,055)          | (226,942)          | (138,779)                  |
| Idleness in stocks and paralyzed equipment <sup>(7)</sup>  | (296,819)          | (122,031)          | (37,609)                   |
| Studies and project engineering expenses   | (58,303)           | (58,443)           | (77,059)                   |
| Research and development expenses  |                    | (461)              | (355)                      |
| Healthcare plan expenses   | (36,147)           | (24,158)           | (31,989)                   |
| Cash flow hedge accounting realized (note 14) <sup>(8)</sup>   | (1,144,335)        | (1,478,589)        | (553,018)                  |
| Actuarial pension plan   | (59,411)           | (59,693)           | (48,068)                   |
| Other expenses   | (496,045)          | (679,836)          | (474,999)                  |
|  | <b>(3,087,176)</b> | <b>(2,907,855)</b> | <b>(1,716,032)</b>         |
| <b>Other operating income (expenses), net</b>  | <b>(2,637,160)</b> | <b>(2,654,622)</b> | <b>1,242,340</b>           |

(1) Refers to the gain on the sale of Consórcio Machadinho (see note 10.e);

(2) Mostly refers to IPI credits (R\$121,896) and income tax litigation abroad (R\$106,405).

(3) Refers to the initial public offering of shares of CSN Mineração S.A. (see note 10.c).

(4) In 2022 the undisputed amount of R\$134,611 was recognized as refund of the amounts overpaid for railway freight from April 1994 to March 1996 to the company RFFSA, which after extinction became part of the Federal Government's liabilities;

(5) In 2023 refers to the write-off on the sale of Consórcio Machadinho (R\$ 22,326 see note 10.e);

(6) Refers substantially to losses incurred in the production process at the Presidente Vargas Plant ("UPV") and losses in inventories.

(7) In 2023, it is the unused capacity due to lower-than-normal production volume at the Presidente Vargas Plant ("UPV"). In 2022, it is the unused capacity due to lower than usual production volume, because of the intense rains during the ore extraction operation;

(8) Refers to the effects of a cash flow hedge in the amount of (R\$353,406) and a Platts Hedge in the amount of (R\$790,929).

**28. FINANCIAL INCOME (EXPENSES)**

|   | 12/31/2023         | 12/31/2022         | Consolidated<br>12/31/2021 |
|---|--------------------|--------------------|----------------------------|
| <b>Financial income</b>   |                    |                    |                            |
| Related parties (note 22 b)   | 225,149            | 184,480            | 93,862                     |
| Income from financial investments   | 826,028            | 763,259            | 279,467                    |
| Updated shares - Fair value through profit or loss (Note 14.d)                    | 308,309            | (1,198,164)        | 385,297                    |
| Dividends received  | 52,516             | 113,697            |                            |
| Interest and fines  | 82,634             | 14,682             |                            |
| Other income  | 161,111            | 43,826             | 408,558                    |
|   | <b>1,655,747</b>   | <b>(78,220)</b>    | <b>1,167,184</b>           |
| <b>Financial expenses</b>   |                    |                    |                            |
| Borrowings and financing - foreign currency (note 13)                             | (1,567,508)        | (1,238,372)        | (1,590,120)                |
| Borrowings and financing - local currency (note 13)                               | (2,096,805)        | (1,356,639)        | (503,849)                  |
| Capitalised interest (note 11)  | 182,799            | 135,242            | 87,414                     |
| Related parties   | (8,249)            | (10,297)           | (12,072)                   |
| Lease liabilities   | (76,514)           | (68,533)           | (59,260)                   |
| Interest and fines  | (146,222)          | (95,667)           | (73,334)                   |
| Interest on drawn/forfeiting risk operations                                      | (465,574)          | (444,062)          | (126,232)                  |
| (-) Adjustment present value of trade payables                                    | (353,774)          | (419,517)          | (265,495)                  |
| Commission, bank fees, Guarantee and bank fees                                    | (199,505)          | (165,397)          | (239,451)                  |
| PIS/COFINS over financial income  | (87,144)           | (118,311)          | (88,897)                   |
| Other financial expenses  | (533,581)          | (390,598)          | (285,832)                  |
|   | <b>(5,352,077)</b> | <b>(4,172,151)</b> | <b>(3,157,128)</b>         |
| <b>Others financial items, net</b>  |                    |                    |                            |
| Foreign exchange and monetary variation, net                                      | (524,302)          | 783,902            | 46,199                     |
| Gains and (losses) on exchange derivatives (*)                                    | 69,250             | (48,556)           | (439)                      |
|   | <b>(455,052)</b>   | <b>735,346</b>     | <b>45,760</b>              |
|   | <b>(5,807,129)</b> | <b>(3,436,805)</b> | <b>(3,111,368)</b>         |
| <b>Financial income (expenses), net</b>   | <b>(4,151,382)</b> | <b>(3,515,025)</b> | <b>(1,944,184)</b>         |
| <b>(*) Statement of gains and (losses) on derivative transactions (note 14.c)</b> |                    |                    |                            |
| Dollar - to - real NDF  |                    | 176,991            | 37,322                     |
| Exchange rate swap Real x Dollar  | (96,602)           | (11,467)           |                            |
| Exchange rate swap Dollar x Euro  | 9,567              |                    | 7,119                      |
| Interest rate swap CDI x IPCA   | 112,694            | (257,897)          | (34,920)                   |
| Exchange rate swap CDI x Dollar   | 43,591             | 43,817             | (9,960)                    |
|   | <b>69,250</b>      | <b>(48,556)</b>    | <b>(439)</b>               |

**29. SEGMENT INFORMATION**

According to the Group's structure, the businesses are distributed and managed in five operating segments as follows:

- **Steel**

The Steel Segment consolidates all the operations related to the production, distribution and sale of flat steel, long steel, metallic containers and galvanized steel, with operations in Brazil, United States, Portugal and Germany. The Segment supplies the following markets: construction, steel containers for the Brazilian chemical and food industries, home appliances, automobile and OEM (motors and compressors). The Company's steel units produce hot and cold rolled steel, galvanized and pre-painted steel of great durability. They also produce tinplate, a raw material used to produce metallic containers.

Overseas, Lusosider, which is based in Portugal, produces cold rolled steel and galvanized steel. CSN LLC in the USA meets local market needs, import and trade of steel products. Stahlwerk Thüringen (SWT), which is based in Germany, produces long steels and is specialized in the production of shapes used for construction.

In January 2014 the production of long steel products started in Brazil and consolidates the company as a source of complete construction solutions, complementing its portfolio of products with high value added in the steel chain.

- **Mining**

This segment encompasses the activities of iron ore and tin mining.

The high-quality iron ore operations are located in the Iron Quadrilateral in Minas Gerais, which has its own mines and sells third party iron ore.

At the end of 2015, CSN and the Asian Consortium formalized a shareholders' agreement for the combination of assets linked to iron ore operations and the related logistics structure, forming a new company that has focused on mining of the Group activities from December 2015. In this context, the new company, currently named CSN Mineração S.A., holds the lease of TECAR, the Casa de Pedra mine and all the shares of Namisa, which was incorporated on December 31, 2015. CSN still owns 100% of Minérios Nacional which includes the mines of Fernandinho (operational), Cayman and Pedras Pretas (mineral resources), all located in Minas Gerais.

Moreover, CSN controls the Estanho de Rondônia S.A., a company with mining units and tin casting, in the state of Rondônia.

On October 7, 2022, CSN Mineração and CSN Energia completed the acquisition of the Quebra-Queixo Hydroelectric Power Plant, with an installed capacity of 120 MW, located in the city of Ipaçu - SC, leading CSN Mineração to become self-sufficient in electricity, reinforcing its industrial competitiveness through greater cost predictability and 100% renewable energy generation.

- **Logistics**

- i. **Railway**

CSN has equity interests in three railroad companies: MRS Logística, which manages the former Southeast Network of Rede Ferroviária Federal S.A. (RFFSA), Transnordestina Logística S.A. and FTL - Ferrovia Transnordestina Logística S.A., which has the concession to operate the former Northeast Network of the RFFSA in the states of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas.

- a) **MRS**

The railroad transportation services provided by MRS are fundamental to the supply of raw materials and the shipment of final products. The total amount of iron ore, coal and coke consumed by the Presidente Vargas plant as well as part of the steel produced by CSN for the domestic market and for export are carried by MRS.

The Southeast Brazilian railroad system, encompassing 1,674 kilometers of tracks, serves the tri-state industrial area of São Paulo-Rio de Janeiro-Minas Gerais, in the southeast region, linking the mines located in Minas Gerais to the ports located in São Paulo and Rio de Janeiro, and the steel mills of CSN, Companhia Siderúrgica Paulista (Cosipa), and Gerdau Açominas. Besides serving other customers, the railroad system carries iron ore from the Company's mines in Casa de Pedra, Minas Gerais, and coke and coal from the Itaguaí Port, in Rio de Janeiro, to Volta Redonda, and carries CSN's export products to the ports of Itaguaí and Rio de Janeiro.

- b) **TLSA and FTL**

TLSA and FTL hold the concession for the former Northeast Network of RFFSA. The northeastern railway system covers 4,238 km of railway network divided into two sections: i) Malha I, which integrates the sections of São Luiz - Mucuripe, Arrojado - Recife, Itabaiana - Cabedelo, Paula Cavalcante - Macau - and Propriá - Jorge Lins (Mesh I); and ii) Malha II, which includes the sections of Missão Velha - Salgueiro, Salgueiro - Trindade, Trindade - Eliseu Martins, Salgueiro - Porto de Suape and Missão Velha - Porto de Pecém.

In addition, it connects to the main ports in the region, thereby offering an important competitive advantage through opportunities for combined transport solutions and tailor-made logistics projects.

## II. Port

The port logistics segment consolidates the terminal's operation from Sepetiba built after the port modernization law (Law 8,630/1993) that allowed the transfer of port activities to the private sector. The Sepetiba terminal has a complete infrastructure to meet all the needs of exporters, importers and shipowners. Its installed capacity exceeds that of most other Brazilian terminals. It has cribs and a large storage area, as well as the most modern and adequate equipment, systems, and intermodal connections.

The Company's constant investment in terminal projects consolidates the Itaguaí Port Complex as one of the most modern in the country.

### • Energy

CSN is one of the largest industrial consumers of electric energy in Brazil. As energy is fundamental in its production process, the Company invests in electricity generation assets and, with the acquisitions made in 2022, reached its energy self-sufficiency, starting to operate in the sector as a player in the generation of electricity through the sale of its surplus.

The year 2022 marked the growth of this segment through the acquisition of relevant renewable generation assets, tripling its generation capacity, as follows:

On June 30, 2022, CSN Cimentos and CSN Energia completed the acquisition of SHP Sacre II, located in the municipality of Brasnorte - MT, with an installed capacity of 30 MW, and SHP Santa Ana, located in the municipality of Angelina - SC, with installed capacity of 6.50 MW.

On October 7, 2022, CSN Mineração and CSN Energia concluded the acquisition of the Quebra-Queixo Hydroelectric Power Plant, located in the city of Ipuaçú - SC, with an installed capacity of 120 MW.

On October 21, 2022, Companhia Florestal do Brasil ("CFB") concluded the acquisition of 66.23% of the shares of Companhia Estadual de Geração de Energia Elétrica - CEEE-G, with plants located in the state of Rio Grande do Sul, increasing the installed capacity of the CSN group by 746 MW. On December 22, 2022, Companhia Florestal do Brasil ("CFB") concluded the acquisition of Eletrobras' 32.74% interest in Companhia Estadual de Geração de Energia Elétrica - CEEE-G. This acquisition resulted in an increase of 380 MW in the installed generation capacity for CSN.

With the acquisitions, the CSN group now holds a portfolio of generation assets with an installed capacity of 2,167 MW, as shown below:

1. Itá Hydroelectric Power Plant, located in the state of Santa Catarina, in which CSN holds a 29.50% interest through ITASA's SPE, with an installed capacity equivalent to its participation of 428 MW;
2. Igarapava Hydroelectric Power Plant, located in Minas Gerais, in which CSN holds a 17.92% stake in the consortium, with an installed capacity equivalent to its stake of 38 MW;
3. Thermoelectric Cogeneration Center CTE#1, CTE#2 and TRT - Top Recovery Turbine, operating at the Presidente Vargas Steelworks with an installed capacity of 10 MW, 235 MW and 22 MW respectively, using recirculated industrial gases resulting from steel production as fuel;
4. Sacre II Small Hydroelectric Power Plant, located in the state of Mato Grosso, with an installed capacity of 30 MW, of which CSN Cimentos holds full control of the asset through indirect control of the SPE de Brasil Central Energia;
5. Santa Ana Small Hydroelectric Power Plant, located in the state of Santa Catarina, with an installed capacity of 6.5 MW, of which CSN Cimentos holds full control of the asset through direct control of the SPE of Santa Ana Energética;



6. Quebra-Queixo Hydroelectric Power Plant, located in the state of Santa Catarina, with an installed capacity of 120 MW, of which CSN Mineração holds full control of the asset through the direct control of the SPE CEC - Companhia Energética Chapecó;
7. Cachoeira dos Macacos Small Hydroelectric Power Plant, located in the state of Minas Gerais, with an installed capacity of 3.4 MW, of which CSN Cimentos holds full control of the asset, through the acquisition of LafargeHolcim;
8. Companhia Estadual de Geração de Energia Elétrica - CEEE-G, located in the state of Rio Grande do Sul, with a platform of 15 own Hydroelectric Power Plants, wind and solar assets, in addition to minority participation in other projects, reflecting an installed capacity of 1,275 MW.

- **Cement**

The Cement segment, which operates through CSN Cimentos, consolidates the production, marketing and distribution of cement, aggregates and concrete. In the Southeast plants the slag used is the same produced by the blast furnaces of the Presidente Vargas plant itself, in Volta Redonda/RJ.

The Company has intensified its strategy of expanding its business to new regions, and the first step was taken with the acquisition of Elizabeth Cimentos S.A. and Elizabeth Mineração Ltda. on August 31, 2021, which, with operations in the Northeast region, adds 1.3 Mtpy of cement production capacity.

On September 6, 2022, CSN Cimentos made a significant advance in its capacity and geographic positioning through the acquisition of LafargeHolcim (Brasil) S.A. This asset adds 11 million tons of cement production capacity, in addition to contributing new business to the current portfolio: Aggregates and Concrete. With all operations combined, CSN's Cement segment is currently the second largest in Brazil, in terms of effective production capacity, totaling 17 million tons.

The cement plants are located in the states of Minas Gerais (Arcos, Pedro Leopoldo, Barroso and Montes Claros), Rio de Janeiro (Volta Redonda, Cantagalo and Rio de Janeiro), Paraíba (Alhandra and Caaporã), Espírito Santo (Vitória), Bahia (Candeias), Goiás (Cocalzinho de Goiás) and São Paulo (Sorocaba). The production process basically involves grinding the main raw materials, which include clinker, limestone, gypsum and slag.

The sites are divided into two modalities: integrated factories and mills. The integrated factories have a limestone mine and kiln for the production of clinker, they are: Arcos, Barroso, Pedro Leopoldo, Montes Claros, Alhandra, Caaporã and Cantagalo. The mills, however, do not produce their own clinker, they are supplied with our own clinker (transfer between plants) and/or third-party sources, namely: Volta Redonda, Rio de Janeiro, Vitória, Candeias, Cocalzinho and Sorocaba.

Currently, the company serves the cement market with a broad portfolio of products suitable for both the technical segment and the distribution market, in accordance with ABNT NBR 16697. Cement is marketed in both bagged and bulk form.

In addition to the operations above, CSN Cimentos also owns two electricity generation assets acquired on June 30, 2022: SHP Santa Ana, located in the municipality of Angelina - SC, with an installed capacity of 6.50 MW, and SHP Sacre II, located in the municipality of Brasnorte - MT, with an installed capacity of 30 MW.

- **Sales by geographic area**

Sales by geographic area are determined based on the customers' location. On a consolidated basis, domestic sales are represented by revenues from customers located in Brazil and export sales are represented by revenues from customers located abroad.

**Results by segment**

For the purpose of preparing and presenting the information by business segment, Management decided to maintain the proportional consolidation of the jointly controlled entities as historically presented. For purposes of reconciliation of the consolidated result, the amounts recorded by these companies are not included in the "Corporate expenses/elimination" column.

|   |                   |                   |                |                  |                |                  |                                | 12/31/2023        |
|---|-------------------|-------------------|----------------|------------------|----------------|------------------|--------------------------------|-------------------|
| P&L   | Steel             | Mining            | Logistics Port | Railroads        | Energy         | Cement           | Corporate expenses/elimination | Consolidated      |
| Net revenues  |                   |                   |                |                  |                |                  |                                |                   |
| Domestic market   | 16,516,265        | 1,804,173         | 265,949        | 2,644,949        | 545,735        | 4,510,553        | (4,209,084)                    | 22,078,540        |
| Foreign market  | 6,201,221         | 15,331,475        |                |                  |                |                  | 1,826,714                      | 23,359,410        |
| Cost of sales and services (note 26)                      | (21,008,013)      | (9,931,881)       | (248,938)      | (1,492,728)      | (441,281)      | (3,644,362)      | 3,292,014                      | (33,475,189)      |
| <b>Gross profit</b>                                       | <b>1,709,473</b>  | <b>7,203,767</b>  | <b>17,011</b>  | <b>1,152,221</b> | <b>104,454</b> | <b>866,191</b>   | <b>909,644</b>                 | <b>11,962,761</b> |
| General and administrative expenses (note 26)             | (1,218,767)       | (421,218)         | (10,558)       | (218,878)        | (57,854)       | (557,585)        | (2,005,123)                    | (4,489,983)       |
| Other operating (income) expenses, net (note 27)          | (1,065,188)       | (974,590)         | (675)          | 10,390           | 188,866        | (253,931)        | (542,032)                      | (2,637,160)       |
| Equity in results of affiliated companies (note 10)       |                   |                   |                |                  |                |                  | 351,131                        | 351,131           |
| <b>Operating result before Financial Income and Taxes</b> | <b>(574,482)</b>  | <b>5,807,959</b>  | <b>5,778</b>   | <b>943,733</b>   | <b>235,466</b> | <b>54,675</b>    | <b>(1,286,380)</b>             | <b>5,186,749</b>  |
| <b>Sales by geographic area</b>                           |                   |                   |                |                  |                |                  |                                |                   |
| Asia  |                   | 14,714,924        |                |                  |                |                  | 1,826,714                      | 16,541,638        |
| North America   | 1,671,773         |                   |                |                  |                |                  |                                | 1,671,773         |
| Latin America   | 132,219           |                   |                |                  |                |                  |                                | 132,219           |
| Europe  | 4,397,229         | 616,551           |                |                  |                |                  |                                | 5,013,780         |
| <b>Foreign market</b>                                     | <b>6,201,221</b>  | <b>15,331,475</b> |                |                  |                |                  | <b>1,826,714</b>               | <b>23,359,410</b> |
| <b>Domestic market</b>                                    | <b>16,516,265</b> | <b>1,804,173</b>  | <b>265,949</b> | <b>2,644,949</b> | <b>545,735</b> | <b>4,510,553</b> | <b>(4,209,084)</b>             | <b>22,078,540</b> |
| <b>Total</b>  | <b>22,717,486</b> | <b>17,135,648</b> | <b>265,949</b> | <b>2,644,949</b> | <b>545,735</b> | <b>4,510,553</b> | <b>(2,382,370)</b>             | <b>45,437,950</b> |

|   |                   |                   |                |                  |                |                  |                                | 12/31/2022        |
|---|-------------------|-------------------|----------------|------------------|----------------|------------------|--------------------------------|-------------------|
| P&L   | Steel             | Mining            | Logistics Port | Railroads        | Energy         | Cement           | Corporate expenses/elimination | Consolidated      |
| Net revenues  |                   |                   |                |                  |                |                  |                                |                   |
| Domestic market   | 20,588,235        | 1,700,051         | 307,999        | 2,311,754        | 293,035        | 2,819,551        | (4,063,084)                    | 23,957,541        |
| Foreign market  | 8,752,776         | 10,825,080        |                |                  |                |                  | 826,723                        | 20,404,579        |
| Cost of sales and services (note 26)                      | (23,256,319)      | (7,105,424)       | (220,491)      | (1,507,028)      | (287,340)      | (1,974,415)      | 3,297,001                      | (31,054,016)      |
| <b>Gross profit</b>                                       | <b>6,084,692</b>  | <b>5,419,707</b>  | <b>87,508</b>  | <b>804,726</b>   | <b>5,695</b>   | <b>845,136</b>   | <b>60,640</b>                  | <b>13,308,104</b> |
| General and administrative expenses (note 26)             | (1,314,352)       | (352,152)         | (32,976)       | (153,294)        | (43,786)       | (386,230)        | (967,147)                      | (3,249,937)       |
| Other operating (income) expenses, net (note 27)          | (777,976)         | (449,871)         | (14,353)       | 33,927           | 39,376         | (105,018)        | (1,380,707)                    | (2,654,622)       |
| Equity in results of affiliated companies (note 10)       |                   |                   |                |                  |                |                  | 237,917                        | 237,917           |
| <b>Operating result before Financial Income and Taxes</b> | <b>3,992,364</b>  | <b>4,617,684</b>  | <b>40,179</b>  | <b>685,359</b>   | <b>1,285</b>   | <b>353,888</b>   | <b>(2,049,297)</b>             | <b>7,641,462</b>  |
| <b>Sales by geographic area</b>                           |                   |                   |                |                  |                |                  |                                |                   |
| Asia  |                   | 9,514,509         |                |                  |                |                  | 826,723                        | 10,341,232        |
| North America   | 2,018,046         |                   |                |                  |                |                  |                                | 2,018,046         |
| Latin America   | 382,128           |                   |                |                  |                |                  |                                | 382,128           |
| Europe  | 6,351,536         | 1,310,571         |                |                  |                |                  |                                | 7,662,107         |
| Others  | 1,066             |                   |                |                  |                |                  |                                | 1,066             |
| <b>Foreign market</b>                                     | <b>8,752,776</b>  | <b>10,825,080</b> |                |                  |                |                  | <b>826,723</b>                 | <b>20,404,579</b> |
| <b>Domestic market</b>                                    | <b>20,588,235</b> | <b>1,700,051</b>  | <b>307,999</b> | <b>2,311,754</b> | <b>293,035</b> | <b>2,819,551</b> | <b>(4,063,084)</b>             | <b>23,957,541</b> |
| <b>Total</b>  | <b>29,341,011</b> | <b>12,525,131</b> | <b>307,999</b> | <b>2,311,754</b> | <b>293,035</b> | <b>2,819,551</b> | <b>(3,236,361)</b>             | <b>44,362,120</b> |

| P&L   |                   |                   |                |                  |                |                  |                                | 12/31/2021        |  |
|---|-------------------|-------------------|----------------|------------------|----------------|------------------|--------------------------------|-------------------|--|
|   | Steel             | Mining            | Logistics Port | Railroads        | Energy         | Cement           | Corporate expenses/elimination | Consolidated      |  |
| Net revenues  |                   |                   |                |                  |                |                  |                                |                   |  |
| Domestic market   | 21,400,318        | 3,114,385         | 311,040        | 1,839,307        | 222,785        | 1,430,150        | (5,084,155)                    | 23,233,830        |  |
| Foreign market  | 8,691,130         | 14,929,001        |                |                  |                |                  | 1,058,078                      | 24,678,209        |  |
| Cost of sales and services (note 26)                      | (20,081,043)      | (7,705,835)       | (220,494)      | (1,266,112)      | (146,349)      | (892,900)        | 4,475,259                      | (25,837,475)      |  |
| <b>Gross profit</b>                                       | <b>10,010,405</b> | <b>10,337,551</b> | <b>90,546</b>  | <b>573,195</b>   | <b>76,436</b>  | <b>537,250</b>   | <b>449,182</b>                 | <b>22,074,564</b> |  |
| General and administrative expenses (note 26)             | (1,158,748)       | (351,371)         | (33,853)       | (135,091)        | (32,083)       | (190,986)        | (1,057,314)                    | (2,959,446)       |  |
| Other operating (income) expenses, net (note 27)          | (405,018)         | (287,744)         | (8,290)        | 58,253           | 41,337         | (63,631)         | 1,907,433                      | 1,242,340         |  |
| Equity in results of affiliated companies (note 10)       |                   |                   |                |                  |                |                  |                                | 182,504           |  |
| <b>Operating result before Financial Income and Taxes</b> | <b>8,446,639</b>  | <b>9,698,436</b>  | <b>48,403</b>  | <b>496,357</b>   | <b>85,690</b>  | <b>282,633</b>   | <b>1,481,805</b>               | <b>20,539,962</b> |  |
| <b>Sales by geographic area</b>                           |                   |                   |                |                  |                |                  |                                |                   |  |
| Asia  |                   | 12,627,913        |                |                  |                |                  | 1,058,078                      | 13,685,991        |  |
| North America   | 2,275,612         |                   |                |                  |                |                  |                                | 2,275,612         |  |
| Latin America   | 355,912           |                   |                |                  |                |                  |                                | 355,912           |  |
| Europe  | 6,059,606         | 2,301,088         |                |                  |                |                  |                                | 8,360,694         |  |
| <b>Foreign market</b>                                     | <b>8,691,130</b>  | <b>14,929,001</b> |                |                  |                |                  | <b>1,058,078</b>               | <b>24,678,209</b> |  |
| <b>Domestic market</b>                                    | <b>21,400,318</b> | <b>3,114,385</b>  | <b>311,040</b> | <b>1,839,307</b> | <b>222,785</b> | <b>1,430,150</b> | <b>(5,084,155)</b>             | <b>23,233,830</b> |  |
| <b>Total</b>  | <b>30,091,448</b> | <b>18,043,386</b> | <b>311,040</b> | <b>1,839,307</b> | <b>222,785</b> | <b>1,430,150</b> | <b>(4,026,077)</b>             | <b>47,912,039</b> |  |

#### Accounting Policy

An operating segment is a component of the Group committed to the business activities, from which it can earn revenue and incur expenses, including income and expenses related to transactions with any other components of the Group. All results of operating segments are regularly reviewed by CSN's Executive Board to make decisions about the resources to be allocated to the segment and to evaluate its performance, and for which different financial information is available.

#### 30. EMPLOYEE BENEFITS

The pension plans granted cover substantially all employees. The plans are managed by Caixa Beneficente dos Empregados de CSN ("CBS"), a private, non-profit pension fund established in July 1960.

Until December 1995, CBS Previdência managed two defined benefit plans based on years of service, salary and social security benefits. On December 27, 1995, the then Supplementary Pension Secretariat ("SPC") approved the implementation of a new benefit plan, effective as of that date, called the Supplementary Benefit Mixed Plan ("Mixed Plan"), structured under the form of a variable contribution plan, which has been closed to new members since September 2013. As of that date, all new employees must join the CBSPrev Plan, structured in the form of defined contribution, also created in September 2013.

The CBS guarantee funds are mainly invested in repo operations (backed by federal government bonds), federal government bonds indexed to inflation, stocks, loans and real estate. As of December 31, 2023, CBS held 3,486,252 CSN common shares 3,486,252 as of December 31, 2022. The entity's total guarantee resources totaled R\$6.4 billion as of December 31, 2023 (R\$5.9 billion as of December 31, 2022). CBS fund managers seek to combine plan assets with long-term benefit obligations to be paid. Pension funds in Brazil are subject to certain restrictions related to their ability to invest in foreign assets and, consequently, these funds invest primarily in securities in Brazil.

For defined benefit plans, called "35% of Average Salary" and "Supplementary Average Salary Plan", the Company maintains a financial guarantee with CBS Previdência, the entity that manages the aforementioned plans, in order to maintain the financial and actuarial balance, should any future actuarial loss or actuarial gain occur.

In compliance with current legislation, specific to the pension fund market, for the last 4 years ended (2020, 2021, 2022 and 2023), there was no need to pay installments by CSN, since the benefit plans presented actuarial gains in the year.

CSN Cimentos Brasil also sponsors the Mauá Prev Retirement Plan for its employees. This is the plan that LafargeHolcim in Brazil made available to all its employees as of December 1, 2016. Until 2009, Lafarge Brasil S.A. sponsored two plans, a defined contribution plan and a defined benefit plan. On July 1, 2009, the plans were merged, remaining only one variable contribution plan, with the exception of the acquired right of those who had already completed the eligibility of the defined benefit rules. The following tables present a summary of the components of the net defined benefit expense of Mauá Prev recognized in the income statement, as well as the capitalization status and amounts subject to recognition in the balance sheet as at December 31, 2023 and 2022.

### **30.a)Description of pension plans**

#### **Plan of 35% of the average salary**

This plan started on February 1, 1966 and is a defined benefit plan, the purpose of which is to pay retirement benefits (length of service, special, disability or old age) for life, equivalent to 35% of the adjusted average of the last 12 salaries of the participant. The plan also guarantees the payment of sickness benefit to the participant retired by the Official Social Security and also guarantees the payment of savings, death, and monetary assistance. This plan was discontinued on October 31, 1977 when the plan to supplement the average salary came into effect.

#### **Average salary supplementation plan**

This plan started on November 1, 1977 and is a defined benefit plan. Its objective is to complement the difference between the corrected average of the last 12 salaries of the participant and the benefit of the Official Social Security for retirements, also for life. As with the 35% plan, there is coverage for sickness benefit, death benefit and pension benefits. This plan was discontinued on December 26, 1995, with the creation of the mixed supplementary benefit plan.

#### **Mixed supplementary benefit plan**

Started on December 27, 1995, it is a variable contribution plan. In addition to the programmed retirement benefit, payment of risk benefits (active pension, disability and sickness/accident benefits) is also provided. In this plan, the retirement benefit is calculated based on what has been accumulated by the monthly contributions of the participants and the sponsors, as well as the option of each participant in the form of receiving the same, which can be for life (with or without continuity of pension for death) or by a percentage applied to the balance of the benefit-generating fund (loss for an indefinite period). After retirement, the plan will have the characteristic of a defined benefit plan, if the participant has opted to receive his benefit in the form of lifetime monthly income. This plan was discontinued on September 16, 2013, when the CBS Prev plan came into effect.

#### **CBS Prev Plan**

On September 16, 2013, the new CBS Prev pension plan began, which is a defined contribution plan. In this plan, the retirement benefit is determined based on what has been accumulated by the monthly contributions of participants and sponsors. The option of each participant to receive it can be: (a) receive part in cash (up to 25%) and the remaining balance through monthly income for a percentage applied to the benefit-generating fund, not being applicable to death pension benefits, (b) receive only monthly income for a percentage applied to the benefit-generating fund.

With the creation of the CBS Prev Plan, the Mixed Supplementary Benefit Plan was discontinued for the entry of new participants as of September 16, 2013.

#### **Mauá Prev Plan**

The Mauá Prev plan is offered by CSN Cimentos Brasil S.A. (formerly LafargeHolcim) acquired in 2022, and sponsors the Mauá Prev Retirement Plan, for its employees. This is the plan that LafargeHolcim in Brazil made available to all its employees as of December 1, 2016. Until 2009, Lafarge Brasil S.A. sponsored two plans, a defined contribution plan and a defined benefit plan. On July 1, 2009, the plans were merged, remaining only one variable contribution plan, with the exception of the acquired right of those who had already completed the eligibility of the defined benefit rules. Additionally, the Company has recorded in a collective agreement in some of its plants commitments related to the bonus, due on the occasion of the retirement of the employee by the Social Security. The following tables present the commitments related to this bonus, as well as the capitalization status and the amounts subject to recognition in the balance sheet.

#### **ACT Plan**

CSN Cimentos Brasil (CIBR) has post-employment benefits linked to Collective Labor Agreements (ACT), which provides for the payment of multiples of salaries, as well as compensation from the FGTS (Guarantee Fund for Length of Service) if the employee leaves company due to retirement.

### **30.b)Investment policy**

The investment policy establishes the principles and guidelines that should govern the investments of resources entrusted to the entity, with the objective of promoting the security, liquidity and profitability necessary to ensure the balance between the plan's assets and liabilities, based on the ALM (Asset Liability Management) study, which considers the benefits of the participants and beneficiaries of each plan.

The investment plan is reviewed annually and approved by the Deliberative Council, considering a 5-year horizon, as established in CGPC resolution No. 7 of December 4, 2003. The investment limits and criteria established in the policy are based on Resolution 4,661/18, published by the National Monetary Council ("CMN").

### 30.c) Employee benefits

The actuarial calculations are updated at the end of each year, by external actuaries and presented in the financial statements in accordance with IAS 19 - Employee benefits.

|                                     | 12/31/2023                  | Consolidated<br>12/31/2022 | 12/31/2023                      | Consolidated<br>12/31/2022 |
|-------------------------------------|-----------------------------|----------------------------|---------------------------------|----------------------------|
| Benefits of pension plans           | Actuarial asset<br>(39,530) | (35,477)                   | Actuarial liabilities<br>22,772 |                            |
| Post-employment healthcare benefits |                             |                            | 481,118                         | 537,290                    |
|                                     | <b>(39,530)</b>             | <b>(35,477)</b>            | <b>503,890</b>                  | <b>537,290</b>             |

The reconciliation of assets and liabilities of employee benefits is presented below:

|  | 12/31/2023       | 12/31/2022       | Consolidated<br>12/31/2021 |
|--|------------------|------------------|----------------------------|
| Present value of defined benefit obligation                | 3,329,076        | 3,110,848        | 3,151,609                  |
| Fair value of plan assets                                  | (3,713,099)      | (3,572,869)      | (3,584,244)                |
| <b>Deficit(Surplus)</b>                                    | <b>(384,023)</b> | <b>(462,021)</b> | <b>(432,635)</b>           |
| Restriction to actuarial assets due to recovery limitation | 367,265          | 426,544          | 373,524                    |
| <b>Liabilities (Assets), net</b>                           | <b>(16,758)</b>  | <b>(35,477)</b>  | <b>(59,111)</b>            |

The change in the present value of the defined benefit obligation is shown below:

|  | 12/31/2023       | 12/31/2022       | Consolidated<br>12/31/2021 |
|--|------------------|------------------|----------------------------|
| <b>Present value of obligations at the beginning of the year</b> | <b>3,110,848</b> | <b>3,151,609</b> | <b>3,645,822</b>           |
| Consolidation of CSN Cimentos Brasil                             |                  | 67,640           |                            |
| Cost of service  | 1,152            | 1,225            | 1,253                      |
| Interest cost  | 347,297          | 324,041          | 231,009                    |
| Participant contributions made in the year                       | 1,404            | 1,382            | 1,398                      |
| Benefits paid  | (324,750)        | (310,471)        | (283,393)                  |
| Actuarial loss/(gain)  | 186,665          | (124,578)        | (444,480)                  |
| <b>Present value of obligations at the end of the year</b>       | <b>3,322,616</b> | <b>3,110,848</b> | <b>3,151,609</b>           |

The change in the fair value of the plan's assets is shown below:

|   | 12/31/2023         | 12/31/2022         | Consolidated<br>12/31/2021 |
|---|--------------------|--------------------|----------------------------|
| <b>Fair value of plan assets at the beginning of the year</b> | <b>(3,572,869)</b> | <b>(3,584,244)</b> | <b>(3,766,193)</b>         |
| Consolidation of CSN Cimentos Brasil                          |                    | (63,292)           |                            |
| Interest income   | (401,054)          | (369,488)          | (238,534)                  |
| Benefits Paid   | 324,750            | 310,471            | 283,393                    |
| Participant contributions made in the year                    | (1,404)            | (1,382)            | (1,398)                    |
| Employer contributions made in the year                       | (184)              | (144)              |                            |
| Return on plan assets (less interest income)                  | (62,338)           | 135,210            | 138,488                    |
| <b>Fair value of plan assets at the end of the year</b>       | <b>(3,713,099)</b> | <b>(3,572,869)</b> | <b>(3,584,244)</b>         |

The composition of the amounts recognized in the income statement is shown below:

|                                      | 12/31/2023     | 12/31/2022     | Consolidated<br>12/31/2021 |
|--------------------------------------|----------------|----------------|----------------------------|
| Cost of current service              | 1,152          | 1,225          | 1,253                      |
| Interest cost                        | 347,297        | 324,041        | 231,009                    |
| Expected return on plan assets       | (401,054)      | (369,488)      | (238,534)                  |
| Interest on the asset ceiling effect | 50,076         | 39,416         | 11,985                     |
| <b>Total costs / (income), net</b>   | <b>(2,529)</b> | <b>(4,806)</b> | <b>5,713</b>               |

The (cost)/income is recognized in the income statement in other operating expenses.

The movement of actuarial gains and losses is shown below:

|   | 12/31/2023     | 12/31/2022       | Consolidated<br>12/31/2021 |
|---|----------------|------------------|----------------------------|
| Actuarial losses and (gains)                            | <b>186,665</b> | <b>(124,578)</b> | <b>(444,480)</b>           |
| Return on plan assets (less interest income)            | (62,338)       | 135,210          | 138,489                    |
| Change in the asset's limit (excluding interest income) | (109,355)      | 13,604           | 175,440                    |
| <b>Total cost of actuarial losses and (gains)</b>       | <b>14,972</b>  | <b>24,236</b>    | <b>(130,551)</b>           |

The breakdown of actuarial gains and losses is shown below:

|   | 12/31/2023    | 12/31/2022    | Consolidated<br>12/31/2021 |
|---|---------------|---------------|----------------------------|
| Loss due to change in financial assumptions             | 194,988       | (204,485)     | (647,564)                  |
| Loss due to experience adjustments                      | (13,933)      | 79,907        | 203,084                    |
| Loss due to changes in assumptions                      | 5,610         |               |                            |
| Return on plan assets (less interest income)            | (62,338)      | 135,210       | 138,489                    |
| Change in the asset's limit (excluding interest income) | (109,355)     | 13,604        | 175,440                    |
| <b>Actuarial losses and (gains)</b>                     | <b>14,972</b> | <b>24,236</b> | <b>(130,551)</b>           |

The main actuarial assumptions used were as follows:

|                                  | 12/31/2023   | 12/31/2022  |
|----------------------------------|--|---|
| Actuarial financing method       | Projected unit credit  | Projected unit credit   |
| Functional currency              | Real (R\$)   | Real (R\$)  |
| Recognition of plan assets       | Fair value   | Fair value  |
|                                  | Millennium Plan: 5.36%   | Millennium Plan: 6.14%  |
|                                  | Plan 35%: 5.32%  | Plan 35%: 6.10%   |
|                                  | Supplementation: 5.33%   | Supplementation: 6.10%  |
|                                  | Mauá Prev: 5.34%   | Mauá Prev: 6.10%  |
| Nominal discount rate            | 3.90%  | 5.31%   |
| Inflation rate                   | 1.00%  | 1.00%   |
| Nominal salary increase rate     | 3.90%  | 5.31%   |
| Nominal benefit increase rate    | Millennium Plan: 5.36%   | Millennium Plan: 6.14%  |
|                                  | Plan 35%: 5.32%  | Plan 35%: 6.10%   |
|                                  | Supplementation: 5.33%   | Supplementation: 6.10%  |
|                                  | Mauá Prev: 5.34%   | Mauá Prev: 6.10%  |
| Rate of return on investments    | Millennium Plan: AT-2012 segregated by gender  | Millennium Plan: AT-2012 segregated by gender   |
|                                  | Plans 35% : AT-2000 Male, aggravated by 15%  | Plans 35% : AT-2000 Male, aggravated by 15%   |
|                                  | Supplementation: AT-2000 segregated by gender, aggravated by 10%   | Supplementation: AT-2000 segregated by gender, aggravated by 10%                                    |
|                                  | Mauá Prev: AT-2012 segregated by gender  | Mauá Prev: AT-2000 segregated by gender   |
|                                  | Millennium Plan: AT-2012 segregated by gender  | Plan 35%: Medium Light  |
|                                  | Mauá Prev and ACT: IAPB57  | Supplementation: Not applied  |
|                                  | Other Plans: Not applicable  | Millennium Plan: Prudential (Ferr Apos) unaggravated by 10%   |
| General mortality table          | Millennium Plan: AT 71   | Millennium Plan: AT 71  |
|                                  | Plans 35%: MI-2006 - 10% M&F   | Plans 35%: MI-2006 - 10% M&F  |
|                                  | Supplementation: Winklevoss - 10%  | Supplementation: Winklevoss - 10%   |
|                                  | Mauá Prev E ACT: Álvaro Vindas smoothed by 50%   | Mauá Prev: IAPB-57  |
|                                  | Millennium Plan 5% per year  | Millennium Plan 5% per year   |
|                                  | Maua Prev: Mercer/Service  | Null for 35% Plans and Supplementation  |
|                                  | Other Plans: Not applicable  | Maua Prev: up to 10 minimum wages 20%, up to 20 minimum wages 15% and above 20 minimum wages 10%    |
| Disability table                 | 100% on the first date he/she becomes eligible for programmed retirement benefit under the plan  | 100% on the first date he/she becomes eligible for programmed retirement benefit under the plan     |
| Disability mortality table       | 90% will be married at the time of retirement for the Mauá Prev and ACT Plans, and 95% for the other Plans. The wife being 4 years younger than her husband. | 95% will be married at the time of retirement, with the wife being 4 years younger than the husband |
| Turnover table                   |  |   |
| Retirement age                   |  |   |
| Household of active participants |  |   |

The assumptions regarding the mortality table are based on published statistics and mortality tables. These tables translate into an average life expectancy in years for employees aged 65 and 40:

|  | Plan covering 35% of the average salary |            | Average salary supplementation plan |            | Mixed supplementary benefit plan (Milênio Plan) |            | Plan ACT   |            | Mauá Prev  |            |
|--|---|------------|-------------------------------------|------------|---|------------|------------|------------|------------|------------|
|  | 12/31/2023                              | 12/31/2022 | 12/31/2023                          | 12/31/2022 | 12/31/2023                                      | 12/31/2022 | 12/31/2023 | 12/31/2022 | 12/31/2023 | 12/31/2022 |
| <b>Longevity at age of 65 for current participants</b> |   |            |                                     |            |   |            |            |            |            |            |
| Male   | 18.38                                   | 18.38      | 18.75                               | 18.75      | 21.47   | 21.47      | 21.47      | 22.17      | 20.24      | 22.17      |
| Female   | 18.38                                   | 18.38      | 21.41                               | 21.41      | 23.34   | 23.34      | 23.34      | 19.55      | 20.24      | 19.55      |
| <b>Longevity at age of 40 for current participants</b> |   |            |                                     |            |   |            |            |            |            |            |
| Male   | 40.15                                   | 40.15      | 40.60                               | 40.60      | 44.07   | 44.07      | 44.07      | 40.15      | 42.74      | 40.15      |
| Female   | 40.15                                   | 40.15      | 44.41                               | 44.41      | 46.68   | 46.28      | 46.68      | 45.30      | 42.74      | 45.30      |

Allocation of plan assets:

|                 | 12/31/2023       |                | 12/31/2022       |                | 12/31/2021       |             |
|-----------------|------------------|----------------|------------------|----------------|------------------|-------------|
| Variable income | 190,455          | 5.13%          | 193,948          | 5.43%          | 195,032          | 5.44%       |
| Fixed income    | 3,143,056        | 84.65%         | 3,106,206        | 86.94%         | 3,127,736        | 87.26%      |
| Real estate     | 201,870          | 5.44%          | 207,223          | 5.80%          | 190,474          | 5.31%       |
| Others          | 177,718          | 4.79%          | 65,492           | 1.83%          | 71,001           | 1.98%       |
| <b>Total</b>    | <b>3,713,099</b> | <b>100.00%</b> | <b>3,572,869</b> | <b>100.00%</b> | <b>3,584,243</b> | <b>100%</b> |

The assets invested in variable income are mainly invested in CSN shares.

Fixed income assets are mainly composed of debentures, Interbank Deposit Certificates ("CDI") and National Treasury Bills ("NTN-B").

Real estate refers to buildings valued by a specialized asset appraisal company. There are no assets in use by CSN and its subsidiaries.

For the pension plan, the expense in 2023 was R\$1,587 (R\$1,616 as of December 31, 2022).

### 30.d) Expected contributions

There are no expected contributions that will be paid to the defined benefit plans 35% and Supplementation in 2024.

For the mixed supplementary benefit plan, the expected contributions in the amount of R\$22,032 will be paid in 2024 for the defined contribution portion and R\$1,332 for the defined benefit portion (risk benefits).

### 30.e) Sensitivity analysis

The quantitative sensitivity analysis regarding the significant assumptions, for the pension plans as of December 31, 2023 is shown below:

|   | Consolidated Effect of Plans |  | 12/31/2023     |
|---|------------------------------|--|----------------|
| <b>Assumption: Discount rate</b>  |                              |  |                |
| <b>Sensitivity level</b>  | <b>0.5%</b>                  |  | <b>-0.5%</b>   |
| Effect on current service cost and on interest on actuarial obligations | (12,170)                     |  | 13,091         |
| Effect on present value of obligations                                  | (128,274)                    |  | 138,105        |
| <b>Assumption: Salary growth</b>  |                              |  |                |
| <b>Sensitivity level</b>  | <b>0.5%</b>                  |  | <b>-0.5%</b>   |
| Effect on current service cost and on interest on actuarial obligations | 1,777                        |  | 1,648          |
| Effect on present value of obligations                                  | 1,373                        |  | (1,318)        |
| <b>Assumption: Mortality table</b>                                      |                              |  |                |
| <b>Sensitivity level</b>  | <b>0.5%</b>                  |  | <b>-0.5%</b>   |
| Effect on current service cost and on interest on actuarial obligations | 1,529                        |  | (1,530)        |
| Effect on present value of obligations                                  | 16,094                       |  | (16,097)       |
| <b>Assumption: Benefit adjustment</b>                                   |                              |  |                |
| <b>Sensitivity level</b>  | <b>+1 ano</b>                |  | <b>- 1 ano</b> |
| Effect on current service cost and on interest on actuarial obligations | 8,028                        |  | (8,093)        |
| Effect on present value of obligations                                  | 85,113                       |  | (85,817)       |

Following are the expected benefits for future years for defined benefit plans:

| Forecast payments              | 2023             |
|--------------------------------|------------------|
| Year 1                         | 339,223          |
| Year 2                         | 316,898          |
| Year 3                         | 309,058          |
| Year 4                         | 299,948          |
| Year 5                         | 291,230          |
| Next 5 years                   | 1,307,118        |
| <b>Total forecast payments</b> | <b>2,863,475</b> |



### 30.f) Post-Employment Health Plan

It refers to the health plan created on December 1, 1996, exclusively to cover former retired employees, pensioners, amnesties, ex-combatants, widows of labor accident victims and retirees until March 20, 1997 and their respective legal dependents. Since then, the health plan has not allowed the inclusion of new beneficiaries. The Plan is sponsored by CSN.

The amounts recognized in the balance sheet were determined as follows:

|                              | 12/31/2023     | 12/31/2022     | 12/31/2021     |
|------------------------------|----------------|----------------|----------------|
| Present value of obligations | 481,118        | 537,290        | 584,288        |
| <b>Liabilities</b>           | <b>481,118</b> | <b>537,290</b> | <b>584,288</b> |

The reconciliation of health benefit liabilities is as follows:

|   | 12/31/2023     | 12/31/2022     | 12/31/2021     |
|---|----------------|----------------|----------------|
| Actuarial liability at the beginning of the year  | 537,290        | 584,288        | 678,880        |
| Expenses recognized in income for the year        | 58,737         | 57,926         | 42,355         |
| Sponsor's contributions transferred in prior year | (51,788)       | (62,213)       | (73,324)       |
| Recognition of actuarial loss/(gain)              | (63,121)       | (42,711)       | (63,623)       |
| <b>Actuarial liability at the end of the year</b> | <b>481,118</b> | <b>537,290</b> | <b>584,288</b> |

The actuarial gains and losses recognized in equity are as follows:

|   | 12/31/2023      | 12/31/2022      | 12/31/2021      |
|---|-----------------|-----------------|-----------------|
| Actuarial gain (loss) on obligation                   | (63,121)        | (42,711)        | (63,623)        |
| <b>Gain/(loss) recognized in shareholders' equity</b> | <b>(63,121)</b> | <b>(42,711)</b> | <b>(63,623)</b> |

Below is the weighted average life expectancy based on the mortality table used to determined actuarial obligations:

|  | 12/31/2023 | 12/31/2022 | 12/31/2021 |
|--|------------|------------|------------|
| <b>Longevity at age of 65 for current participants</b> |            |            |            |
| Male   | 20.24      | 20.24      | 20.24      |
| Female   | 20.24      | 20.24      | 20.24      |
| <b>Longevity at age of 40 for current participants</b> |            |            |            |
| Male   | 42.74      | 42.74      | 42.74      |
| Female   | 42.74      | 42.74      | 42.74      |

The actuarial assumptions used to calculate post-employment health benefits were:

|  | 12/31/2023                       | 12/31/2022                       |
|--|----------------------------------|----------------------------------|
| <b>Biometric and Demographic</b>                           |                                  |                                  |
| General mortality table                                    | AT 2000 segregated by gender 20% | AT 2000 segregated by gender 20% |
| <b>Financial</b>   |                                  |                                  |
| Actuarial nominal discount rate                            | 5.33%                            | 6.10%                            |
| Inflation  | 3.90%                            | 5.31%                            |
| Real increase in medical costs based on age (Aging Factor) | 0.5% - 3.00% real a.a.           | 0.5% - 3.00% real a.a.           |
| Nominal increase medical costs growth rate                 | 4.10%                            | 4.10%                            |
| Average medical cost (Claim cost)                          | 1,204.48                         | 1,084.14                         |

### 30.g) Sensitivity analysis

The quantitative sensitivity analysis for significant assumptions for the post-employment health plans as of December 31, 2023 is as follows:

|   |  | 12/31/2023                     |                |
|---|--|--------------------------------|----------------|
|   |  | Healthcare Plan                |                |
|   |  | Assumption: Discount rate      |                |
| <b>Sensitivity level</b>  |  | <b>0.5%</b>                    | <b>-0.5%</b>   |
| Effect on current service cost and on interest on actuarial obligations |  | 717,782                        | (771,601)      |
| Effect on present value of obligations                                  |  | (16,457,230)                   | 17,767,261     |
|   |  | Assumption: Medical Inflation  |                |
| <b>Sensitivity level</b>  |  | <b>1.0%</b>                    | <b>-1.0%</b>   |
| Effect on current service cost and on interest on actuarial obligations |  | 3,736,446                      | (3,260,736)    |
| Effect on present value of obligations                                  |  | 39,589,932                     | (34,549,491)   |
|   |  | Assumption: Benefit adjustment |                |
| <b>Sensitivity level</b>  |  | <b>+1 ano</b>                  | <b>- 1 ano</b> |
| Effect on current service cost and on interest on actuarial obligations |  | (2,702,833)                    | 2,860,583      |
| Effect on present value of obligations                                  |  | (28,638,170)                   | 30,309,624     |

Following are the expected benefits for future years of the post-employment health plans:

|                                  |  | 12/31/2023     |
|----------------------------------|--|----------------|
| <b>Forecast benefit payments</b> |  | <b>57,627</b>  |
| Year 1                           |  | 54,710         |
| Year 2                           |  | 51,820         |
| Year 3                           |  | 48,925         |
| Year 4                           |  | 46,015         |
| Year 5                           |  | 187,093        |
| Next 5 years                     |  | <b>446,190</b> |
| <b>Total forecast payments</b>   |  | <b>446,190</b> |

#### Accounting Policy

##### Long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays contributions to CBS, obligations for contributions to defined contribution pension plans are recognized as employee benefit expenses in the income statement during the periods during which services are provided by employees. In this modality, the Company will have no legal or constructive obligation to pay additional amounts, as the risks fall on employees.

In the defined benefit plan, obligations are assessed annually by independent actuaries, the unit credit method is used in the calculation, the assumptions for the calculation include biometric, demographic, financial and economic assumptions. The discount rate is applied to define the present value of the defined benefit obligations, the fair value of the assets is also determined. The amount recognized in the Company's balance sheet is the net of obligations after the discount rate less the fair value of the assets.

When the calculation results in a benefit to the Company, the asset to be recognized is limited to the total amount of any past unrecognized service costs and the present value of the economic benefits available in the form of future plan reimbursements or reduction in future plan contributions. Actuarial gains and losses resulting from defined benefit plans are recognized immediately in other comprehensive income. In the event of extinction of the plan, the accumulated actuarial gains and losses are recorded in income.

##### Short-term employee benefits

Payments of benefits such as salary or vacation, as well as the respective labor charges on these benefits are recognized monthly in the income statement, respecting the accrual basis.

Employees' profit sharing and executives' variable remuneration are linked to the achievement of operational and financial goals. The Company recognizes a liability and an expense substantially when these goals are achieved by allocating them to the cost of production or operating expenses.

### 31. COMMITMENTS

#### 31.a) Take-or-pay contracts

As of December 31, 2023 and 2022, the Company was a party to take-or-pay contracts as shown in the following table:

| Type of service   | Payments in the period |                  |                  |                  |                  |                  | Total             |
|---|------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|   | 2022                   | 2023             | 2024             | 2025             | 2026             | After 2026       |                   |
| Transportation of iron ore, coal, coke, steel products, cement and mining products. | 1,568,658              | 2,068,319        | 1,978,202        | 2,006,831        | 1,606,684        | 2,064,282        | 7,655,999         |
| Supply of power, natural gas, oxygen, nitrogen, argon and iron ore pellets.         | 2,191,442              | 583,152          | 594,244          | 507,377          | 410,711          | 677,094          | 2,189,426         |
| Processing of slag generated during pig iron and steel production.                  | 84,140                 | 22,981           | 22,879           |                  |                  |                  | 22,879            |
| Oil Storage and Handling  | 2,567                  | 2,754            | 766              |                  |                  |                  | 766               |
| Labor and consultancy services  | 33,300                 | 31,391           | 24,207           | 24,207           | 24,207           | 96,826           | 169,447           |
|   | <b>3,880,107</b>       | <b>2,708,597</b> | <b>2,620,298</b> | <b>2,538,415</b> | <b>2,041,602</b> | <b>2,838,202</b> | <b>10,038,517</b> |

#### 31.b) Projects and other commitments

##### • Transnordestina project

The Transnordestina project which corresponds to rail network II of the Northeast Railway System, includes building 1,753 km of new, next-generation, wide-gauge tracks. The project posts an evolution of 48% progress which was expected to completion for 2017.

After extensive negotiations involving ANTT, TCU and the then Ministry of Infrastructure, on December 23, 2022, the first amendment to the Concession Agreement was signed, which redefined the scope and deadlines for completion of the TLSA sections, notably to provide for the return of the section Saugueiro-Porto de Suape (SPS), which results in a project with the current 1,206 km of rail network and completion deadline up to December 2029. This act also ended the discussion of the administrative procedure for expiry recommendation, which was being processed by the National Ground Transportation Agency ("ANTT").

The Company expects that the investments will allow Transnordestina Logística S.A. ("TLSA"), the concessionaire that owns the Transnordestina Project, to transport various products, such as soybeans, corn, iron ore, limestone, cotton, sugar cane, fertilizers, oil and fuels. The concession period ends in 2057 and may be terminated before that period if the concessionaire reaches the minimum return agreed with the Government. TLSA has obtained the environmental authorizations required and implementation is advanced, "Phase I" has been concluded in the stretch from the state of Piauí to the city of São Miguel do Fidalgo and the superstructure and infrastructure works in the stretch from the state of Ceará are in progress.

##### • FTL - Ferrovia Transnordestina Logística S.A. (Operational network)

In relation to Malha I, operated by FTL - Ferrovia Transnordestina Logística S.A. ("FTL"), in July 2022, the Company filed the request for an Early Extension of the concession contract for additional 30 years, which is based on compliance with legal requirements and the goals established by ANTT regarding production volume and safety. Thus, despite the existence of an administrative procedure by ANTT which, in 2013, resulted in the recommendation of expiry of the concession contract, there was a decision issued on 12/13/2022 by the Court of Auditors - TCU, Judgment 2769/2022, which determined that ANTT and Ministry of Infrastructure (at the time), subject to their respective competences, adopt measures with a view to the definitive solution of the Concession Contract for the network granted to FTL. In September/2023, based on the final report of the working group, the Ministry of Transport issued LETTER No. 448/2023/SE to ANTT informing the closure of the expiry recommendation made in Deliberation/ANTT No. 947/2019, of October 22, 2019. Therefore, in view of the positive environment of negotiations for the concession contract, as well as the growth of FTL, with the achievement of production records and ebitda, the company considers the Early Extension of the concession contract probable in order to definitively resolve the aforementioned contractual issues.

### 32. INSURANCE

In order to adequately mitigate risks and in view of the nature of its operations, the Company contracts several different types of insurance policy. The policies are taken out in line with the Risk Management policy and are similar to the insurance taken out by other companies in the same industry in which CSN and its subsidiaries operate. The coverages of these policies include: National Transport, International Transport, Life and Personal Accident Insurance, Health, Vehicle Fleet, D&O (Administrators Liability Insurance), General Civil Liability, Engineering Risks, Export Credit, Insurance Warranty and Civil Liability Port Operator.

The Company's insurance is contracted together with the insurance of its subsidiaries, but there is no joint or subsidiary responsibility between the Company and companies of its economic group with CSN Mineração.

In 2023, after negotiation with insurers and reinsurers in Brazil and abroad, the Operational Risk Insurance Policy for Property Damage and Business Interruption policy was extended, which expired on July 30, 2023, until September 30, 2023, and subsequently renewed from October 1, 2023 to September 30, 2024. Under the terms of said policy, the Maximum Indemnity Limit is US\$525 million for locations with Company activities, combined for Material Damage and Loss of Profits. Under the terms of the policy, the Company assumes a deductible of US\$310 million for material damage and 45 days for lost profits. The policy's maximum indemnity limit is shared with other insured establishments.

The risk assumptions adopted, in view of their nature, are not part of the scope of the audit of these financial statements, and consequently, they have not been audited by our independent auditors.

### 33. ADDITIONAL INFORMATION TO CASH FLOWS

The following table provides additional information about transactions related to the statement of cash flows:

|  | 12/31/2023       | 12/31/2022       | Consolidated<br>12/31/2021 |
|--|------------------|------------------|----------------------------|
| Income tax and social contribution paid                                | 1,407,469        | 3,100,349        | 3,062,047                  |
| Addition to fixed assets with interest capitalization (note 11 and 28) | 182,799          | 135,242          | 87,414                     |
| Remeasurement and addition - Right of use (note 11 i)                  | 197,525          | 125,946          | 171,215                    |
| Addition to PP&E without adding cash                                   | 114,877          | 60,329           | 69,788                     |
| Capitalization in associate with no cash effect                        | 11,037           | 367,000          |                            |
|  | <b>1,913,707</b> | <b>3,788,866</b> | <b>3,390,464</b>           |

### 34. SUBSEQUENT EVENTS

- **Category change and share redemption**

Continuing the OPA procedures, on January 25, 2024, the Securities and Exchange Commission ("CVM") granted the request for conversion from category "A" to "B" of Companhia Estadual de Geração de Energia Elétrica - CEEE-G ("CEEE-G"). And on February 21, 2024, the Extraordinary General Assembly of CEEE-G approved the redemption and cancellation of 98,375 (ninety-eight thousand, three hundred and seventy-five shares) of which 41,896 (forty-one thousand, eight hundred and ninety and six) common shares and 56,479 (fifty-six thousand, four hundred and seventy-nine) preferred shares issued by CEEE-G, without changing the Company's share capital, in accordance with article 4, paragraph 5, of the Brazilian Corporation Law.

- **News published in the media**

On February 22, 2024, the Company informed its shareholders and the market in general that an offer was presented to acquire assets of InterCement Participações S.A. The offer was presented within the scope of a competitive process still in progress, and its confidential provisions describe a series of precedent conditions for defining the terms and conditions of an eventual transaction and its potential implementation, which are usual in operations of a similar nature, including, expressly, prior approval by the Administrative Council for Economic Defense - CADE, if binding documents are to be signed. The Offer is under evaluation by the respective seller and, furthermore, no binding documents have been signed with any counterparty that generate an obligation or firm commitment to carry out the potential transaction.

- **Acquisition of Panatlantica S.A.**

In continuation of the Share Purchase and Sale Agreement and Other Covenants ("Agreement") entered into on October 27, 2023, the Company concluded on January 15, 2024 the acquisition of 18.61% of the shares issued by Panatlântica S.A. to total price of R\$150 million, to be paid in national currency in 6 (six) annual installments, the first being on January 15, 2024 and the others on the five subsequent anniversaries of the closing date of the Operation, as provided for in the Contract. As a result of the operation and under the terms set out in the Purchase and Sale Agreement, CSN now holds shares issued by Panatlântica S.A. representing 29.91% of the share capital.

- **Offering of debt securities (Notes)**

On February 8, 2024, the Company announced that it had priced the reopening of the offering of debt securities called Notes issued in December 2023 in the foreign market by its subsidiary CSN Resources S.A. in the amount of US\$200 million with maturity in 2030 and interest of 8.875% per year. The Notes will be guaranteed, unconditionally and irrevocably, by the Company. The total aggregate value of the Notes upon reopening will be US\$700,000,000.00. The settlement of the Notes is scheduled for February 13, 2024.

- **Debentures**

On April, 16, 2024, the Board of Directors approved its 15th issuance of simple debentures, not convertible into shares, of the unsecured type, in up to two series, in the total value of R\$800,000,000.00 (eight hundred million reais), with a nominal unit value of R\$ \$1,000.00, on the date of issue.