1Q22 EARNINGS CALL

May 05, 2022

CSN

Companhia Siderúrgica Nacional

CSNA B3 LISTED

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FTSE4Good

PERIOD HIGHLITHS

1 **Solid and resilient result** even with operational and cost pressures. EBITDA in 1Q22 reached R$ 4.7 billion, with an EBITDA margin of 39.1%, representing an **increase of 4.2 p.p.** compared to 4Q21.

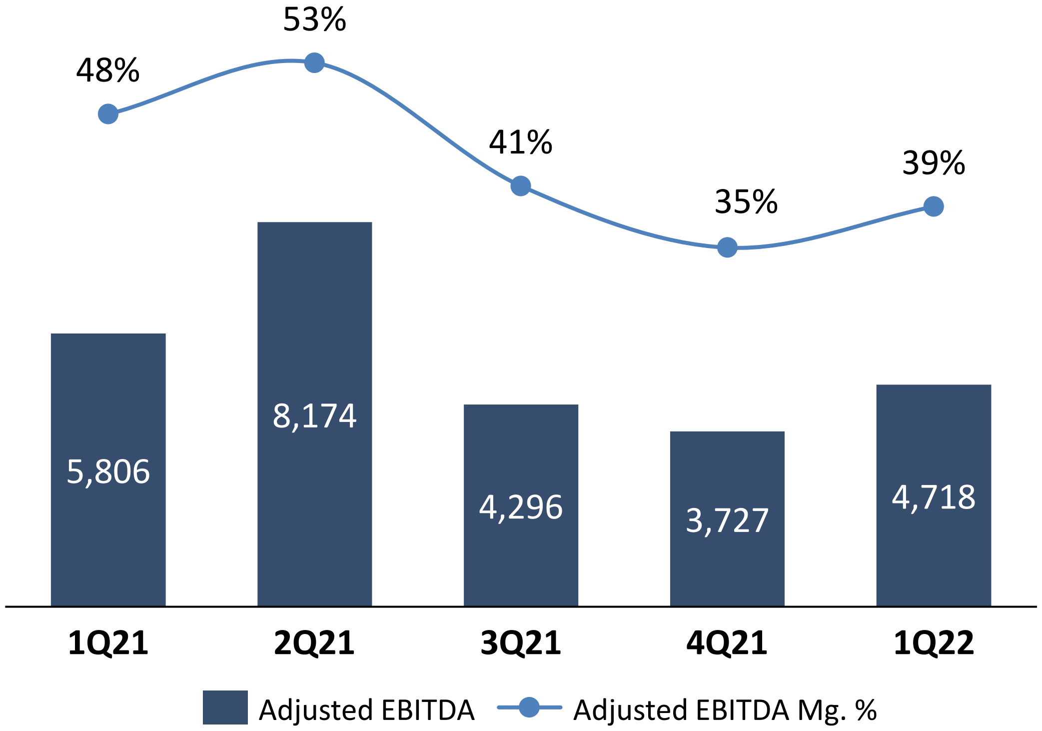
2 Highlight for the **mining** segment that presented strong price realization, offsetting the operational difficulties caused by the rains in the period.

3 Leverage level remained below 1x, ending the quarter with **Net Debt/EBITDA ratio of only 0.89x.**

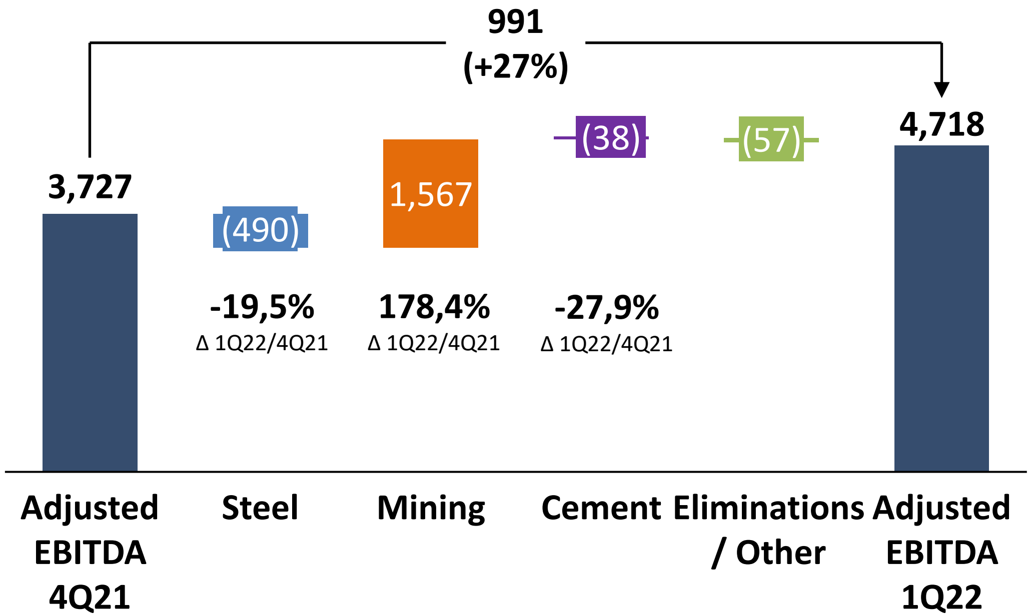
4 Acquisition of two PHCs (Santa Ana and Sacre) opens a new growth path for the Company and highlights the objective of investing in renewable energy and self-production to ensure greater competitiveness.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (R$ mm and %)



ADJUSTED EBITDA EVOLUTION (R$ mm)

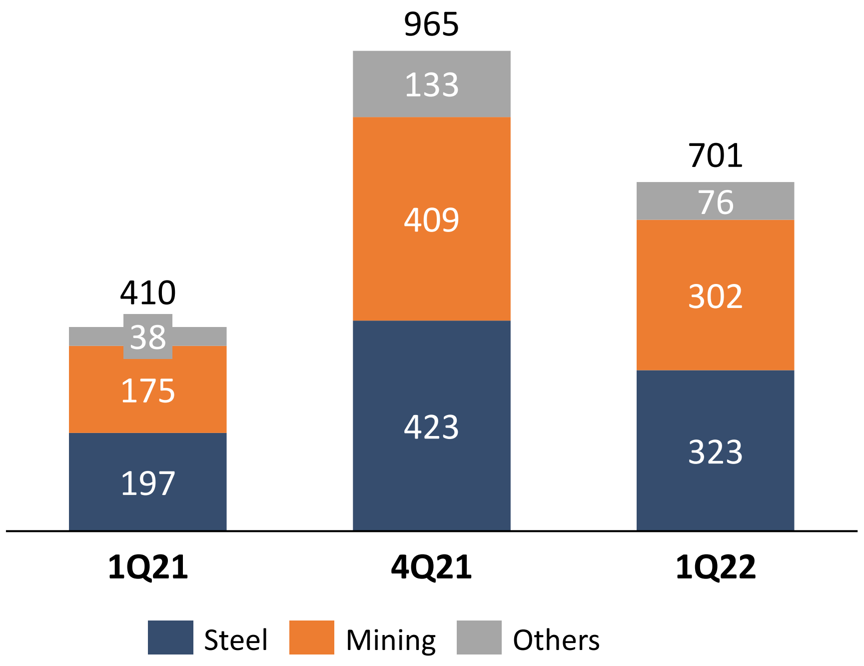


- Quarter marked by the strong price recovery in mining and the higher volumes sold in the steel market, that eventually offset the operational pressures of to the rains and the high costs of some raw materials, such as coal and coke.

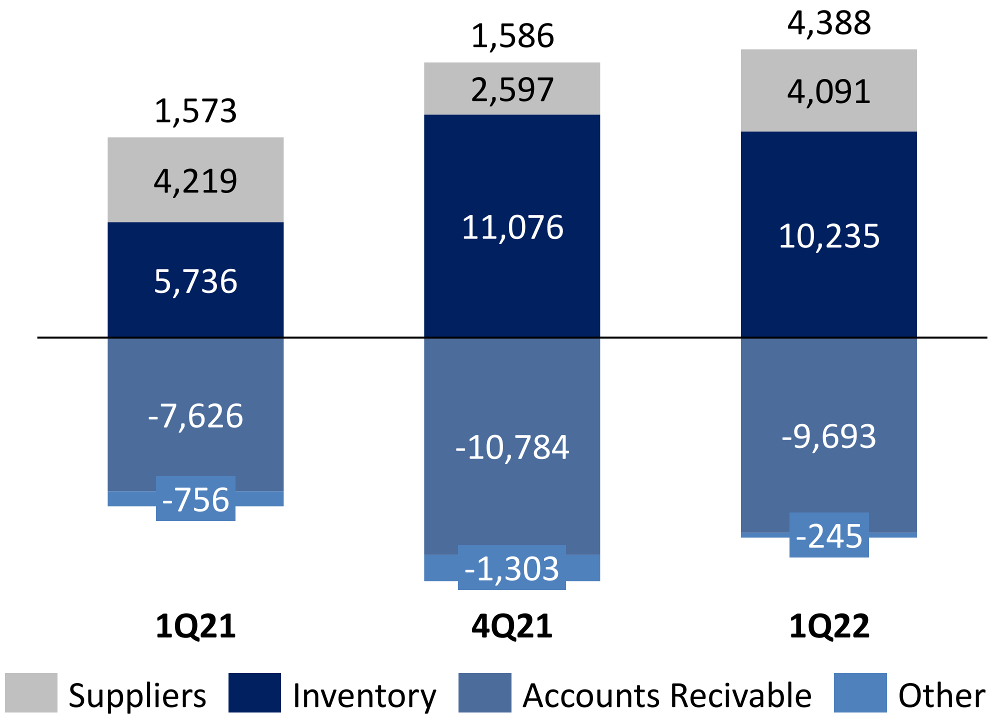
Source: CSN

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

CAPEX
(R$ mm)



NET WORKING CAPITAL
(R$ mm)

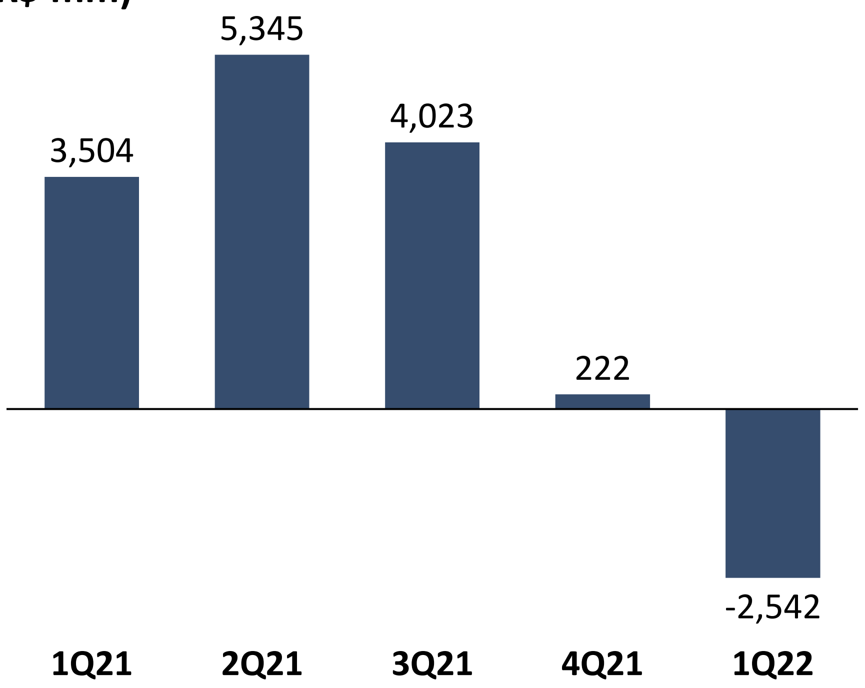


- Investments totaled 701 million in 1Q22, with emphasis on the advance in mining expansion projects (mainly tailings filtration and port expansion), as well as repairs to UPV's steel and cokering batteries.
- Working capital impacted by the increase in accounts receivable and the decrease in the line of suppliers.

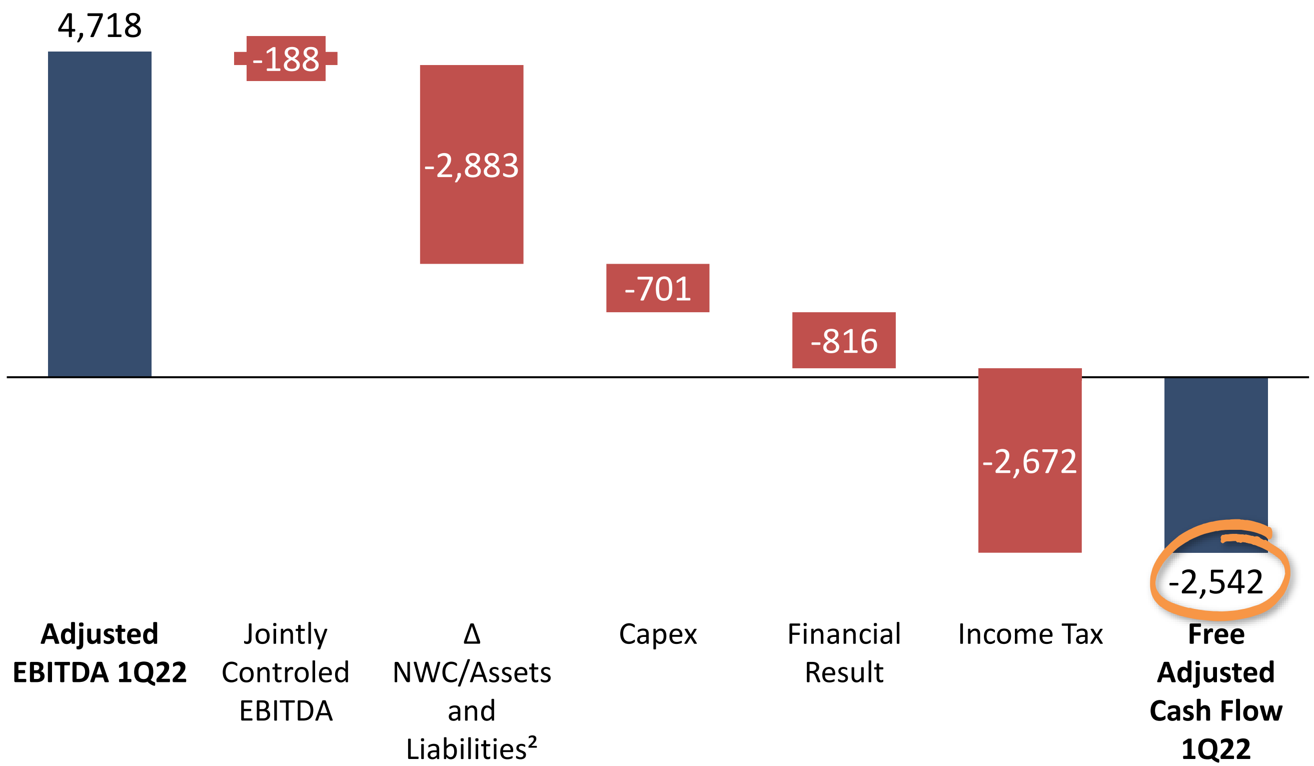
Souce: CSN

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

ADJUSTED CASH FLOW (R$ mm)



ADJUSTED CASH FLOW [1] - 1Q22 (R$ mm)

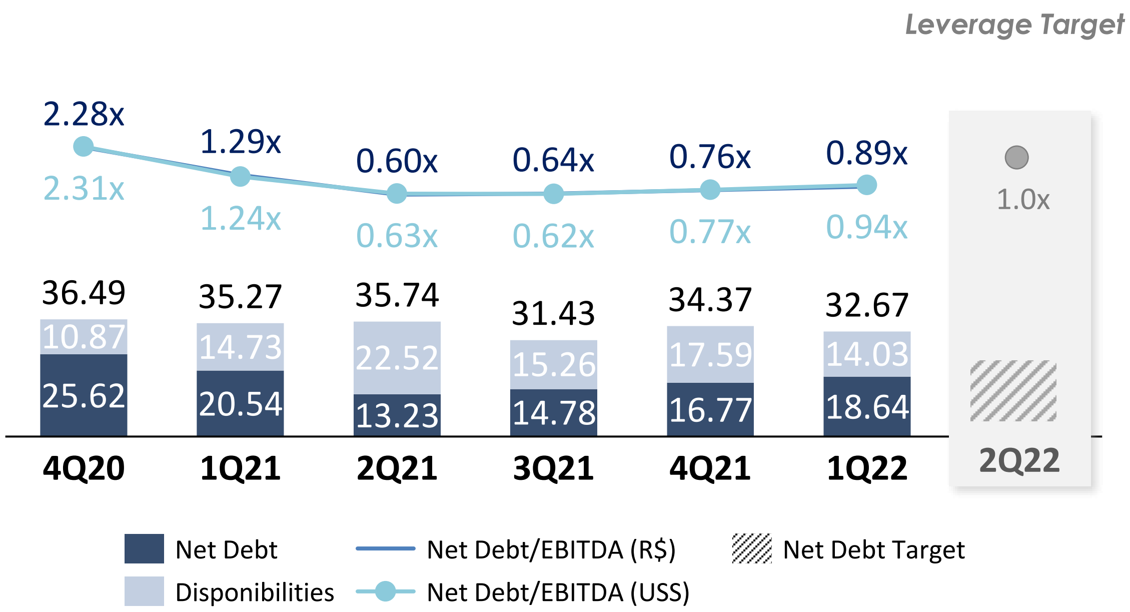


- Despite the improvement in operating results, cash flow was negative in 1Q22, due to the change in working capital and the punctual impact of paying taxes at the beginning of the year.

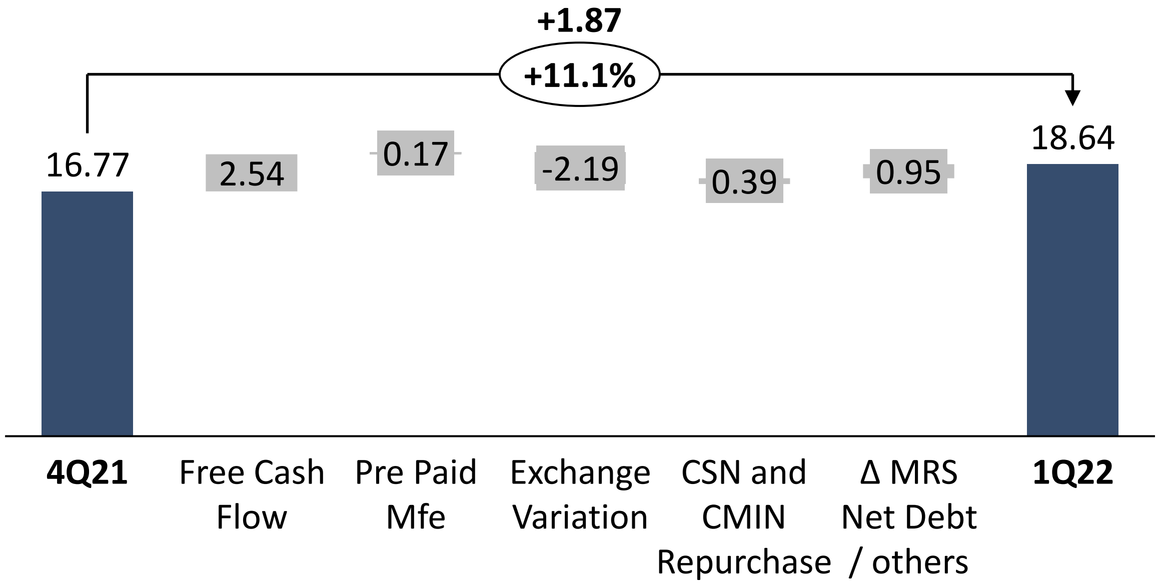
Source: CSN / Note 1: The concept of free cash flow is calculated from adjusted Ebitda, subtracting Ebitda from Jointly Controlled Companies, CAPEX, IR, Financial Results and changes in Net Working Capital[1], excluding the effect of the Glencore advance. Note 2: The Adjusted Working Capital for the quarter consists of the change in Net Working Capital, plus the change in long-term asset and liability accounts and disregarding non-cash items.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

LEVERAGE, LIQUIDITY AND NET DEBT
(R$ bi; Net Debt / EBITDA(x))



NET DEBT BUILD-UP
(R$ Billion)

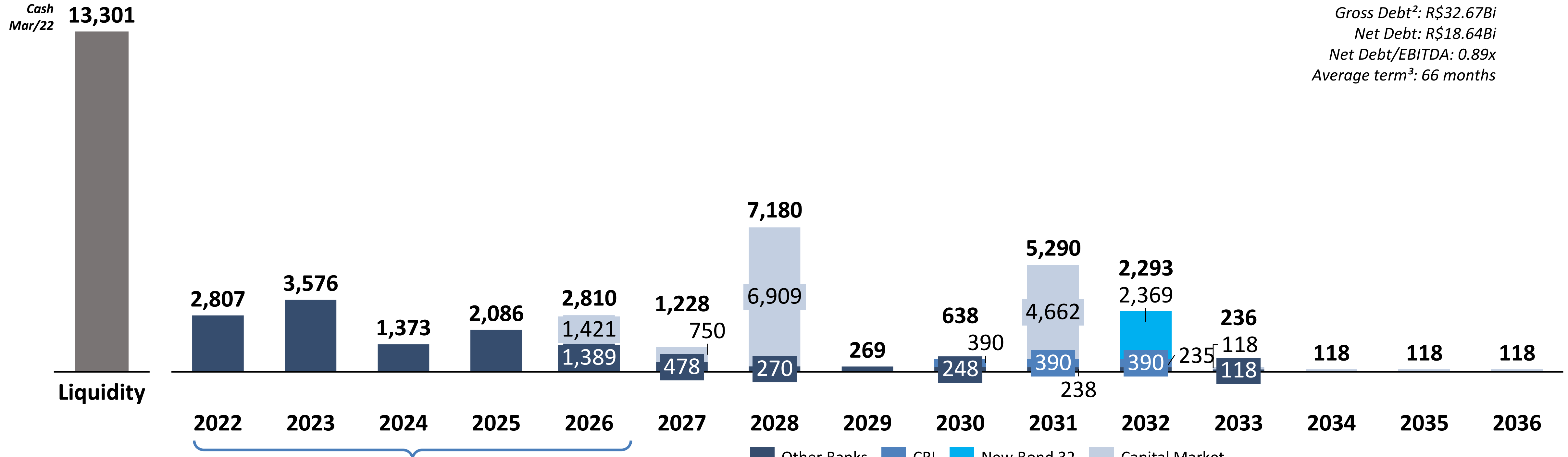


- Increase in net debt, mainly per the repurchase of part of the 2026 bonds.
- Leverage level remained below 1x, ending the quarter at 0.89x, i.e. within the target set by the Company.

Source: CSN / Note 1: Net Debt / EBITDA: For debt considers the final dollar of each period and for net debt and EBITDA the average dollar

DEBT AMORTIZATION SCHEDULE

Post-completion profile of the Liability Management Plan



Cash after extraordinary amortizations is sufficient to cover amortizations for the next 5 years

Position 03.31.2022

Gross Debt²: R$32.67Bi
Net Debt: R$18.64Bi
Net Debt/EBITDA: 0.89x
Average term³: 66 months

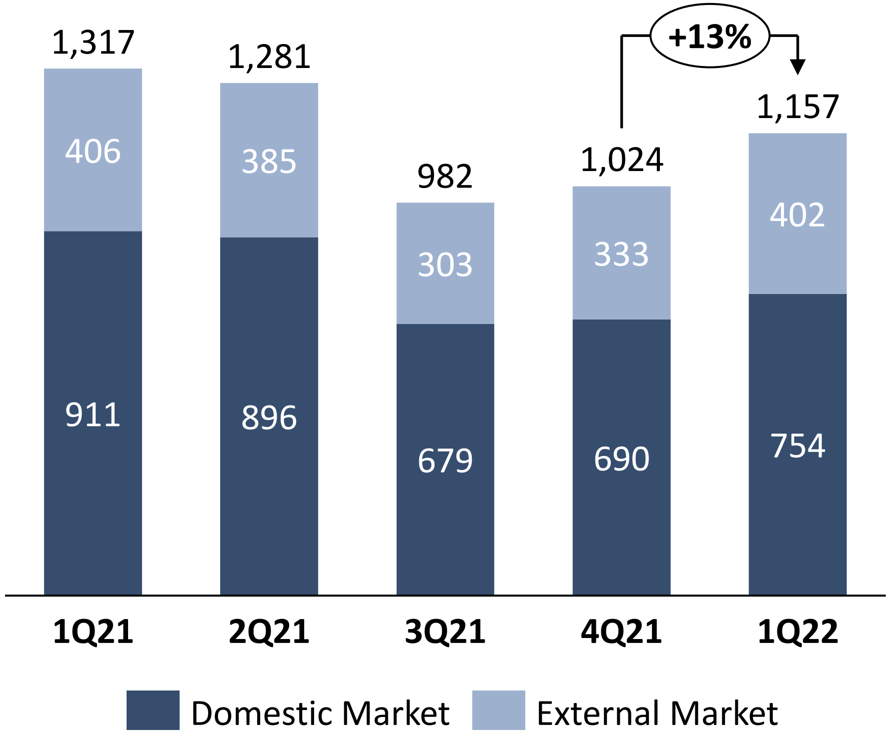
- The Company remains very active with its objective of extending the debt amortization: in recent months, CSN has completed the issuance of its 11th issue of debentures in the amount of R$ 1.5 billion; completed the debt extension process with *Banco do Brasil*, extending its payment period until 2025 and 2026; held the first issue of CRI from CSN Cimentos, in the amount of R$ 1.2 billion; and issued a new $500 million Bond due in 2032, as well as repurchasing half of its issue due in 2026.

Source: CSN / Note 1: IFRS does not consider participation in MRS (37.27%). Note 2: Gross/Net Management Debt considers participation in MRS (37.27%) and gross interest. Note 3: Average term after completion of the Liability Management Plan.

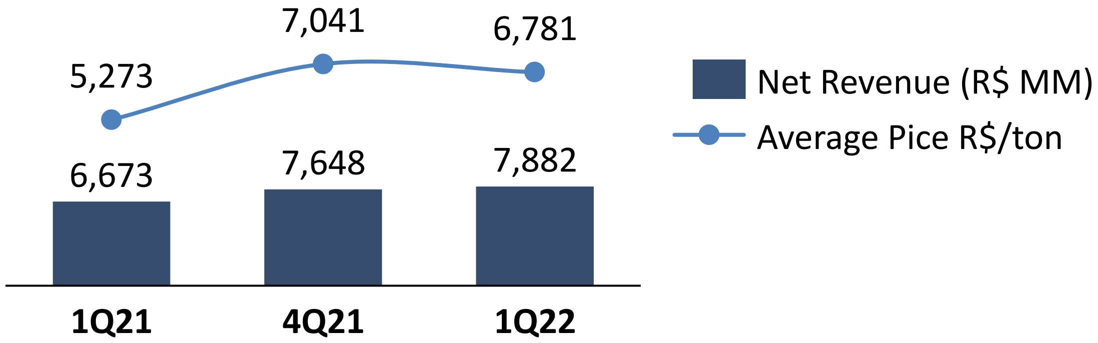
STEEL

STEEL PERFORMANCE

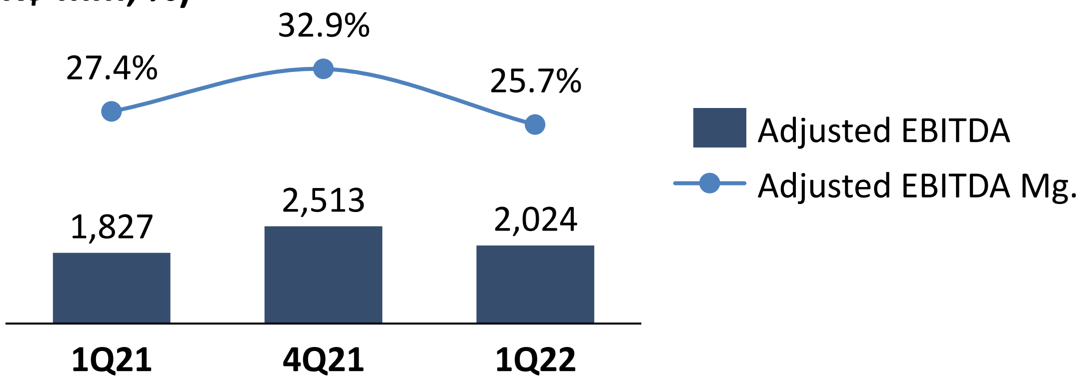
SALES VOLUME
(Thousand tons)



NET REVENUE AND DM AVERAGE PRICE[1]
(R$ mm; R$/ton)



EBITDA AND EBITDA MARGIN
(R$ mm; %)

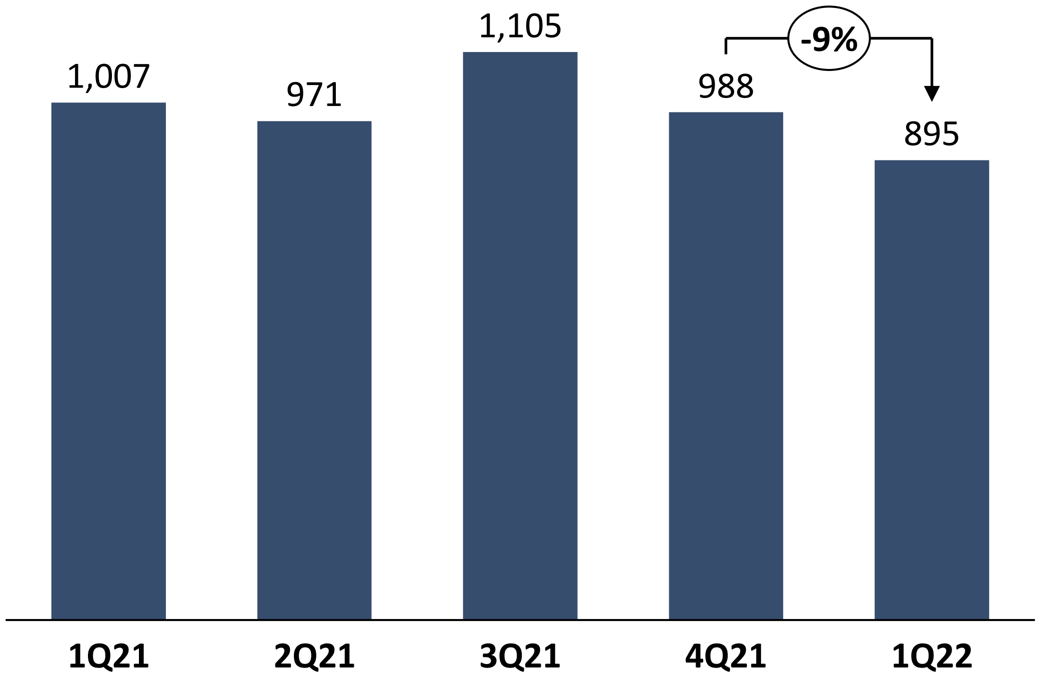


- Continuous recovery in sales volume, with increased market share and solid performance in external market. Additionally, there was higher cost pressure in the quarter, but the margin remained at a high level.

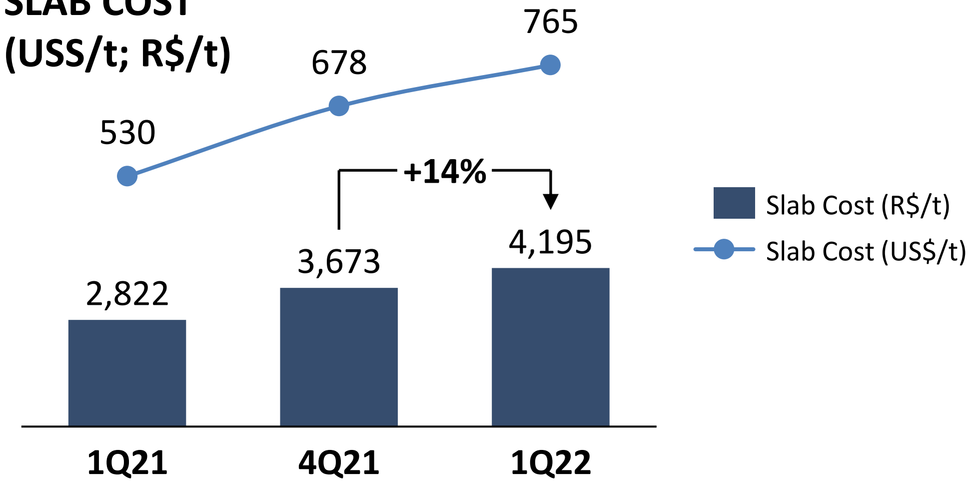
Source: CSN / Note 1: Average domestic market price.

STEEL INDUSTRY COMPETITIVENESS

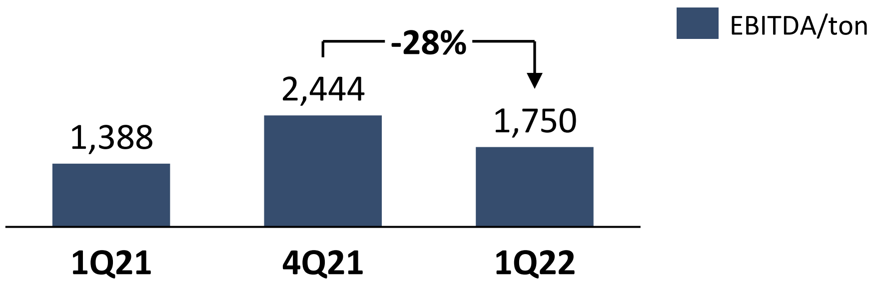
SLAB PRODUCTION VOLUME AT PRESIDENT VARGAS PLANT (mil/ton)



SLAB COST (USS/t; R$/t)



PERFORMANCE PER TON (R$/ton)



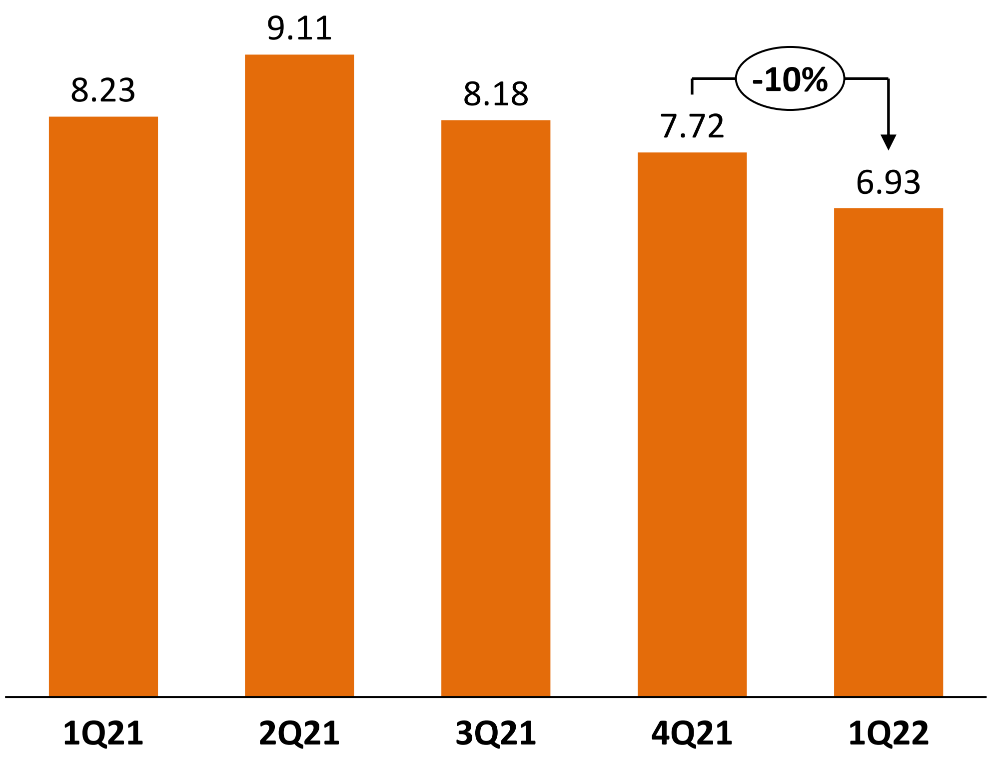
- One-off problems such as power outages and maintenances impacted plate production in 1Q22. The cost of the plate has risen due to higher costs of coal and coke.

Source: CSN

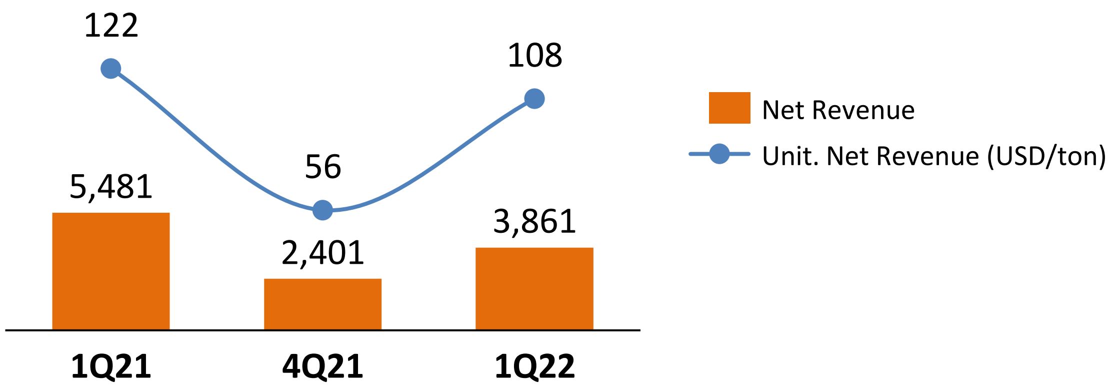
MINING

MINING PERFORMANCE

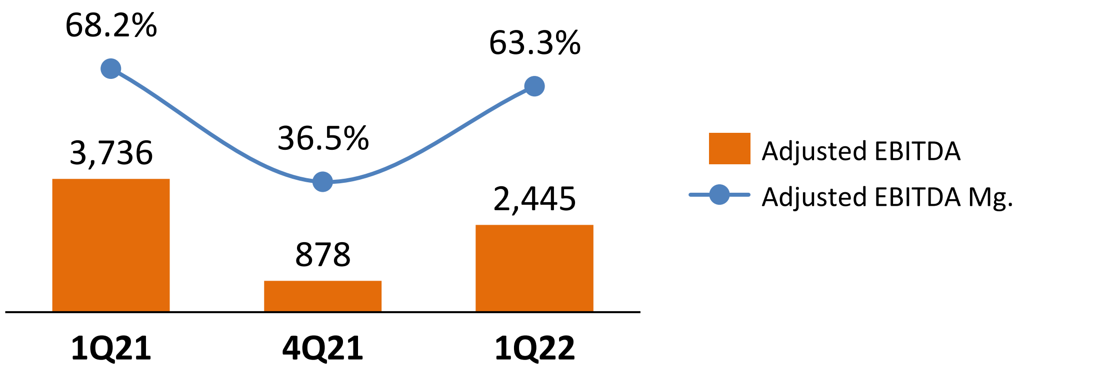
TOTAL SALES VOLUME (mil/ton)



NET REVENUE (R$ mm)



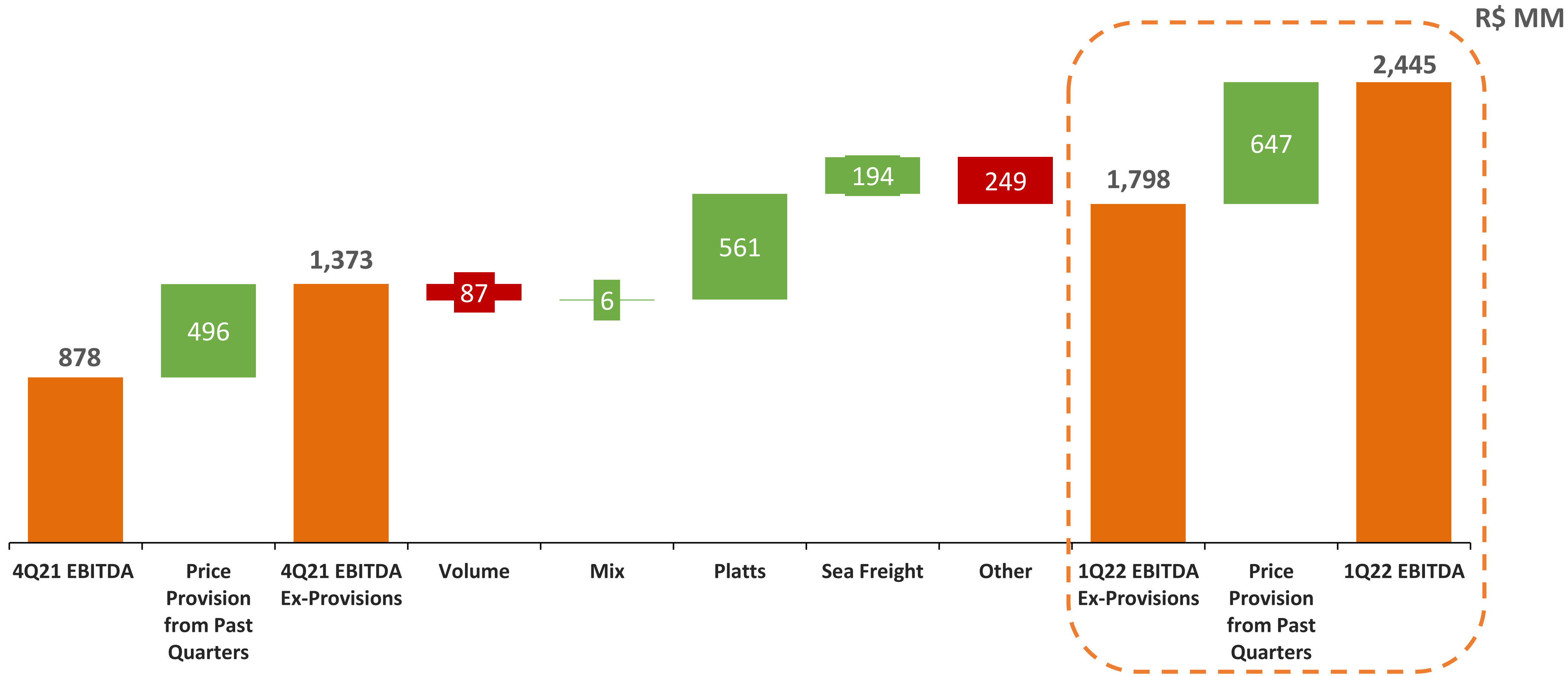
EBITDA AND EBITDA MARGIN (R$ mm; %)



- Much stronger price realization this quarter ended up offsetting the lessened production, due to the high volume of rain recorded at the beginning of the year.

Source: CSN Mining

EBITDA ADJUSTED BY PROVISIONS



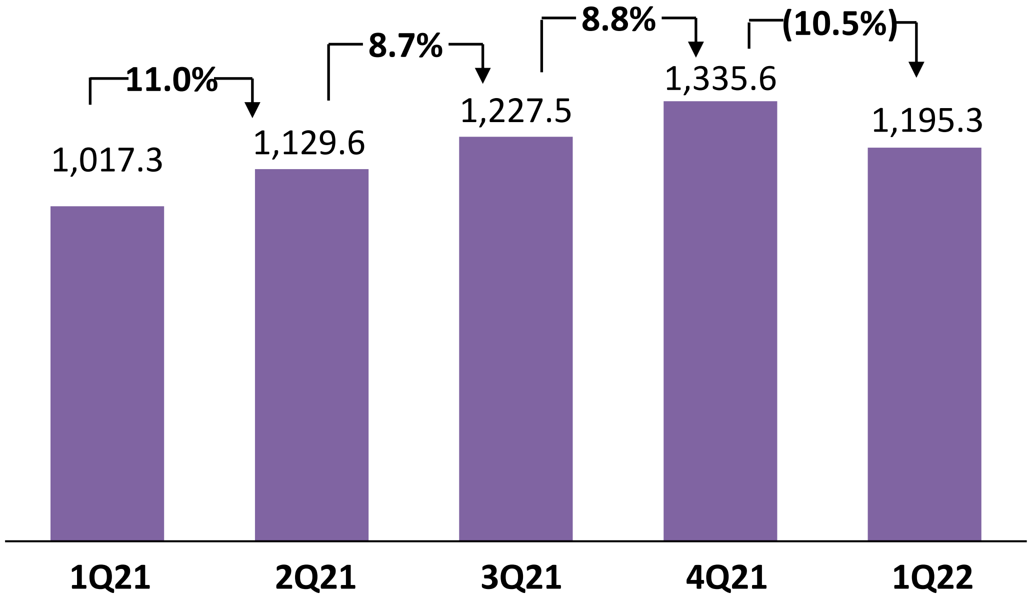
- EBITDA marked by the strong appreciation of Platts in the period. Additionally, the price provision of previous quarters ended up favorably impacting the result in a situation opposite to what was observed in the last 2 quarters.

Source: CSN Mining

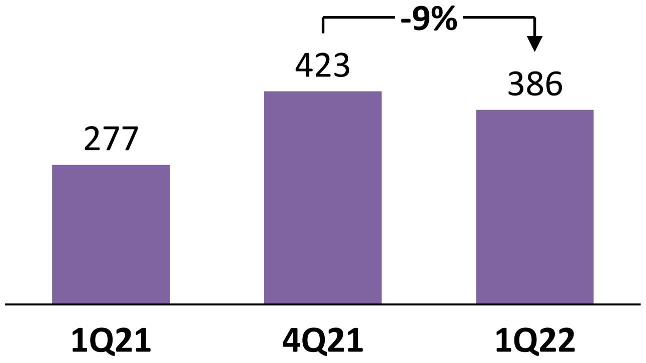
CEMENT

CEMENT PERFORMANCE

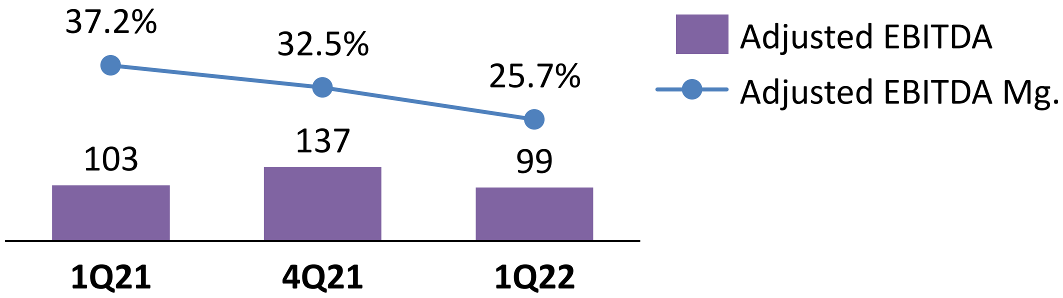
SALES VOLUME- CEMENT
(Thousand tones)



NET REVENUE
(R$ mm)



EBITDA AND EBITDA MARGIN
(R$ mm; %)



- The cement segment was impacted by higher rainfall and temporary pressures on production costs.

Source: CSN and SNIC

ENVIRONMENTAL AND SOCIAL MANAGEMENT

ESG

TRANSPARENCY AND CLIMATE ACTION

- Agreement signed with SANY to be the first mining company in Brazil to use **100% electric trucks in its fleet**
- Conclusion of the accounting assessment of the risks of climate change - **TCFD**;
- Membership in the **Net-Zero Steel Initiative (NZSI) – member of the Mission Possible Partnership (MPP)**

DAM MANAGEMENT

- All CSN Mining dams with **renewed stability declaration**;
- Continuity of the Vigia dam **decharacterization** efforts.

SAFETY

- Reduction of **2.6%** in the Accident Frequency Rate (CAF+ SAF – own and third parties) in the CSN Group compared to the end of 2021.
- First **pre-audit in ISO 45001:18 standard** at the Cements unit (Arcos)

ENVIRONMENTAL MANAGEMENT

- Start of the **Environmental Education Program** in the Volta Redonda municipality;
- Reduction of **37.7%** in the shipment of UPV process muds to Class II landfills compared to the last quarter of 2021;
- **Average reuse above 80% of FEA powder,** generated to produce metal briquets;
- Certification **at ISO 14001**: 2015 from CSN Cimentos Volta Redonda.

SOCIAL AND DIVERSITY

- **9%** increase in female participation in the Company when compared to 4Q21;
- **3.4%** increase in PwD representativeness in the CSN Group in relation to 4Q21;
- "Citizen Mentoring“, retainment of **67% of active apprentices by the end of 2021.**

Fonte: CSN

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