



2Q21 EARNINGS CALL

July 28, 2021



CSNA
B3 LISTED

SID
LISTED
NYSE



FTSE4Good

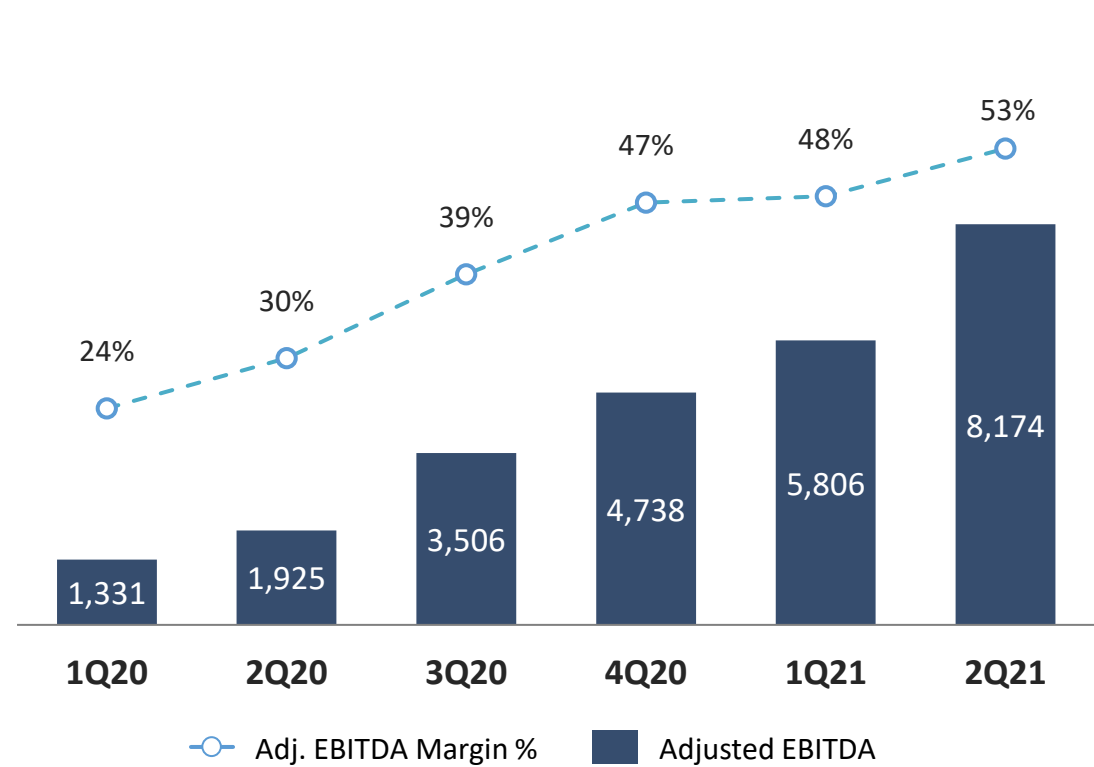
HIGHLIGHTS 2Q21

- 1** New **QUARTERLY RECORD**: Adjusted EBITDA reached R\$8,174 MM in 2Q21, with a margin of 53%. The combination of better prices and cost efficiency in basically all operating segments contributed to this performance;
- 2** Strong operating performance allowed reaching the leverage **guidance** in the first half. Net debt/EBITDA ratio in 2Q21 was 0.6x, a level that reinforces the **SOLID CAPITAL STRUCTURE** of the Company;
- 3** The acquisition of **Elizabeth Cimentos** starts a new growth phase and sector consolidation.

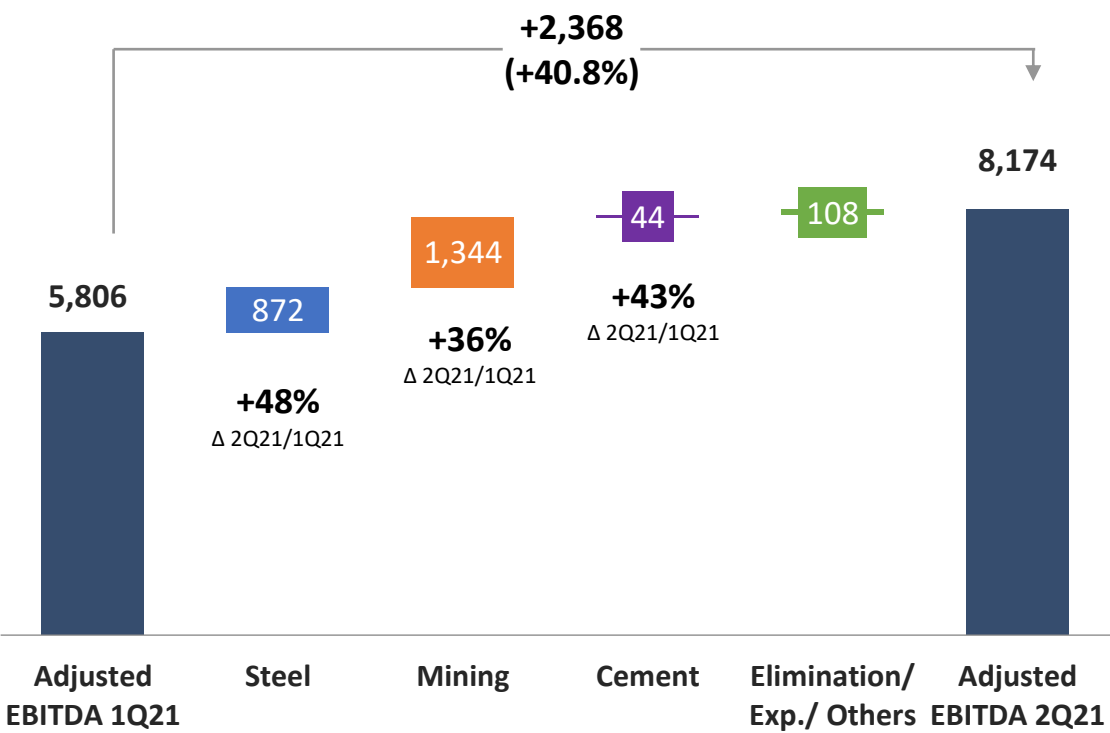


CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

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



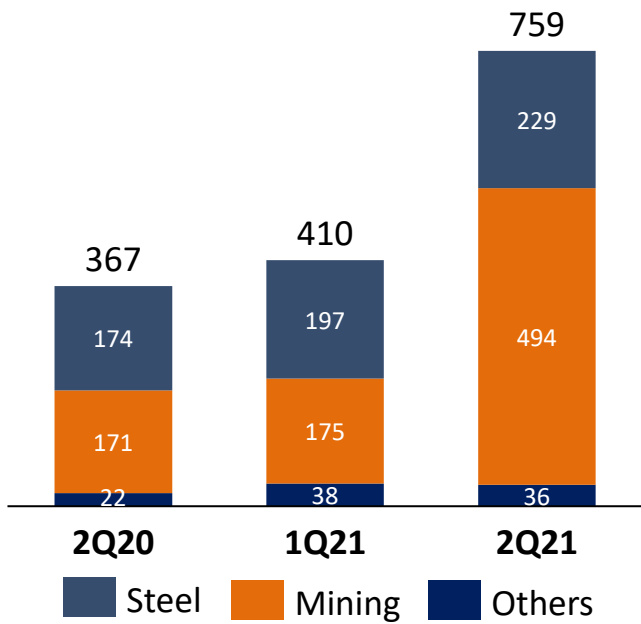
ADJUSTED EBITDA EVOLUTION
(R\$ mm)



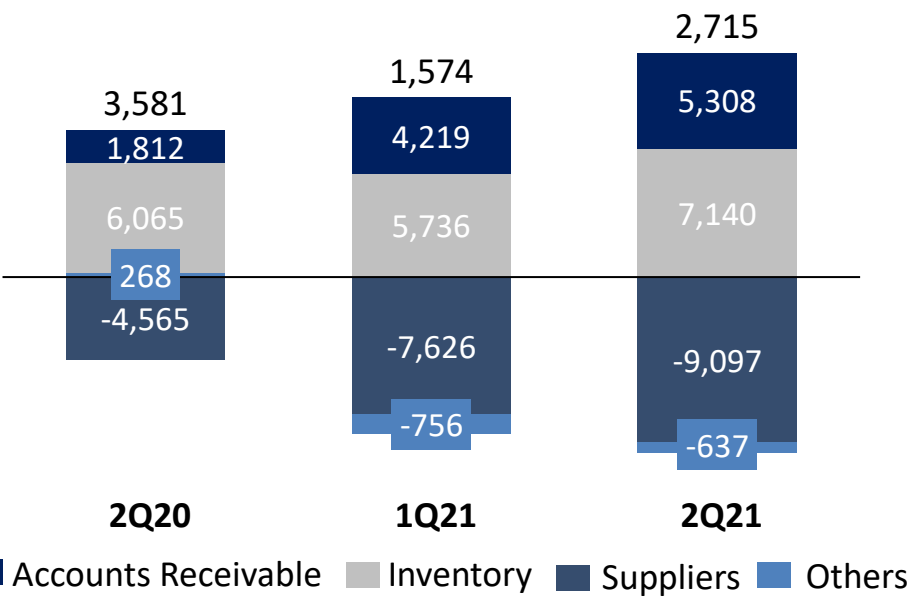
⚙️ Strong increase in EBITDA with a positive contribution from the Steel and Mining sectors.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

CAPEX
(R\$ mm)



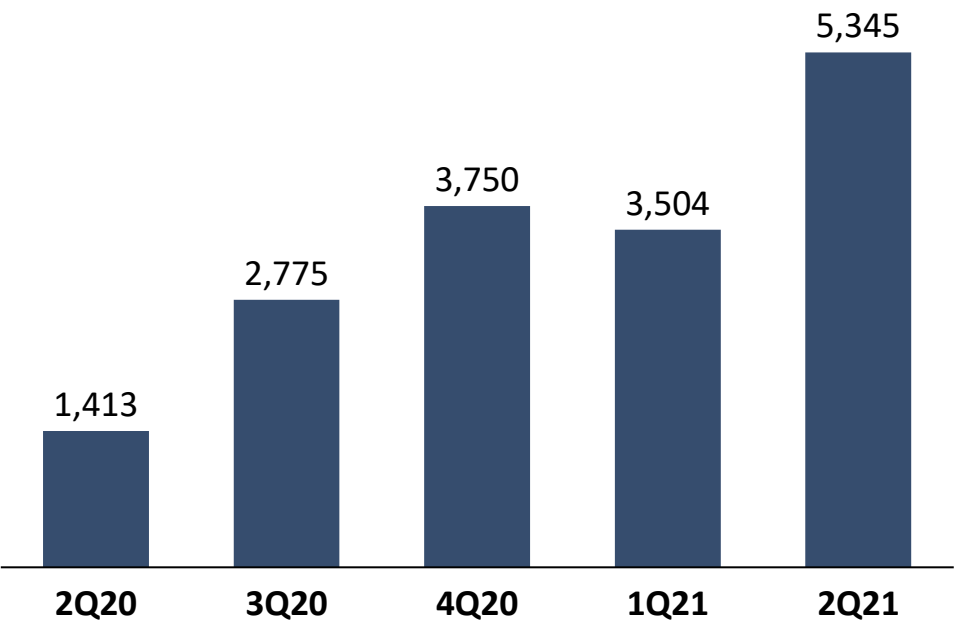
NET WORKING CAPITAL
(R\$ mm)



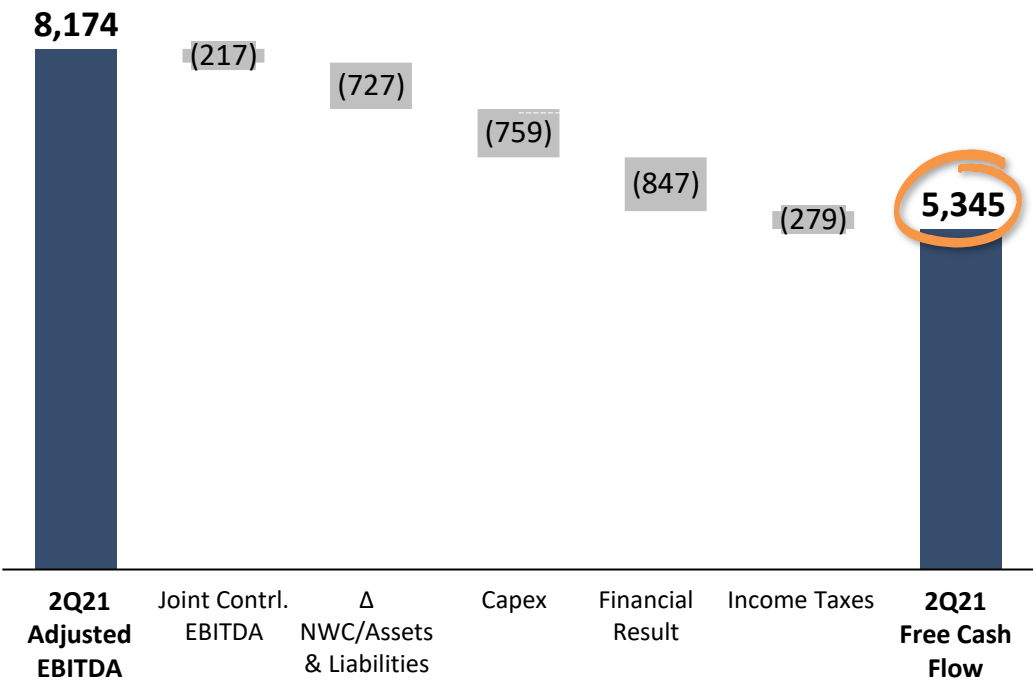
⚙ The acceleration in investments in this quarter, as a result of CMIN's capacity expansion and operational improvement projects, resulted in an increase of more than 85% in Capex when compared to 1Q21.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

ADJUSTED CASH FLOW
(R\$ mm)



ADJUSTED CASH FLOW ¹ - 2Q21
(R\$ mm)

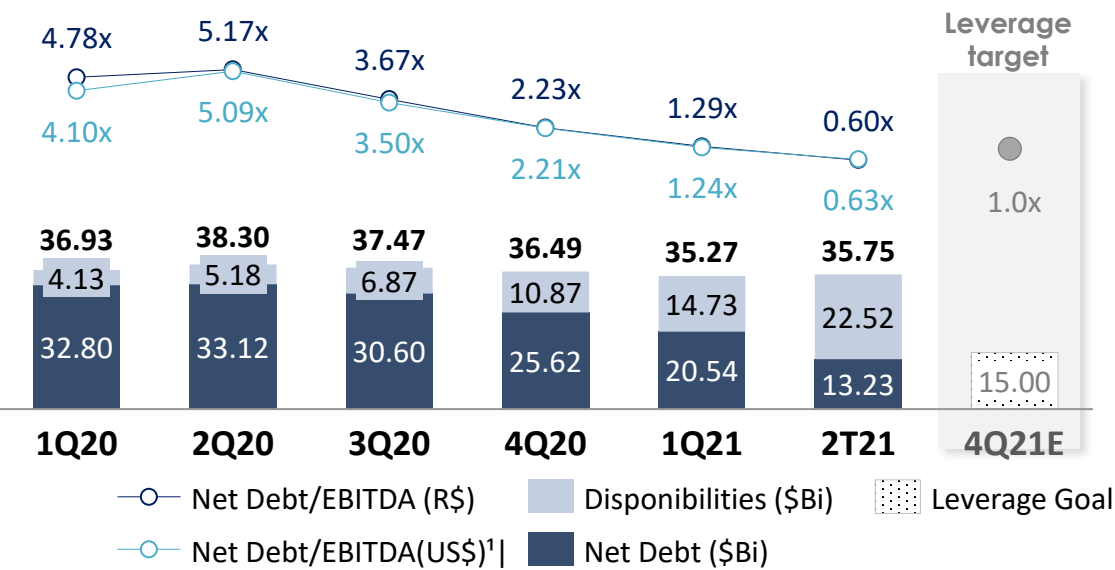


Adjusted Cash Flow positively impacted by the strong EBITDA recorded in the period, which ended up offsetting the exchange rate variation.

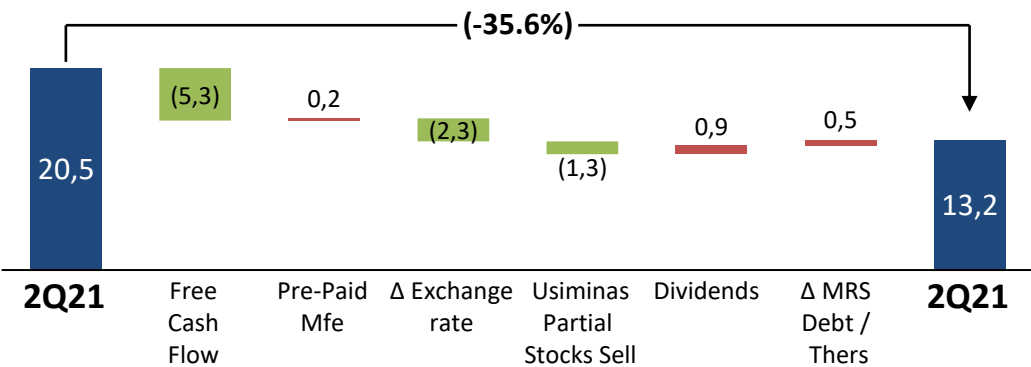
Source: CSN / Note 1: The concept of free cash flow is calculated from the Adjusted Ebitda, subtracting the Ebitda of the Jointly Controlled Companies, CAPEX, IR, Financial Result and changes in Net Working Capital¹, excluding the effect of Glencore advance. Note 2: Adjusted Working Capital for the quarter is composed of the variation in Net Working Capital, plus the variation in long-term assets and liabilities accounts, excluding non-cash items.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

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



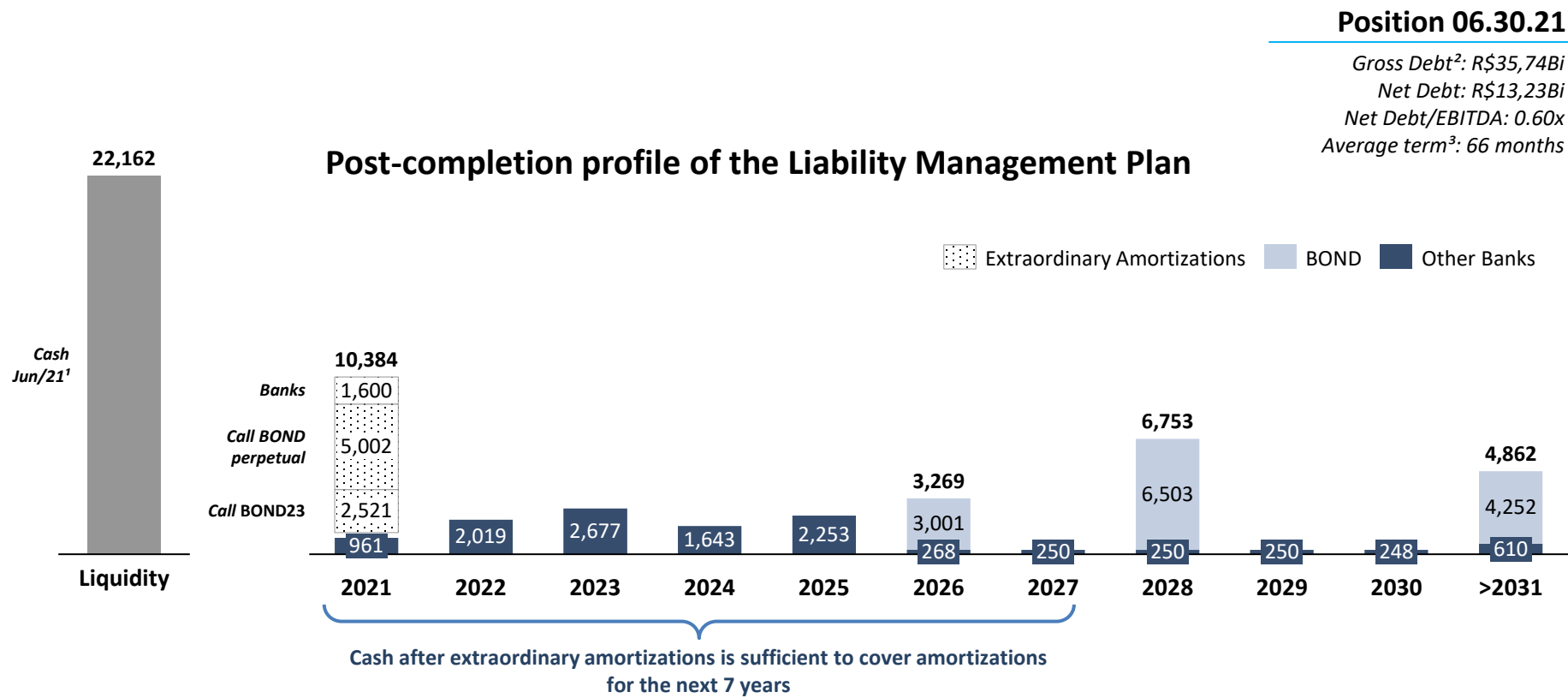
NET DEBT BUILD-UP
(R\$ Billion)



🔗 Strong cash generation, sale of part of USIM5 shares and exchange rate variation brought leverage to a level below the target estimated for this year.

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

DEBT AMORTIZATION SCHEDULE



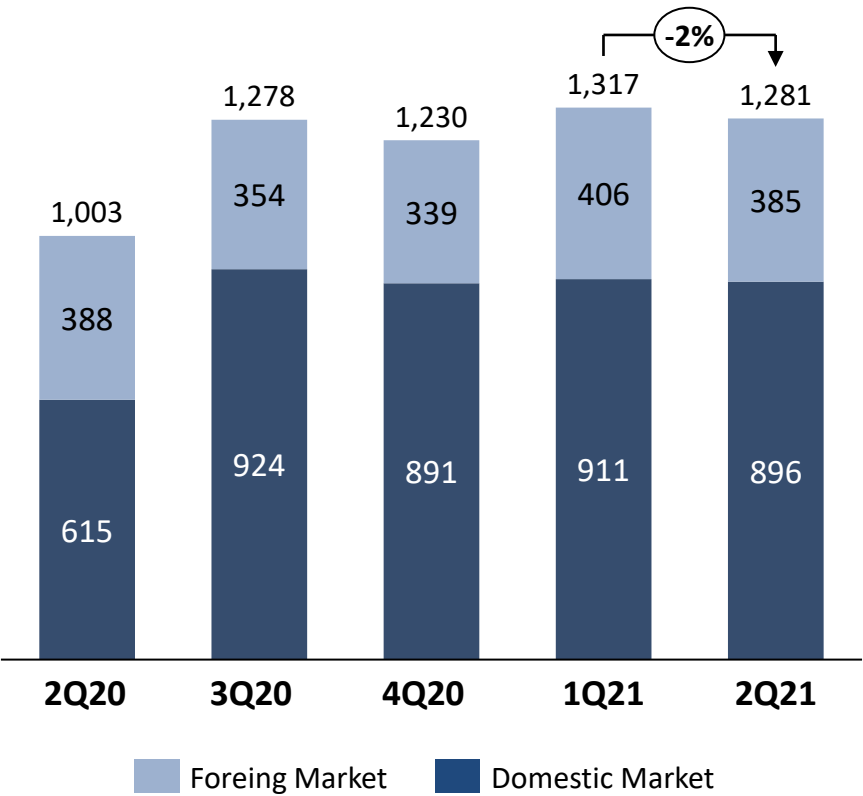
✚ In line with the objective of reducing indebtedness and lengthening debt amortization, the Company anticipated part of the short-term maturities and launched new bonds maturing in 2031, with more attractive interest rates.

A full-page photograph of a steel mill. On the left, large coils of steel are wrapped in clear plastic with blue 'CSN' logos. A worker on the right, wearing a grey hard hat, safety glasses, a light-colored long-sleeved shirt, blue jeans, and heavy-duty gloves, is reaching towards the coils. The background shows industrial machinery, yellow overhead cranes, and a high ceiling with various pipes and structural elements.

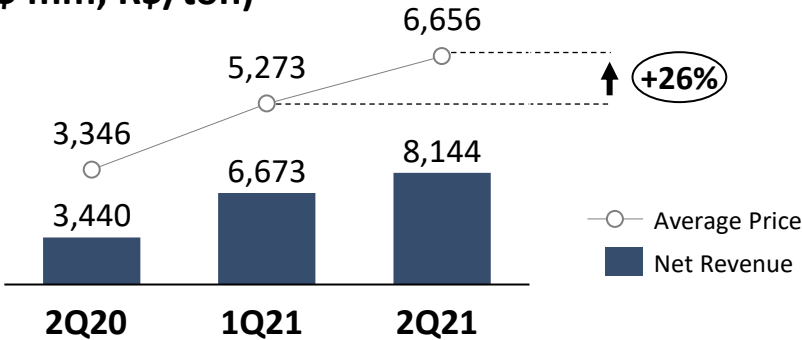
STEEL

STEEL PERFORMANCE

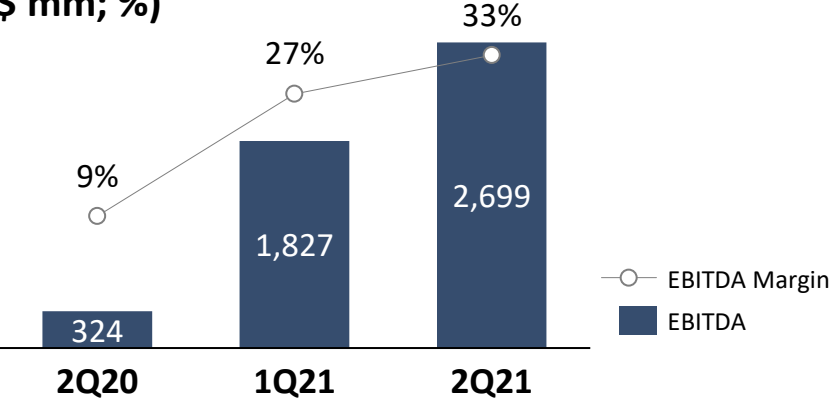
SALES VOLUME
(Thousand tons)



NET REVENUE AND DM AVERAGE PRICE¹
(R\$ mm; R\$/ton)



EBITDA AND EBITDA MARGIN
(R\$ mm; %)

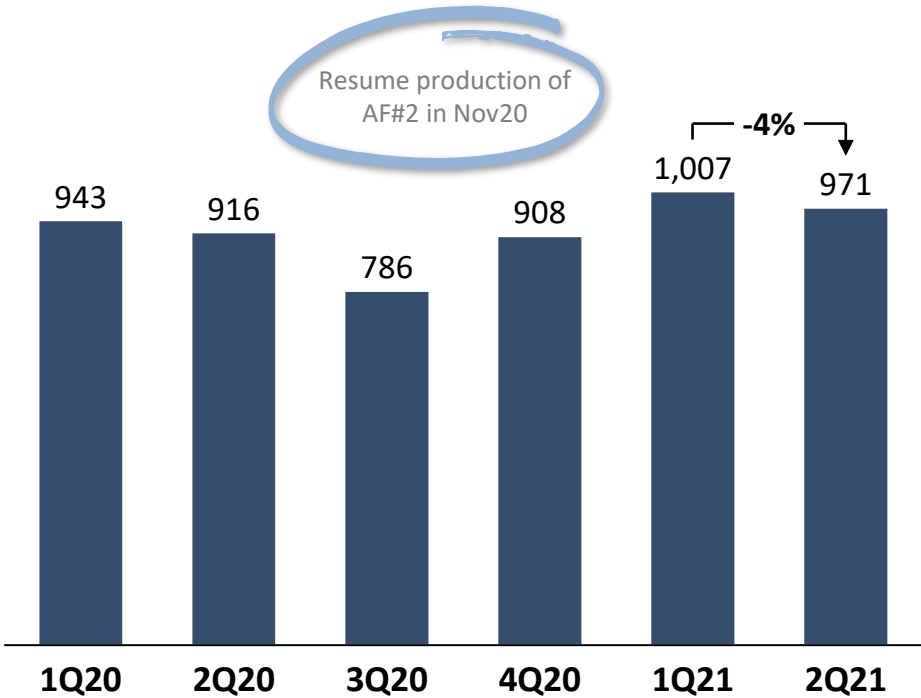


⚙ Favorable environment with heated demand and rising prices contributed to strong revenue and profitability growth.

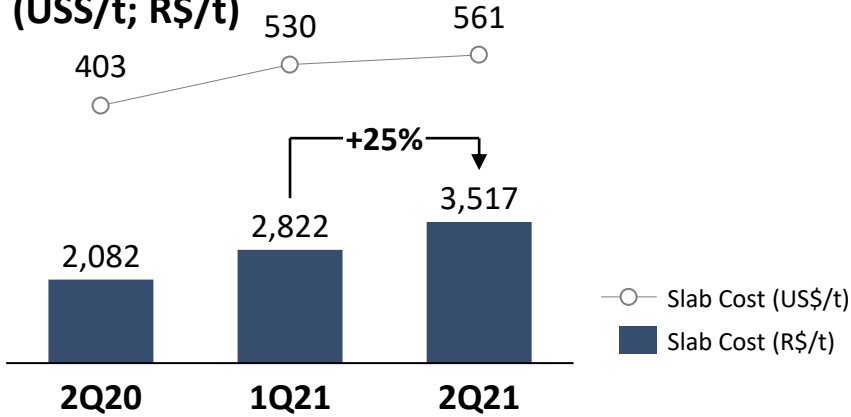
Source: CSN / Note 1: Average price related to Domestic Market.

STEEL INDUSTRY COMPETITIVENESS

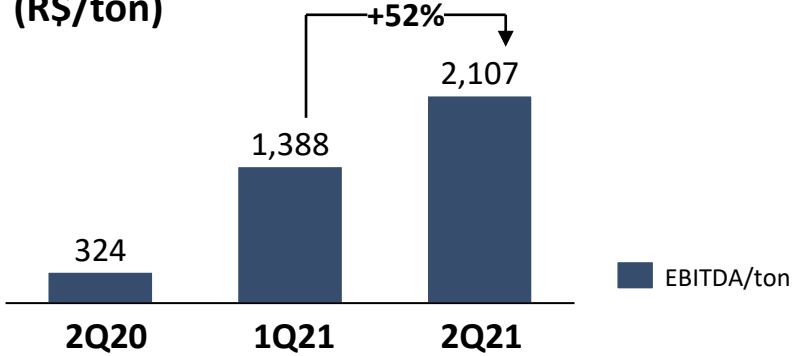
SLAB PRODUCTION VOLUME AT PRESIDENT VARGAS PLANT
(mil/ton)



SLAB COST
(US\$/t; R\$/t)



PERFORMANCE PER TON
(R\$/ton)



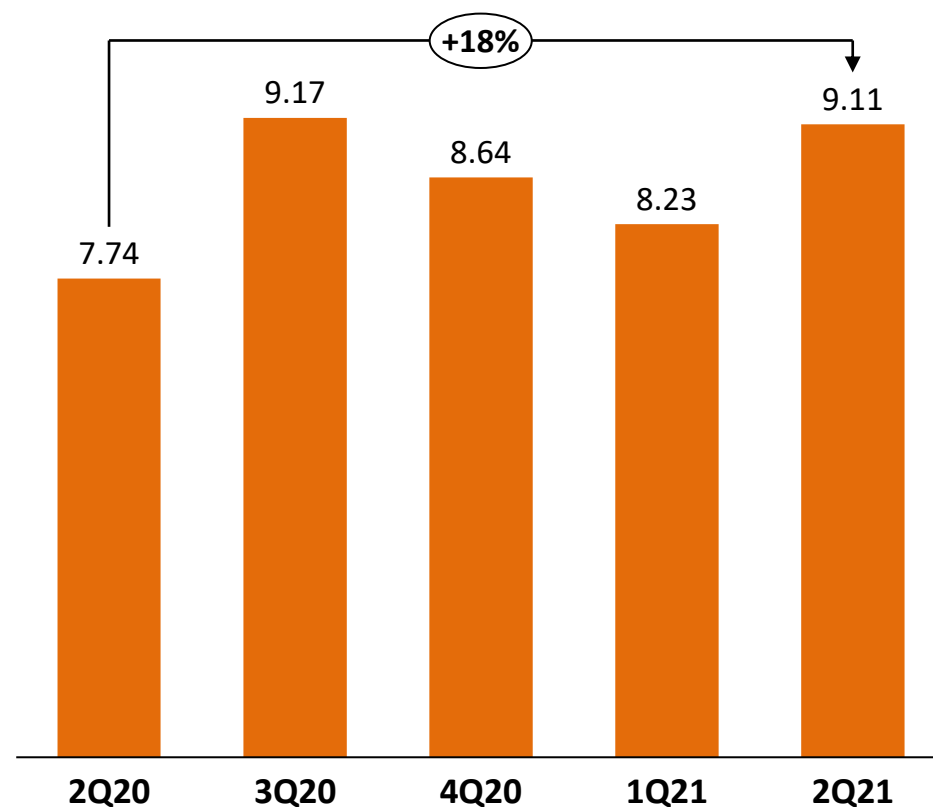
⚙️ A combination of rising prices with a high production rate resulted in a 52% growth in the performance rate and offset the higher costs of iron ore, external coke and pellets.



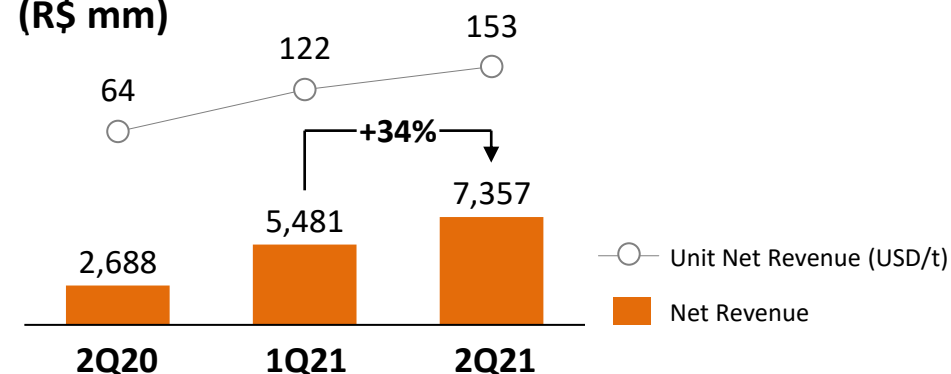
MINING

MINING PERFORMANCE

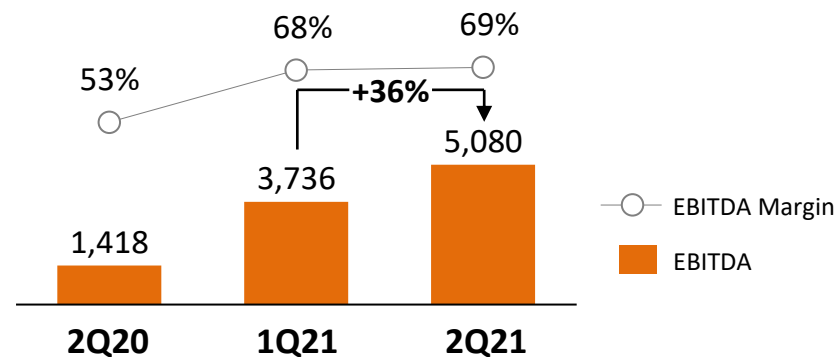
TOTAL SALES VOLUME
(mil/ton)



NET REVENUE
(R\$ mm)



EBITDA AND EBITDA MARGIN
(R\$ mm; %)

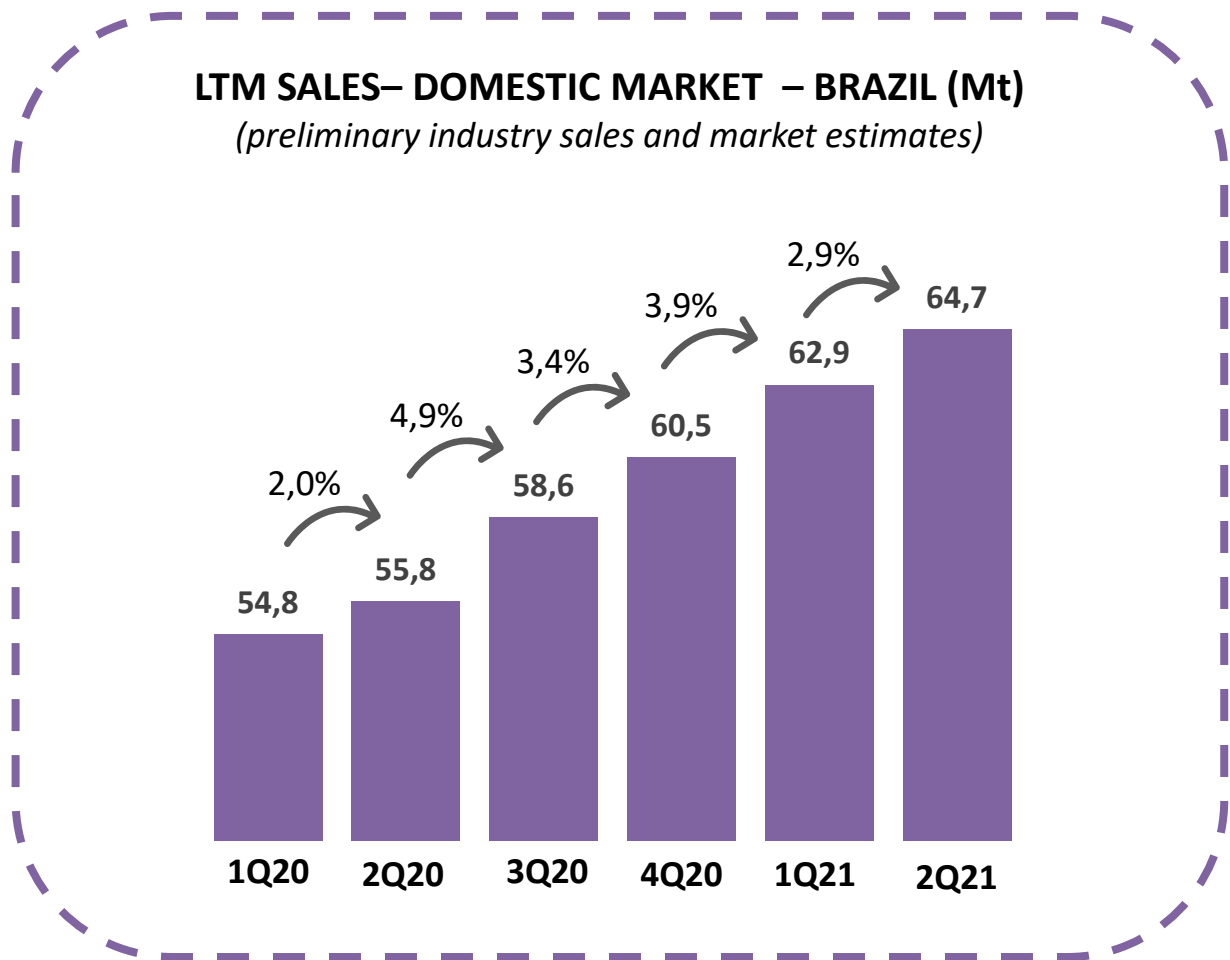


- Another record result registered in mining;
- This performance was achieved thanks to the price of ore in the foreign market and the increase in sales volume.

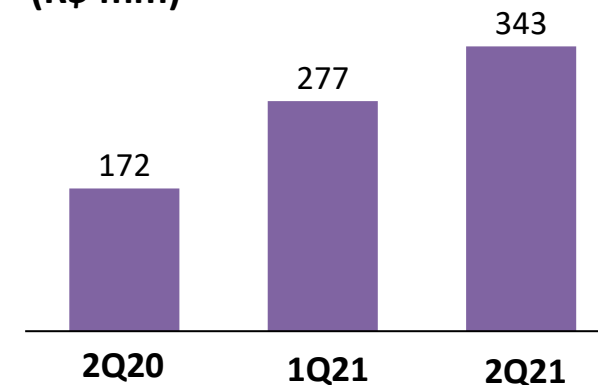
A photograph showing multiple rows of large cement bags stacked in a warehouse. The bags are wrapped in blue and brown paper. The word 'CIMENTO' is printed in large white letters on the blue sections, and the 'CSN' logo is visible on the brown sections. A semi-transparent purple rectangle is overlaid on the left side of the image, containing the word 'CEMENT' in white capital letters.

CEMENT

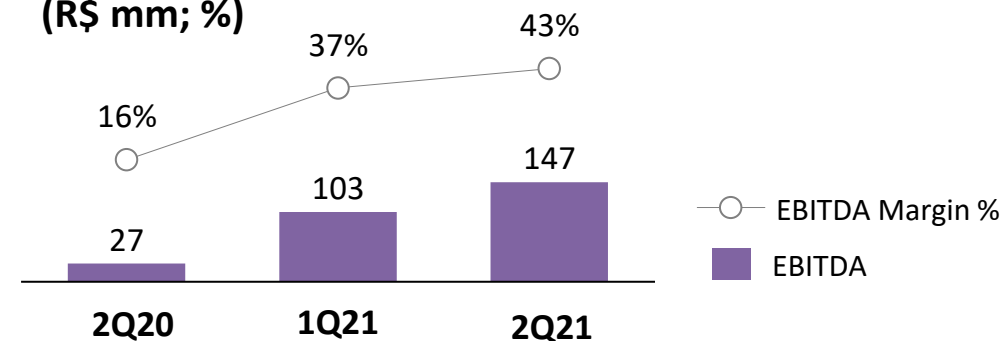
CEMENT PERFORMANCE



NET REVENUE
(R\$ mm)



EBITDA E EBITDA MARGIN
(R\$ mm; %)



➦ Demand for cement remains heated and CSN Cimentos has been able to take advantage of this moment with an increase in sales volume. Additionally, the EBITDA margin reached 43% in 2Q21, which reinforces the efficiency of the operation.

UPDATE OF STRATEGIC PRIORITIES

- 1 Efficient and disciplined capital allocation
- 2 Innovation
- 3 ESG



ELIZABETH CIMENTOS ACQUISITION



- ✚ Elizabeth Cimentos acquisition adds 1.3 mtpa to production capacity;
- ✚ A modern and integrated plant with one of the lowest cash costs in the region;
- ✚ Strong synergistic potential;
- ✚ Entry into the Northeast market and opportunity to replicate CSN Cimentos' winning sales strategy (sell less to more customers);
- ✚ Process under analysis by CADE.

A close-up photograph of a robotic arm assembly. The arm features a green motor housing and a yellow protective tape wrapped around its lower section. It is positioned over a metal component that is secured with a red bolt and nut on a workbench. The background is blurred, showing industrial equipment. A semi-transparent red rectangular overlay is placed on the left side of the image, containing the text 'CSN INOVA' in white.

CSN INOVA

CSN INOVA MORE THAN TRIPLES VENTURE CAPITAL FUND AND STARTS INVESTING IN GRAFENO

- ✚ With a new contribution, CSN Inova Ventures now has R\$100 million available to invest in startups;
- ✚ The first venture in the input cycle was 2D Materials Pte Ltd (2DM), which is focused on developing graphene;
- ✚ Touted as the material of the future, graphene has attracted worldwide interest due to its unique properties, such as high strength and high thermal and electrical conductivity;
- ✚ In CSN's case, the possibility of developing new solutions and technologies will benefit the group in its various segments, in addition to opening up new business opportunities.



CSN Inova mais do que triplica fundo de venture capital e investe em grafeno

Veículo de venture capital da CSN, Inova Ventures anuncia que investirá cerca de R\$ 100 milhões em startups nos próximos anos – e já tem a escolhida para o primeiro aporte

No ano passado, a CSN Inova Ventures movimentou o mercado ao divulgar que investiria cerca de R\$ 30 milhões em empreendedores com soluções tecnológicas de impacto em larga escala. O anúncio foi representativo especialmente por ser o primeiro do tipo dedicado à indústria 4.0 no Brasil. Após um período intenso marcado por diálogos com centenas de startups, o veículo de venture capital da CSN identificou diversas oportunidades para investir no ecossistema da inovação, o que fez com que reavaliasse, juntamente com o board da companhia, as estratégias e valores previstos.

Com esse desdobramento, a Inova Ventures aumentou em mais de três vezes o valor divulgado inicialmente, chegando a R\$ 100 milhões disponíveis para investir em startups. Para coroar a primeira investida do ciclo de aportes da CSN Inova Ventures, a escolhida foi a 2D Materials Pte Ltd (2DM), que é focada no desenvolvimento de grafeno e ocupa uma posição singular nesse mercado. Sediada em Singapura, a startup já domina o uso do material em escala industrial e sua aplicação vem sendo conduzida em parceria com diversos clientes em ritmo avançado.

Gabriela Toribio, Gestora da Inova Ventures, pontua que a localização e o time estelar por trás da 2DM pesaram na escolha: “Eles contam com empreendedores experientes, como o Prof. Antonio Helió Castro Neto e o Dr. Ricardo Oliveira, que são duas das principais referências no assunto, e com um board composto por PhD’s e até com o ganhador do prêmio Nobel pela descoberta do grafeno, Konstantin Novoselov. Além disso, o fato de estarem localizados em Singapura proporciona o acesso fácil a um mercado com grande potencial de expansão, como o uso em aplicações eletrônicas e em carros elétricos em países como a China e no Sudeste Asiático”, explica. Outro diferencial da startup é a tecnologia utilizada, que tem menor custo industrial e um processo ambientalmente sustentável e econômico no uso de energia.

Além do fundo de investimentos da CSN, a startup conta com outros dois investidores de peso para impulsionar sua atuação mundialmente: a brasileira CBMM e a japonesa Sojitz Corporation. Por questões contratuais entre os investidores, o aporte financeiro não pode ser divulgado. “São três empresas participando do investimento, o que certamente alavancará a atuação da 2DM, que se beneficiará ainda da expertise e competências da CSN e de cada uma dessas empresas, gerando uma sinergia muito relevante para o negócio”, destaca Gabriela.



ENVIRONMENTAL AND SOCIAL MANAGEMENT

LAUNCH OF INTEGRATED REPORT 2020

The 2020 edition of the Integrated Report is now available on the Investor Relations website:

<https://ri.csn.com.br/en>



ENVIRONMENTAL AND SOCIAL IMPACT - ESG



COMMUNICATION AND TRANSPARENCY

- ✓ **Publication** of the **Integrated Report** with **verification** by an independent third party, in compliance with Resolution 14/2020, CVM



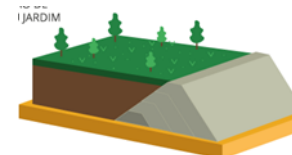
ENVIRONMENTAL PROTECTION AND CLIMATE ACTION

- ✓ Reporting to CDP climates, water and supply chain;
- ✓ Conclusion GEE Inventory – 7th consecutive year gold seal;
- ✓ Team training in **TCFD**;
- ✓ Creation of the Responsible Climate Group, part Preparation of the CSN Roadmap for Decarbonization;
- ✓ **MOU** Signature with Itochu Corporation.



SAFETY

- ✓ Reduction accumulated in the semester of **8.94%** in the Accident Frequency Rate (CAF+ SAF) in the CSN Group;
- ✓ **21.3%** reduction in the Severity Rate.



DAMS AND WATER

- ✓ Started the works on the Vigia Dam's belt channel and the contracting of the works for the B4 belt channel;
- ✓ Compared to 2020, reduction of **8.1%** in water capture, specific for steel production (22.1m3/t steel to 20.2m3/t steel)



SOCIAL AND DIVERSITY

- ✓ **Adhesion to MOVER** - Movement for Racial Equity;
- ✓ Increase of **11.37%** in the Female participation in the Company, from **13.86%** in January to **14.86%** in June/21;
- ✓ **3,203** teenagers impacted by the projects carried out by Fundação CSN.



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Companhia Siderúrgica Nacional