



São Paulo, October 15, 2020

Results for the Third Quarter of 2020

Companhia Siderúrgica Nacional (“CSN”) (B3 S.A. – Brasil, Bolsa e Balcão: CSNA3) (NYSE: SID) **announces its results for the third quarter of 2020 (3Q20)** in Brazilian Reals, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), which are fully convergent with international accounting standards and with Brazilian accounting practices.

All comments presented herein refer to the Company’s consolidated results for the **third quarter of 2020 (3Q20)** and comparisons refer to the third quarter of 2019 (3Q19) and second quarter of 2020 (2Q20). The Brazilian Real/U.S. Dollar exchange rate was R\$4.1644 on September 30, 2019, R\$5.4416 on June 30, 2020, and R\$5.6407 on September 30, 2020 (+3.7% appreciation of the U.S Dollar against the Brazilian Real in the quarter).

Operating and Financial Highlights in 3Q20

RECORD RESULTS IN 3Q20

Adjusted EBITDA reached **R\$3,506 million** in 3Q20, up by 82% QoQ due to a combination of better volumes, prices and costs in all segments.

REINFORCED CASH POSITION AND DECREASED LEVERAGE

Adjusted Cash Flow reached **R\$2,837MM**, a record for a quarter, reflecting good operating results.

Adjusted Cash and Cash Equivalents reached **R\$6.9BI** or **+33% QoQ**, and Net Debt/EBITDA Leverage fell 1.50x in 3Q20, reaching 3.67x.

COMBINATION OF PRICES, PERFORMANCE AND VOLUMES IN STEEL

The **recovery in sales volume** and in cost competitiveness led to a 70% increase in EBITDA in 3Q20 compared to the previous quarter. **Domestic sales** in 3Q20 reached 923kton, 50% over 2Q20.

COMBINATION OF PRICES AND VOLUMES, RECORD IN MINING

Iron Ore production totaled 9.4Mton in 3Q20, **up by 27% QoQ**, due to better costs combined with higher prices generated the highest EBITDA ever recorded by the segment.

COMBINATION OF PRICES AND VOLUMES, RECORD IN CEMENT

EBITDA reached a historical record of **R\$100MM** in 3Q20 due to higher volumes and recovery in profitability.

GROWING RESULTS IN LOGISTICS

The **recovery in railway volumes** led **EBITDA** to grow by **+7%**, reaching **R\$238MM** in 3Q20.

	3Q20	2Q20	3Q19	3Q20 x 2Q20	3Q20 x 3Q19
Steel Sales (thousand tons)	1,278	1,003	1,072	27%	19%
- Domestic Market	923	614	750	50%	23%
- Foreign Market	355	389	322	-9%	10%
Iron Ore Sales (thousand tons)	9,165	7,743	9,209	18%	0%
- Domestic Market	1,050	1,084	388	-3%	171%
- Foreign Market	8,115	6,659	8,821	22%	-8%
Consolidated Results (R\$ million)					
Net Revenue	8,715	6,221	6,006	40%	45%
Gross Profit	3,581	1,843	1,636	94%	119%
Adjusted EBITDA ⁽¹⁾	3,506	1,925	1,567	82%	124%
Ebitda Margin %	39.0%	29.7%	25.1%		
Adjusted Net Debt ⁽²⁾	30,603	33,120	27,577	-8%	11%
Adjusted Cash and Cash Equivalents ⁽²⁾	6,874	5,177	2,981	33%	131%
Net Debt / Adjusted EBITDA	3.67x	5.17x	3.81x	-1.50x	-0.14x

¹ Adjusted EBITDA is calculated based on net profit (loss), plus depreciation and amortization, income tax, net financial result, share of profit (loss) of investees and other operating income/expenses, and includes the proportional share of EBITDA of jointly owned subsidiaries MRS Logística (37.27%) and CBSI (50% 3Q19, 100% 3Q20).

² Adjusted Net Debt and Adjusted Cash and Cash Equivalents include the stakes of 100% in CSN Mineração, 37.27% in MRS and CBSI (50% in 3Q19, 100% 3Q20), our stake in this company until 3Q19, excluding Forfeiting and Drawee Risk operations.

CSN's Consolidated Result

- **Net Revenue in 3Q20** totaled R\$8,715 million, up by 40% over 2Q20 and by 45% over 3Q19. The increase was mainly due to the normalization of the volume of iron ore production, combined with higher prices for iron ore, cement and steel when compared to 2Q20.
- In **3Q20**, the Cost of Goods Sold totaled R\$5,133 million, up by 17% over 2Q20. Gross Margin increased by 11.5 p.p. over 2Q20, reaching 41.1% in 3Q20, due to the positive performance, mainly in cement, steel and mining.
- In **3Q20**, **Selling, General and Administrative Expenses** totaled R\$731 million, up by 39% over 2Q20, while the Net Revenue reached 40% year-on-year. **Selling Expenses** increased 52% in **3Q20**, mainly due to a higher volume of freight, while **General and Administrative Expenses** decreased by 2% YoY.
- In **3Q20**, the group of **Other Operating Revenues and Expenses** reached a negative value of R\$717 million, mainly due to hedge accounting.
- The **financial result** reached a negative value of R\$156 million, with cost of debt partially offset by the appreciation of Usiminas shares, generating a gain of R\$537 million without cash effect.

	3Q20	2Q20	3Q19	3Q20 x 2Q20	3Q20 x 3Q19
Financial Result - IFRS	(156)	285	(840)	(441)	684
Financial Revenue	574	457	114	117	460
Financial Expenses	(730)	(172)	(954)	(558)	224
Financial Expenses(ex-exchange rate variation)	(660)	(154)	(672)	(506)	12
Result with Exchange Rate Variation	(70)	(18)	(282)	(52)	212
Monetary and Exchange Rate Variation	(708)	(1.268)	(1.329)	560	621
Hedge Accounting	652	1.275	1.043	(623)	(391)
Derivative Result	(14)	(25)	4	11	(18)

- **Equity Pick-up** was positive by R\$26 million in **3Q20**, compared to R\$29 million in 2Q20, due to higher eliminations in the period.

	3Q20	2Q20	3Q19	3Q20 x 2Q20	3Q20 x 3Q19
MRS Logística	55	56	85	-1%	-35%
CBSI	0	0	3	0%	-100%
TLSA	(6)	(12)	(6)	88%	4%
Arvedi Metalfer BR	(1)	(5)	(0)	84%	214%
Equimaq S.A	(0)		-	0%	0%
Elimination	(22)	(10)	(17)	71%	28%
Equity in Results of Affiliated Companies	26	29	64	-5%	-59%

- In **3Q20**, the Company recorded a **net income of R\$1,262 million**, compared to net income of R\$446 million in 2Q20.

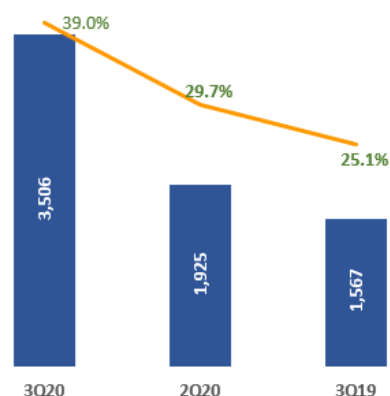
Adjusted EBITDA

	3Q20	2Q20	3Q19	3Q20 x 2Q20	3Q20 x 3Q19
Profit (loss) for the Period	1,262	446	(871)	816	2,132
(-) Depreciation	461	428	352	33	109
(+) Income Tax and Social Contribution	742	392	301	350	441
(+) Finance Income	156	(285)	840	441	(684)
EBITDA (ICVM 527)	2,620	981	622	1,639	1,998
(+) Other Operating Income (Expenses)	717	791	863	(74)	(146)
(+) Free Cash Flow Hedge Accounting - Exchange Rate	374	775	-	(401)	374
(+) Free Cash Flow Hedge Accounting - Platts Index	133	-	-		
(+) Others	210	16	-	194	210
(+) Equity in Results of Affiliated Companies	(26)	(28)	(64)	2	38
(+) Proportional EBITDA of Jointly Owned Subsidiaries	195	182	146	13	49
Adjusted EBITDA	3,506	1,925	1,567	1,581	1,939

*The Company discloses adjusted EBITDA excluding interests in investments and other operating income (expenses) understanding that these items should not be considered when calculating the recurring operating cash flow.

- **Adjusted EBITDA** reached a record of R\$3,506 million in **3Q20**, compared to R\$1,925 million in the second quarter, due to an increase in sales volume, mainly in the volume of steel sold in the domestic market and iron ore in the foreign market. Adjusted EBITDA margin reached 39% or up by 9.2 p.p. YoY.

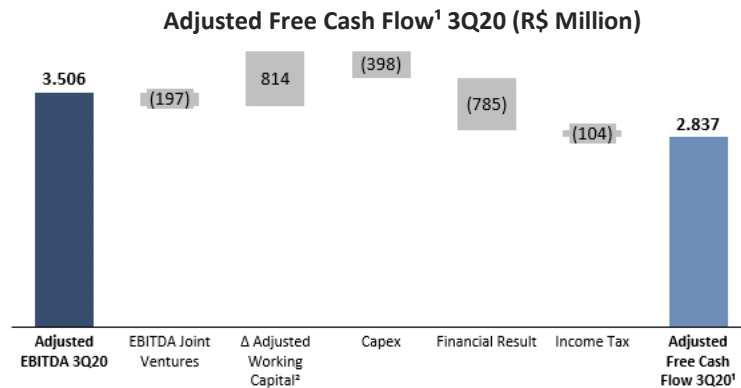
Adjusted EBITDA (R\$ Million) and Adjusted Margin¹ (%)



¹ Adjusted EBITDA margin is calculated as the ratio between Adjusted EBITDA and Adjusted Net Revenue, which considers stakes of 100% in CSN Mineração and 37.27% in MRS and 50% in CBSI (50% 3Q19, 100% 3Q20).

Adjusted Free Cash Flow¹

Adjusted Cash Flow in 3Q20 reached R\$2,837MM, positively affected mainly by the higher Ebitda and by the positive variation in working capital due to the sharp decrease in inventory.

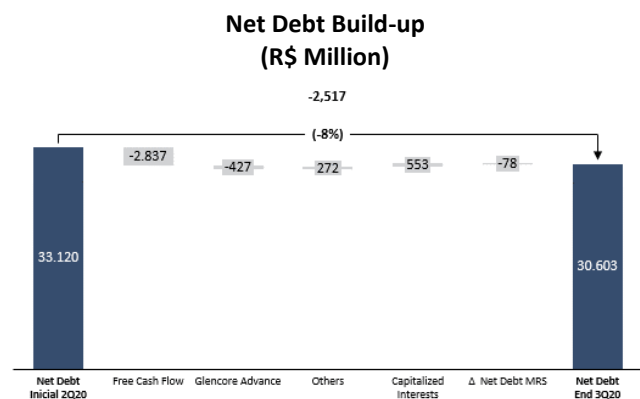
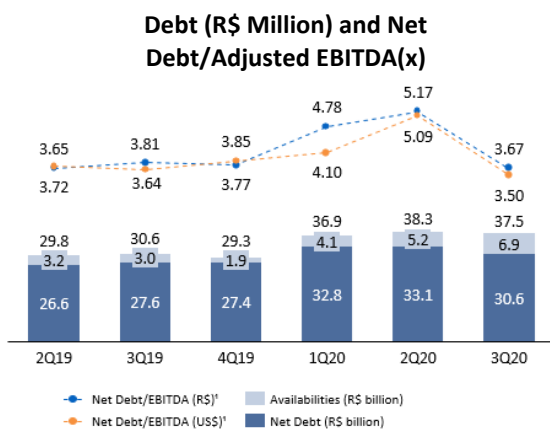


¹Adjusted Free Cash Flow is calculated from Adjusted EBITDA less EBITDA of Joint Subsidiaries, Capex, Income Tax, Financial Income (Expenses), and variation of Assets and Liabilities², excluding the impact of Glencore's advance.

²Adjusted Working Capital² includes the variation in Net Working Capital (+R\$264MM), plus the variation in long-term assets and liabilities accounts (R\$701MM) and disregards the net variation of Income Tax and Social Contribution Tax for consumption (+R\$3MM), dividends payable (-R\$16MM) and non-cash CAPEX (-R\$42MM) and AFAC TLSA non-cash (-R\$95MM).

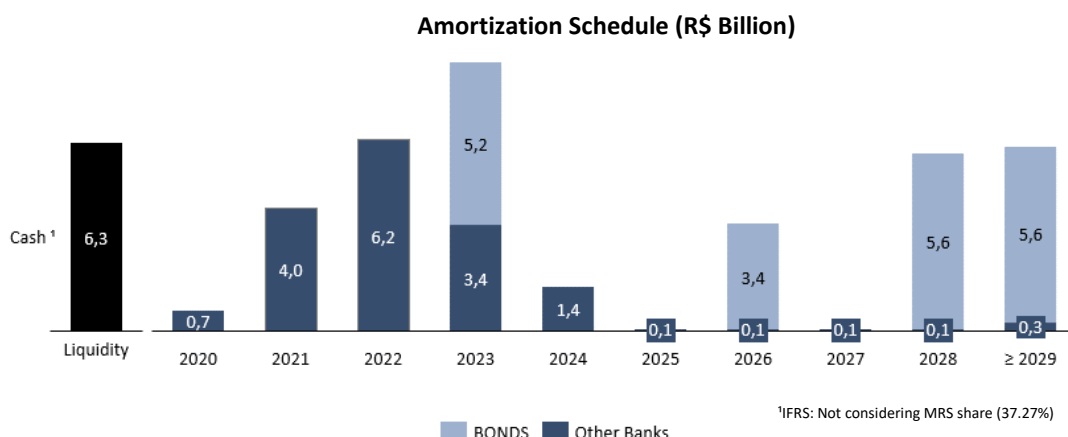
Indebtedness

On September 30, 2020, the consolidated net debt reached R\$30,603 million, with the exchange rate change offset by the strong cash generation in the period and the inflow of funds from iron ore prepayment. The net debt/EBITDA ratio reached 3.67x, a considerable decrease due to the strong cash flow.



¹Net Debt / EBITDA: For debt calculation purposes consider the final dollar for each period and for net debt and EBITDA the average dollar for the period.

In 3Q20 and at the beginning of 4Q20, the Company continued to extend its liabilities, obtaining approvals for an extension of R\$600 million with private banks.



¹IFRS: Not considering MRS share (37.27%)

Foreign Exchange Exposure

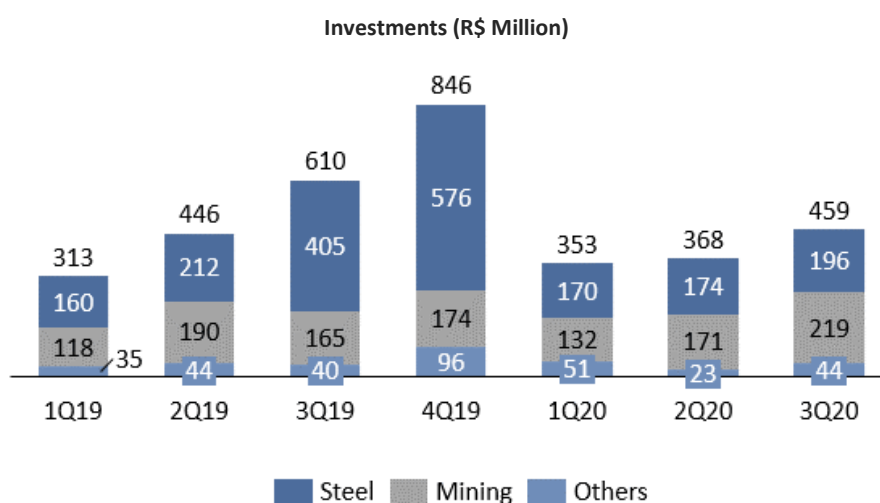
Net exchange exposure of the consolidated balance sheet on September 30, 2020 was US\$88 million, as shown in the table below, in line with the company's policy of minimizing the impacts of exchange rate volatility on results.

Hedge Accounting adopted by CSN correlates projected export in dollar with scheduled debt payments in the same currency. Therefore, the exchange rate variation of the dollar-denominated debt is temporarily accounted for under shareholders' equity and recorded in the income statement when dollar revenues from exports are received.

	3Q20	2Q20	3Q19	3Q20 x 2Q20	3Q20 x 3Q19
Cash	428	412	200	4%	114%
Accounts Receivable	276	240	337	15%	-18%
Short-term investment	23	24	-	-4%	0%
Loans and Financing	(4,464)	(4,752)	(4,219)	-6%	6%
Trade Payables	(143)	(142)	(110)	1%	30%
Iron Ore Derivatives	(47)	-	-	0%	0%
Others	2	(3)	2	167%	0%
Natural Foreign Exchange Exposure (Assets - Liabilities)	(3,925)	(4,221)	(3,790)	-7%	4%
Cash Flow Hedge Accounting	4,080	4,274	2,737	-5%	49%
Swap CDI x Dollar	(67)	(67)	(67)	0%	0%
Net Foreign Exchange Exposure	88	(14)	(1,120)	729%	108%

Investments

The Company invested R\$459 million in 3Q20, prioritizing reliability and safety projects in Steel and Mining.



Net Working Capital

Net Working Capital invested in the business totaled **R\$3,317 million in 3Q20**, down by R\$264 million due to the decrease in inventories of finished goods due to the more robust demand in the period. The decrease was also possible due to the maintenance of the payment terms, besides the payment extension in the context of COVID-19.

Net Working Capital applied to the business disregards Glencore's advance, as shown in the table below:

	3Q20	2Q20	3Q19	3Q20 x 2Q20	3Q20 x 3Q19
Assets	10,162	9,766	10,495	396	(333)
Accounts Receivable	2,668	1,812	2,412	856	256
Inventories ³	5,189	6,065	6,034	(875)	(844)
Taxes to Recover	1,953	1,558	1,561	395	393
Anticipated Expenses	165	163	312	2	(147)
Dividends Receivable	45	45	46	-	(1)
Other Assets NWC ¹	142	123	130	19	12
Liabilities	6,845	6,185	5,593	661	1,253
Trade Payables	5,166	4,565	4,207	601	958
Payroll and Related Taxes	556	554	483	2	73
Taxes Payable	378	385	198	(7)	180
Advances from Customers	269	155	233	115	37
Provision for Consumption	150	153	344	(3)	(194)
Other Liabilities NWC ²	326	373	128	(47)	199
Net Working Capital	3,317	3,581	4,902	(264)	(1,585)
Operational Indicators	3Q20	2Q20	3Q19	3Q20 x 2Q20	3Q20 x 3Q19
Turnover Ratio (days) Receivable	24	23	32	1	-8
Turnover Ratio (days) Inventory	74	106	105	-32	-31
Turnover Ratio (days) Suppliers	96	99	86	-3	10
Financial Cycle	2	30	51	-28	-49

¹Other Assets NWC: Considers: Advances Employees and Other Accounts Receivable

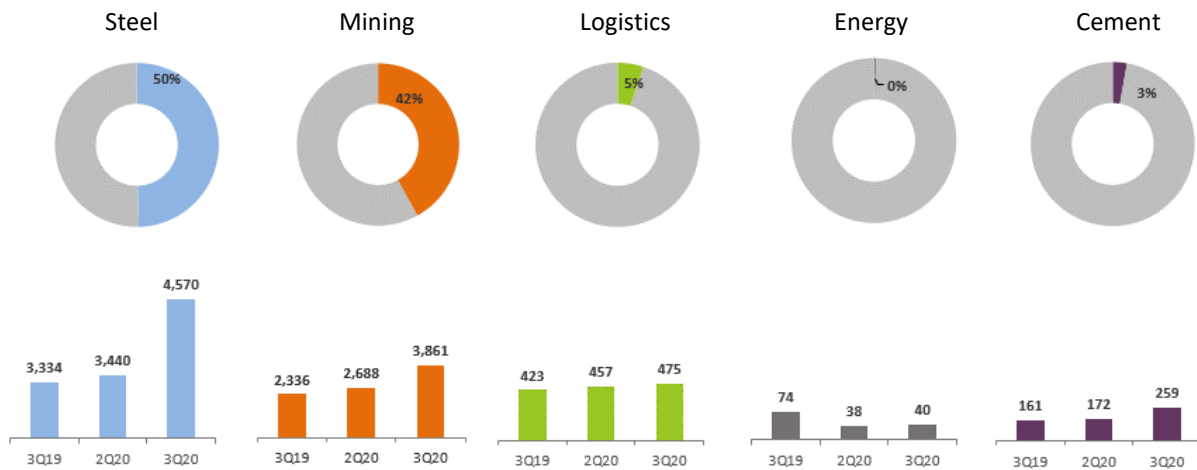
²Other Liabilities NWC: Considers: Other accounts payable, dividends payable, installment taxes and other provisions

³Inventories: Does not consider the effect of the provision for losses on inventories. To calculate the PME, the balances of warehouse inventories are not considered.

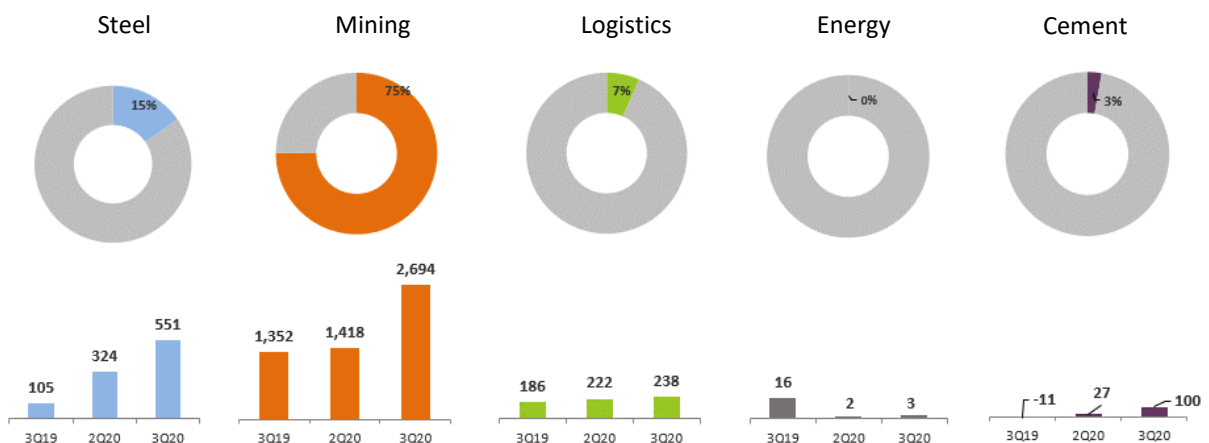
Results by Business Segment

STEEL	MINING	LOGISTICS	ENERGY	CEMENT
				
Usina Presidente Vargas Porto Real Paraná Lusosider Prada (Distribution and Packaging) Long Steel (UPV) SWT	Casa de Pedra Tecar Engenho Pires Fernandinho ERSA	Railways: MRS and FTL Port: Sepetiba Tecon	CSN Energia Itasa	Volta Redonda Arcos

Net Revenue by Segment – 3Q20 (R\$ Million)



Adjusted EBITDA by Segment – 3Q20 (R\$ Million)



3Q20 Results (R\$ Million)	Steel	Mining	Port Logistics	Railway Logistics	Energy	Cement	Corporate Expenses/ Eliminations	Consolidated
Net Revenue	4,570	3,861	58	418	40	259	(491)	8,715
Domestic Market	3,299	429	58	418	40	259	(878)	3,625
Foreign Market	1,271	3,432	-	-	-	-	387	5,089
COGS	(4,022)	(1,291)	(38)	(273)	(34)	(170)	694	(5,133)
Gross Profit	548	2,570	20	144	6	89	203	3,581
SG&A	(231)	(44)	(9)	(29)	(8)	(21)	(390)	(731)
Depreciation	234	167	8	104	4	32	(88)	461
Proportional EBITDA of Jointly Owned Subsidiaries	-	-	-	-	-	-	195	195
Adjusted EBITDA	551	2,694	19	219	3	100	(80)	3,506

2Q20 Results (R\$ Million)	Steel	Mining	Port Logistics	Railway Logistics	Energy	Cement	Corporate Expenses/ Eliminations	Consolidated
Net Revenue	3,440	2,688	75	382	38	172	(574)	6,221
Domestic Market	2,124	345	75	382	38	172	(778)	2,358
Foreign Market	1,316	2,343	-	-	-	-	204	3,863
COGS	(3,109)	(1,367)	(51)	(260)	(33)	(161)	604	(4,378)
Gross Profit	330	1,321	23	122	5	11	30	1,843
SG&A	(228)	(44)	(9)	(28)	(7)	(21)	(190)	(527)
Depreciation	222	141	8	105	4	37	(90)	428
Proportional EBITDA of Jointly Owned Subsidiaries	-	-	-	-	-	-	182	182
Adjusted EBITDA	324	1,418	22	200	2	27	(68)	1,925

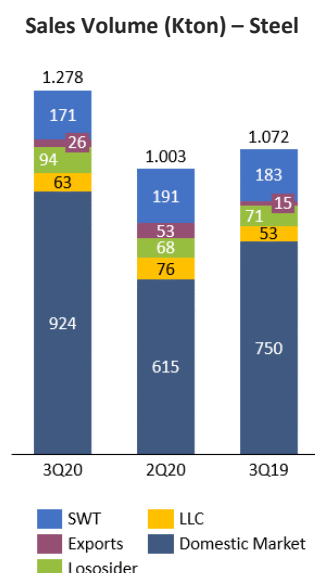
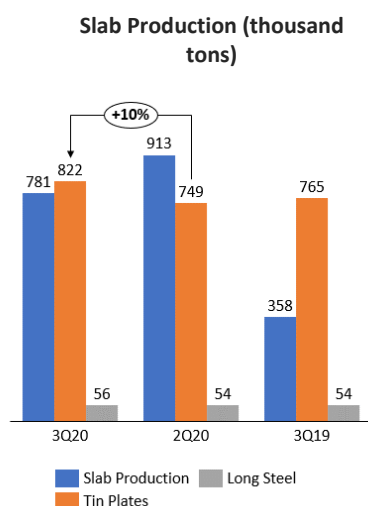
3Q19 Results (R\$ Million)	Steel	Mining	Port Logistics	Railway Logistics	Energy	Cement	Corporate Expenses/ Eliminations	Consolidated
Net Revenue	3,334	2,336	69	354	74	161	(322)	6,006
Domestic Market	2,417	142	69	354	74	161	(540)	2,677
Foreign Market	917	2,194	-	-	-	-	218	3,330
COGS	(3,190)	(1,071)	(43)	(258)	(56)	(180)	427	(4,370)
Gross Profit	144	1,265	26	96	19	(19)	106	1,636
SG&A	(198)	(51)	(9)	(26)	(8)	(25)	(251)	(567)
Depreciation	159	138	2	97	4	33	(83)	352
Proportional EBITDA of Jointly Owned Subsidiaries	-	-	-	-	-	-	146	146
Adjusted EBITDA	105	1,352	19	166	16	(11)	(81)	1,567

CSN's Steel Results

According to the World Steel Association (WSA), global crude steel production totaled 311.1 million tonnes (Mton) in the YTD for July and August 2020, down by 0.3% YoY. China alone produced 188.2 Mton, up by 8.7%, while in the European Union and North America there was a decrease year-on-year.

In **3Q20**, CSN's **slab production** totaled 781,000 tons, down by 15% over 2Q20 due to the strategic shutdown of BF#2 at the end of May, which shows a substantial evolution in performance of BF#3 after 2019's general renovation.

In **3Q20**, total sales reached **1,278,000** tons, up by 27.4% over 2Q20, mainly due to the recovery in the domestic market after the peak of the pandemic, as well as the good use of galvanized products in the foreign market.



In **3Q20**, the volume of steel sold on the domestic market totaled 923,000 tons, up by 50% over 2Q20 due to the strong recovery after the peak of the pandemic. Of this total, 869,000 tons refer to flat rolled steel and 54,000 tons to long rolled steel. According to the Brazilian Steel Institute (IABr), apparent consumption based on the monthly average (July and August 2020), increased by 29% over 2Q20.

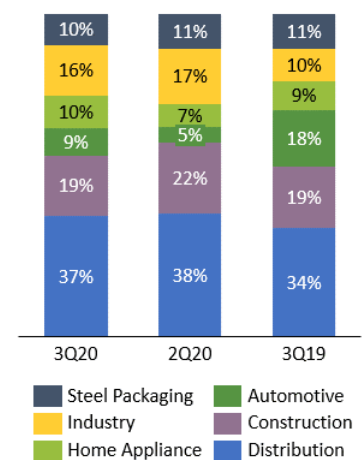
In the **Foreign Market**, sales in **3Q20** totaled 355,000 tons, down by 9% compared to the previous quarter, due to the seasonality in Germany and the return of the use of quotas in the U.S. market. During this period, 26,000 tons were exported directly and 329,000 tons were sold by subsidiaries abroad, with 63,000 tons sold by LLC, 171,000 tons by SWT and 94,000 tons by Lusosider.

- In **3Q20**, regarding **total sales volume**, the share of products coated with flat steel remained stable at 53% QoQ and YoY. Sales volumes for the automotive (+165%), white goods (108%) and distribution (+52%) segments were the period's positive highlights, with a strong recovery after the impact of the pandemic in 2Q20.

According to ANFAVEA (National Association of Automotive Vehicle Manufacturers), in the **monthly average of the third quarter of 2020 for the production of cars, light commercial vehicles, trucks and buses** reached 190,700 units, up by 300% QoQ, however still below the monthly average of 245,000 in 2019.

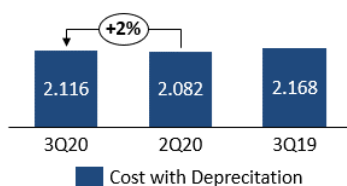
According to IBGE, production of household appliances fell by 5% YTD on a YoY basis.

**Sales by Market Segment
3Q20/2Q20/3Q19**

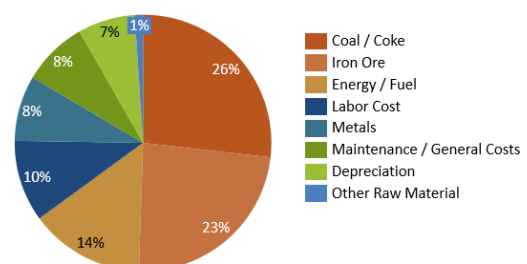


- Steel's **Net Revenue** reached R\$4,570 million in **3Q20**, up by 33% over 2Q20. The domestic recovery, the devalued exchange rate and the improvement in international prices led to adjustments in the main product lines over the period. The **average price** evolved in both markets (**+4.6% in the Domestic Mkt and +5.3% in exports**) QoQ.
- Slab Production Cost** in **3Q20** reached R\$2,116/t, an increase of only 1.6% QoQ, offsetting a higher increase of costs with operational efficiency despite an increase in iron ore and the devalued exchange rate in the quarter.

Slab Cost (R\$/t)



3Q20 Production Costs

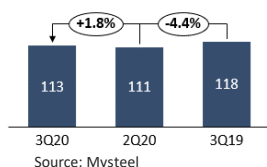


- Adjusted EBITDA** reached R\$551 million in **3Q20**, up by 70% over 2Q20, with an EBITDA margin at 12.1%, up by 2.6 p.p. in the period. The profitability significantly improved, from R\$324/ton in 2Q20 to R\$431/ton in 3Q20.

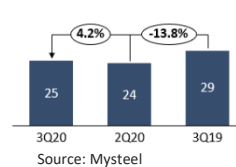
CSN's Mining Results

In 3Q20, stimuli in China led to a strong recovery in steel margins and, despite the pandemic, demand for iron ore increased, leading to higher reference prices. Ore inventories at ports and mills remained at low levels due to the tight supply, which ensured high prices in the period. In this context, **iron ore closed 3Q20 with an average of US\$118.2/dmt (Platts, Fe62%, N. China), up by 27% over 2Q20 (US\$93.3/dmt).**

**Inventory of Iron Ore in Ports
(thousand tons)**



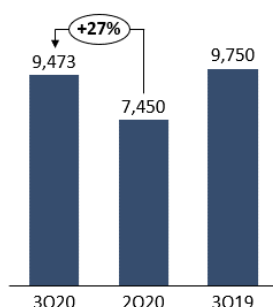
**Inventory of Iron Ore in Mills
(average in days)**



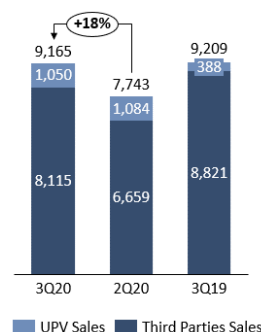
Regarding sea freight, Route BCI-C3 (Tubarão-Qingdao) reached an average of US\$17.9/wmt in 3Q20, up by 51% QoQ due to the growing demand and seasonality.

- In **3Q20**, CSN's **Iron Ore Production** reached 9.4 million tons, up by 27% QoQ, due to the expected growth of the new mining fronts, leading to a return of the normal production.
- In **3Q20**, **sales volume** reached 9.2 million tons, up by 18% QoQ due to the higher availability of iron ore.

**Total Production - Mining
(thousand tons)**



**Sales Volume – Mining
(thousand tons)**



- In **3Q20**, Mining **Net Revenue** totaled R\$3,861 million, up by 44% QoQ, due to the higher sales volume (+18%) together with the devalued exchange rate and strong realization price. **Net Unit Revenue** reached **US\$78.3** per wet ton, up by 21% QoQ.
- **Cost of Goods Sold** from mining totaled **R\$1,291 million** in **3Q20**, down by 6% due to the better production performance. FOB Cash Cost totaled USD15.4/t in 3Q20, down by 9% due to the higher volume produced in the period and the devalued exchange rate.
- **EBITDA** reached **R\$2,694 million** in **3Q20**, a record margin of 70%, reflecting the recovery in sales volume, cost control and Platts appreciation.

Cement Results

In **3Q20**, Cement's **Net Revenue** reached R\$259 million, up by **50%** QoQ due to the higher sales volume (+16%) over **2Q20**, in addition to price increases, which contributed to the change in the **EBITDA** level of R\$100 million and a **record EBITDA margin of 39%**.

CSN's Logistics Results

Railway Logistics: In **3Q20**, **Net Revenue** reached R\$418 million, with an **EBITDA** of R\$219 million and an **EBITDA margin** of 52.4%.

Port Logistics: In **3Q20**, 156,000 tons of steel products were shipped by Sepetiba Tecon, in addition to 4,000 tons of general cargo, about 44,000 containers and 181,000 tons of bulk goods. **Net Revenue** reached R\$58 million, generating an **EBITDA** of R\$19 million, with an **EBITDA Margin** of 33.0%.

Energy Results

In **3Q20**, the volume of energy traded totaled a **net revenue** of R\$40 million, with an **EBITDA** of R\$3 million and an **EBITDA margin** of 7.1%.

ESG – Environmental, Social & Governance

Sustainability

The last quarter also had major advances in the Company's ESG agenda. CSN was recognized, once again, with the gold seal of the "GHG Protocol" Program, which certifies the disclosure of inventories of greenhouse gas (GHG) emissions.

Currently, about 140 organizations present their data, making their Public Emissions Record the largest base of corporate inventories available in Latin America, with CSN participating in the program from the beginning and having a gold seal since 2014.

Also, in the last quarter, for the tenth consecutive year, we concluded the report to the "Carbon Disclosure Project (CDP)". The purpose of this initiative is to disseminate information on companies' policies and results on the following subjects: Climate Change, Supply Chain and Water Resources.

This year, for the first time, the Company will have its information available to all audiences, as soon as the information is published on this platform.

Safety and Health:

Safety is our main priority and the result of our efforts towards the zero-accident target has been successively reflected in our indicators.

Actions focused on risk management have been key to prevent accidents.

Throughout CSN group, we recorded a 20% drop YoY in accident rates with and without leave (CAF+SAF), in occurrences with own and outsourced employees.

Environmental Licenses and Management of Dams

Completely independent of the use of dams for its production process, CSN Mineração obtained important environmental licenses in the last quarter, including: Fraile II Tailings Pile Operating License and Authorization for Environmental Intervention to Build B4 Dam's Waist Channel - to drain any water that enters the dam - formalizing the start of its de-characterization process, which should be concluded in 2023.

Considering the last 6 months, we obtained three other important environmental licenses:

- Installation of Itabiritos processing plant, with capacity for 10 Mtpy;
- Implementation and operation of a waste pile called Batateiro IIIA;
- Operation for mining expansion in Mascate body;

All within the expected schedule to meet our expansion projects.

Also regarding the management of dams, in the last quarter we concluded the works to de-characterize B5 Casa de Pedra and Vigia Auxiliar dam, which has already been inspected by ANM (National Mining Agency) and FEAM (State Foundation for the Environment-MG). The only thing missing is the expert opinion with the final approval issued by these bodies.

In this quarter, the implementation of the Municipal Plan for Dam Safety also started, a joint initiative between the City Hall and the mining companies in the municipality of Congonhas, with an investment of over R\$6 million from CSN Mineração. The plan's purposes are, among others: building a modern headquarters for civil defense, acquiring vehicles and equipment, preparing the Integrated Contingency Plan considering all mining companies, signaling and advertisement campaign, as well as training the municipal brigade.

Biodiversity and Social Responsibility

In its relationship with the community, CSN Mineração kept the schedule of bimonthly routine meetings with several representatives of the public/private sector and communities, with the purpose of discussing demands, criticisms and suggestions to minimize or mitigate the social and environmental impacts inherent to its enterprises.

In this sense, "Casa de Apoio CSN", located in the neighborhood Residencial, in Congonhas-MG, is an important communication channel with the community. Besides, we have expanded the scope of our Environmental Education Program (PEA), working monthly with the internal and external public on key environmental aspects, promoting the development of a collective awareness, and, therefore, contributing to environmental conservation in the company's operating area.

In the last quarter, CSN Mineração carried out important actions to protect the Biodiversity. Among them, regularizing lands and donating areas to ICMBIO located in the Sempre Vivas National Parks and Cavernas do Peruaçu National Park. All of them included in the São Francisco River basin, contributing to the preservation of biodiversity and water recharge in that region.

Coping with COVID-19

The company has been constantly raising the awareness of employees, maintaining the measures to fight COVID19. Our efforts include, but are not limited to, the measures listed below:

- Reinforcing internal notices with information on how to avoid Covid-19;
- Reinforcing the cleaning process of the rooms, making hand sanitizers available in all plants;
- Distributing protection masks for each employee;
- Medical protocols such as: measuring the body temperature of all employees before their access to plants and offices, RT-PCR testing in symptomatic cases and in possible contacts;
- Maintaining social distance;
- Keeping employees belonging to Risk Groups on leave of absence or working from home;
- Canceling in-person meetings, in the units or outside, as well as internal and external training, using electronic means to make work contacts.

These measures, among others, kept infection rates low, preserving the health and lives of our employees and ensuring that there is no impact on our operational performance.

Capital Markets

In the **third quarter of 2020**, CSN's shares appreciated 55.81%, while the Ibovespa decreased 1.66%. The average daily value (CSNA3) traded at B3, in turn, was R\$ 191 million. On the New York Stock Exchange (NYSE), the Company's American Depositary Receipts (ADRs) appreciated by 50.00%, while the Dow Jones rose 7.95%. The daily average trading (SID) with ADRs on the NYSE was US\$ 4.6 million.

	2Q20	3Q20
Number of shares (in thousands)	1,387,524	1,387,524
Market Cap		
Closing price (R\$/share)	10.68	16.50
Closing price (US\$/ADR)	1.96	2.94
Market cap (R\$ million)	14,819	23,435
Market cap (US\$ million)	2,720	4,174
Total return including Dividends and Interest on Equity		
CSNA3	56.31%	55.81%
SID	56.97%	50.00%
Ibovespa	33.94%	1.66%
Dow Jones	23.25%	7.95%
Volume		
Daily average (thousand shares)	14,657	13,578
Daily average (R\$ thousand)	132,694	190,637
Daily average (thousand ADRs)	2,109	1,753
Daily average (US\$ thousand)	3,538	4,613

Source: Bloomberg

Webcast – 3Q20 Earnings Presentation	Investor Relations Team
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Conference Call in Portuguese with Simultaneous Translation into English

October 16th, 2020

11:00 a.m. (Brasília Time)

10:00 a.m. (US EDT)

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Some of the statements contained herein are forward-looking statements that express or imply expected results, performance or events. These include future results that may be implied by historical results and the statements under 'Outlook'. Actual results, performance or events may differ materially from those expressed or implied by the forward-looking statements as a result of several factors, such as the general and economic conditions in Brazil and other countries, interest rate and exchange rate levels, protectionist measures in the USA, Brazil and other countries, changes in laws and regulations and general competitive factors (on a global, regional or national basis).

**INCOME STATEMENT
CONSOLIDATED - Brazilian Corporate Law (in thousand of Reais)**

	3Q20	2Q20	3Q19
Net Sales Revenue	8,714,583	6,220,683	6,006,393
Domestic Market	3,625,325	2,358,059	2,676,655
Foreing Market	5,089,258	3,862,624	3,329,738
Costs of Goods Sold (COGS)	(5,133,126)	(4,378,065)	(4,370,357)
COGS, excluding Depreciation and Depletion	(4,685,167)	(3,962,839)	(4,026,696)
Depreciation/Depletion allocated to COGS	(447,959)	(415,226)	(343,661)
Gross Profit	3,581,457	1,842,618	1,636,036
Gross Margin (%)	41%	30%	27%
Selling Expenses	(603,629)	(396,847)	(427,703)
General and Administrative Expenses	(114,822)	(117,706)	(131,171)
Depreciation and Amortization in Expenses	(12,667)	(12,356)	(8,459)
Other Income (Expenses), net	(716,868)	(790,794)	(862,600)
Equity in Results of Affiliated Companies	25,970	28,354	64,069
Operating Income Before the Financial Result	2,159,441	553,269	270,172
Net Financial Result	(156,049)	284,857	(840,074)
Income before Income Tax and Social Contribution	2,003,392	838,126	(569,902)
Income Tax and Social Contribution	(741,797)	(392,226)	(300,754)
Profit for the Period	1,261,595	445,900	(870,656)

BALANCE SHEET
Brazilian Corporate Law (in thousand of reais)

	09/30/2020	12/31/2020
Current Assets	18,541,939	12,725,805
Cash and Cash Equivalents	5,724,428	1,088,955
Financial Investments	2,805,381	2,633,173
Accounts Receivable	2,668,369	2,047,931
Inventory	5,035,288	5,282,750
Other Current Assets	2,308,473	1,672,996
Taxes to Recover	1,953,337	1,282,415
Prepaid Expenses	164,588	203,733
Dividends Receivable	45,153	44,554
Derivative Financial Instruments	1,010	1,364
Others	144,385	140,930
Non-current Assets	38,480,152	38,143,471
Long-term Assets	7,401,053	7,626,577
Financial Investments Valued at Amortized Cost	131,317	95,719
Deferred Taxes	2,501,398	2,473,304
Other non-current Assets	4,768,338	5,057,554
Tax to Recover	893,568	2,119,940
Judicial Deposits	372,526	328,371
Prepaid Expenses	130,797	139,927
Credits Related Parties	1,554,207	1,274,972
Others	1,817,240	1,194,344
Investments	3,691,195	3,584,169
Shareholdings	3,530,479	3,482,974
Investments Properties	160,716	101,195
Property, Plant and Equipment	20,033,718	19,700,944
Fixed Assets in Operation	19,534,913	19,228,599
Lease	498,805	472,345
Intangible Assets	7,354,186	7,231,781
TOTAL ASSETS	57,022,091	50,869,276
Current Liabilities	12,861,250	11,619,957
Payroll and Related Taxes	404,057	317,510
Trade Payables	4,560,230	3,012,654
Taxes Payable	1,664,726	541,027
Loans and Financing	3,598,537	5,125,843
Other Payables	2,553,077	2,526,444
Dividends and JCP Payable	40,977	13,252
Customer Advances	962,789	787,604
Payables - Drawee Risk	605,385	1,121,312
Lease Liabilities	84,675	35,040
Other Payables	595,968	569,236
Provision for Tax, Social Security, Labor and Civil Risks	80,623	96,479
Non-current Liabilities	37,817,990	27,887,387
Loans, Financing and Debentures	32,559,616	22,841,193
Other Payables	2,704,234	2,493,702
Customer Advances	1,937,420	1,845,248
Lease Liabilities	420,014	439,350
Derivative Financial Instruments	125,051	
Other Payables	221,749	209,104
Deferred Taxes	564,043	589,539
Provisions for Tax, Social Security, Labor and Civil Risks	529,176	526,768
Other Provisions	1,460,921	1,436,185
Deactivation	548,737	524,001
Pension and Health Plan	912,184	912,184
Equity	6,342,851	11,361,932
Social Capital Paid	4,540,000	4,540,000
Capital Reserve	32,720	32,720
Profit Reserve	4,431,200	4,431,200
Accumulated Loss	65,113	
Other Comprehensive Income	(4,072,306)	1,170,624
Non-controlling Interest	1,346,124	1,187,388
TOTAL LIABILITIES AND EQUITY	57,022,091	50,869,276

CASH FLOW
CONSOLIDATED - Brazilian Corporate Law - in thousand of Reais

	3Q20	2Q20	1Q20
Net Cash generated by Operating Activities	3,618,761	1,500,310	466,933
Net income (loss) for the period attributable to controlling shareholders	1,080,786	345,178	(1,360,851)
Net income attributable to non-controlling shareholders	180,809	100,722	49,142
Charges on loans and financing raised	466,546	512,024	470,990
Charges on loans and financing granted	(6,351)	(9,014)	(11,481)
Charges on lease liabilities	13,688	13,070	13,056
Depreciation, depletion and amortization	486,612	452,314	437,507
Equity in results of affiliated companies	(25,970)	(28,354)	45,108
Deferred taxes	37,058	(103,181)	(11,351)
Provisions for tax, social security, labor, civil and environmental risk	(25,168)	11,595	(8,685)
Monetary and exchange rate variation, net	601,370	866,556	522,571
Write-off of fixed and intangible assets	2,387	929	1,400
Adjusted shares – VJR	(535,678)	(527,197)	962,561
Accounts receivable – restitution	(4,428)	(508,326)	-
Provisions for decommissioning and environmental liabilities	10,324	(6,228)	20,640
Provisions (reversal) for consumption and services	(15,802)	(1,209)	37,158
Other provisions	(49,625)	3,189	(1,579)
Working Capital Variation	2,089,056	789,276	(188,011)
Accounts receivable – third parties	(693,056)	376,412	(89,849)
Accounts receivable – related parties	(20,182)	65,145	(31,572)
Inventories	990,260	(427,984)	(13,512)
Taxes to be compensated	529,739	(31,516)	57,227
Judicial Deposits	16,121	(8,753)	(4,749)
Trade Payables	437,752	473,630	341,567
Trade Payables - Drawee Risk	4,565	(336,756)	(183,736)
Payroll and Related Taxes	(7,628)	98,850	(14,420)
Taxex/Refis	581,802	603,969	(61,612)
Trade Payables - Related Parties	2,686	(4,328)	(20,572)
Customer Advances - Glencore	464,222	(223,172)	(130,568)
Others	(217,225)	203,779	(36,215)
Other Payments and Receipts	(686,853)	(411,034)	(511,242)
Interests Paid	(655,039)	(411,034)	(511,242)
Payment of cash flow hedge operations	(31,814)	-	-
Cash Flow from Financing Activities	(523,756)	(419,613)	(404,851)
Investments/Future Advance for capital increase	(33,148)	(36,538)	-
Acquisition of intangible assets	(397,590)	(366,866)	(353,698)
Loans granted - related parties	-	(19,542)	(82,089)
Loans received - related parties	2,031	9,531	3,022
Financial application, net of redemption	(95,049)	(6,198)	27,914
Cash Flow from Financing Activities	(1,578,915)	(136,022)	2,157,127
Loans and financing raised	943,860	510,718	4,553,970
Loan amortizations – principal	(2,346,349)	(610,101)	(2,363,666)
Borrowing costs	(16,751)	(10,041)	(9,131)
Lease amortizations	(24,924)	(26,564)	(23,910)
Dividends Paid	(134,751)	(34)	(136)
Exchange Rate Variation on Cash and Cash Equivalents	(5,214)	(12,261)	(27,026)
Increase (Decrease) of Cash and Cash Equivalents	1,510,876	932,414	2,192,183
Cash and cash equivalents at the beginning of the period	4,213,552	3,281,138	1,088,955
Cash and cash equivalents at the ending of the period	5,724,428	4,213,552	3,281,138