

# **2021 and 4Q21 RESULTS**

**WEBCAST**

**INSTITUTIONAL PRESENTATION**

# AGENDA

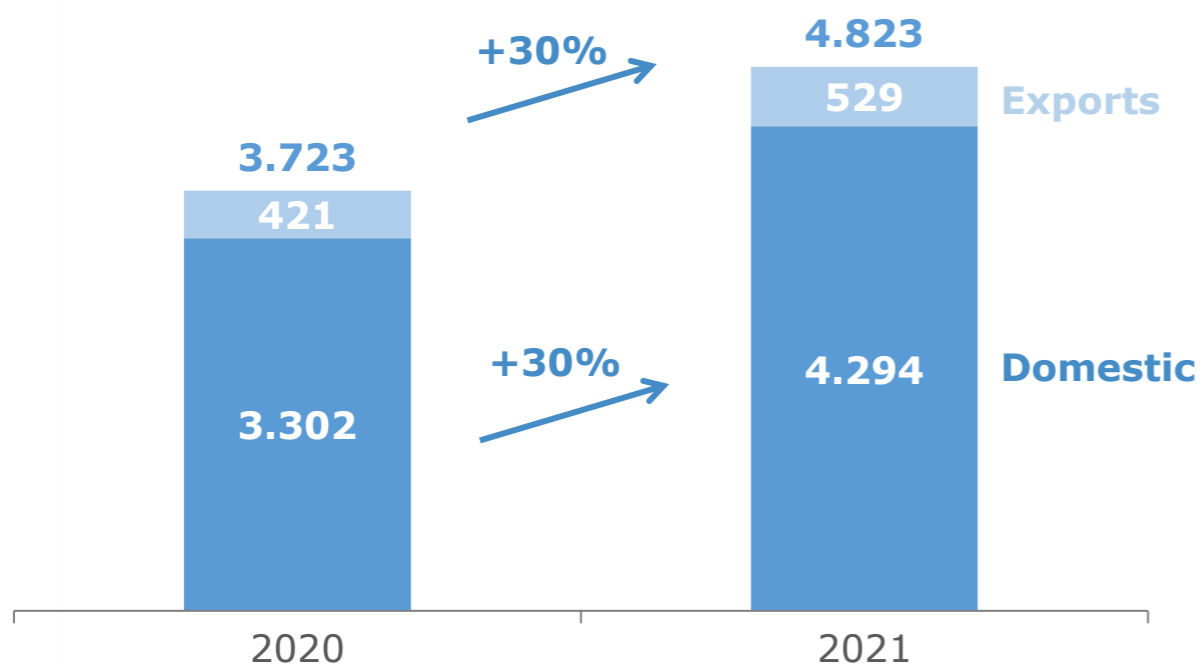
<u>WEBCAST.....</u>	<u>03</u>
<u>INSTITUTIONAL PRESENTATION.....</u>	<u>18</u>

# 2021 Results

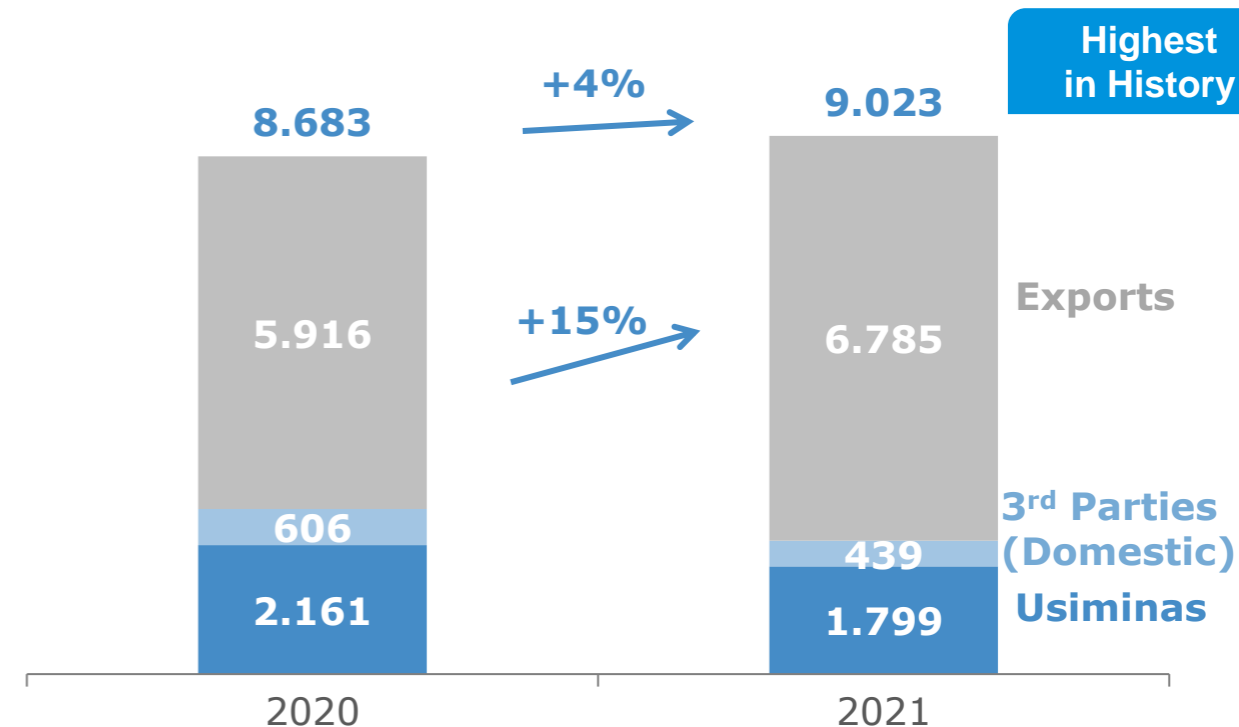
## WEBCAST

## Highlights

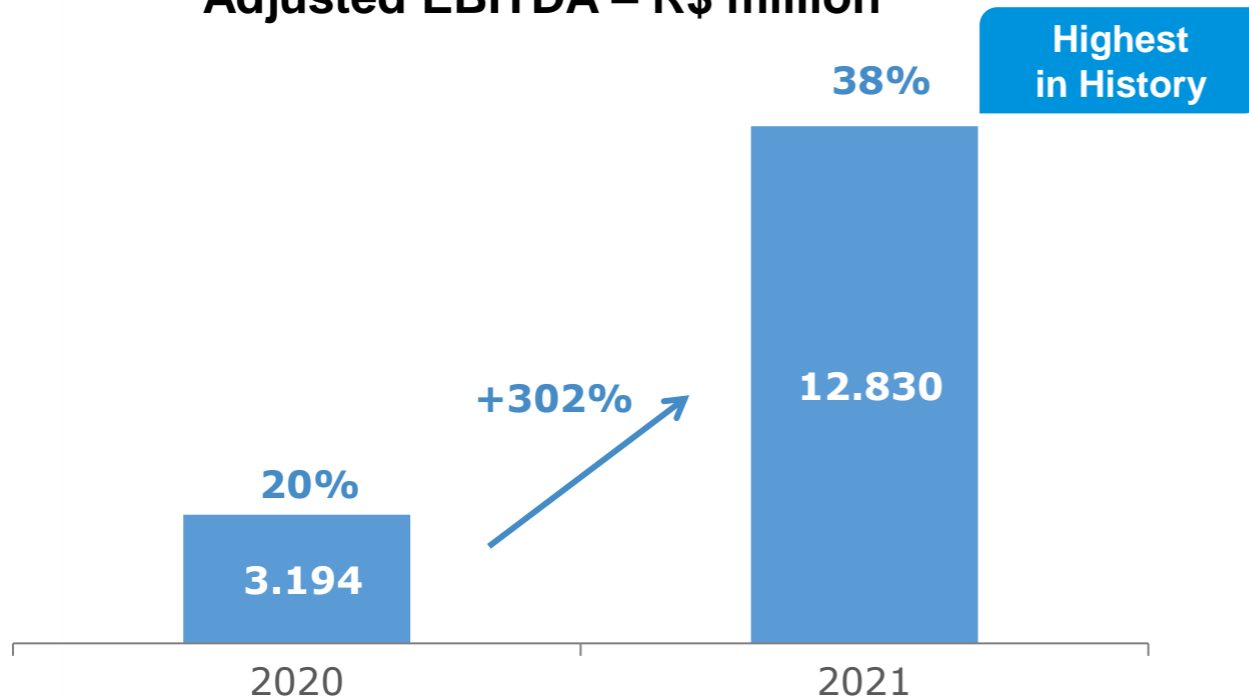
### Steel Unit Sales – thousand tons



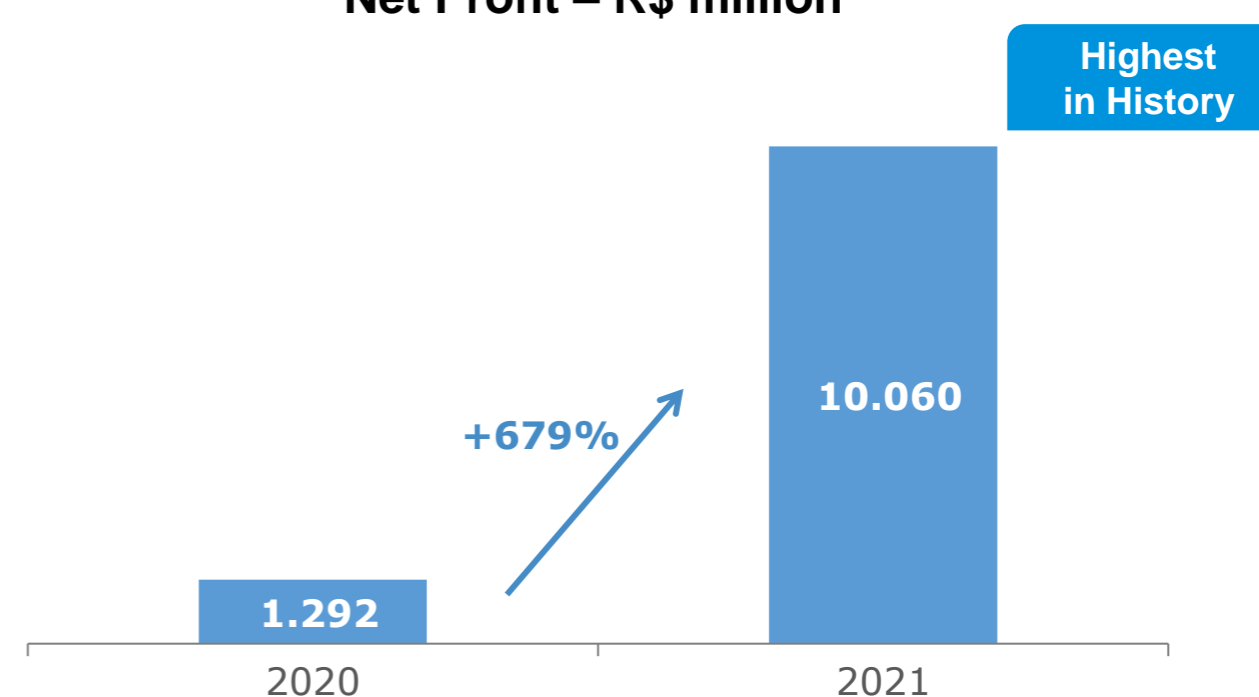
### Iron Ore Sales – thousand tons



### Adjusted EBITDA – R\$ million



### Net Profit – R\$ million

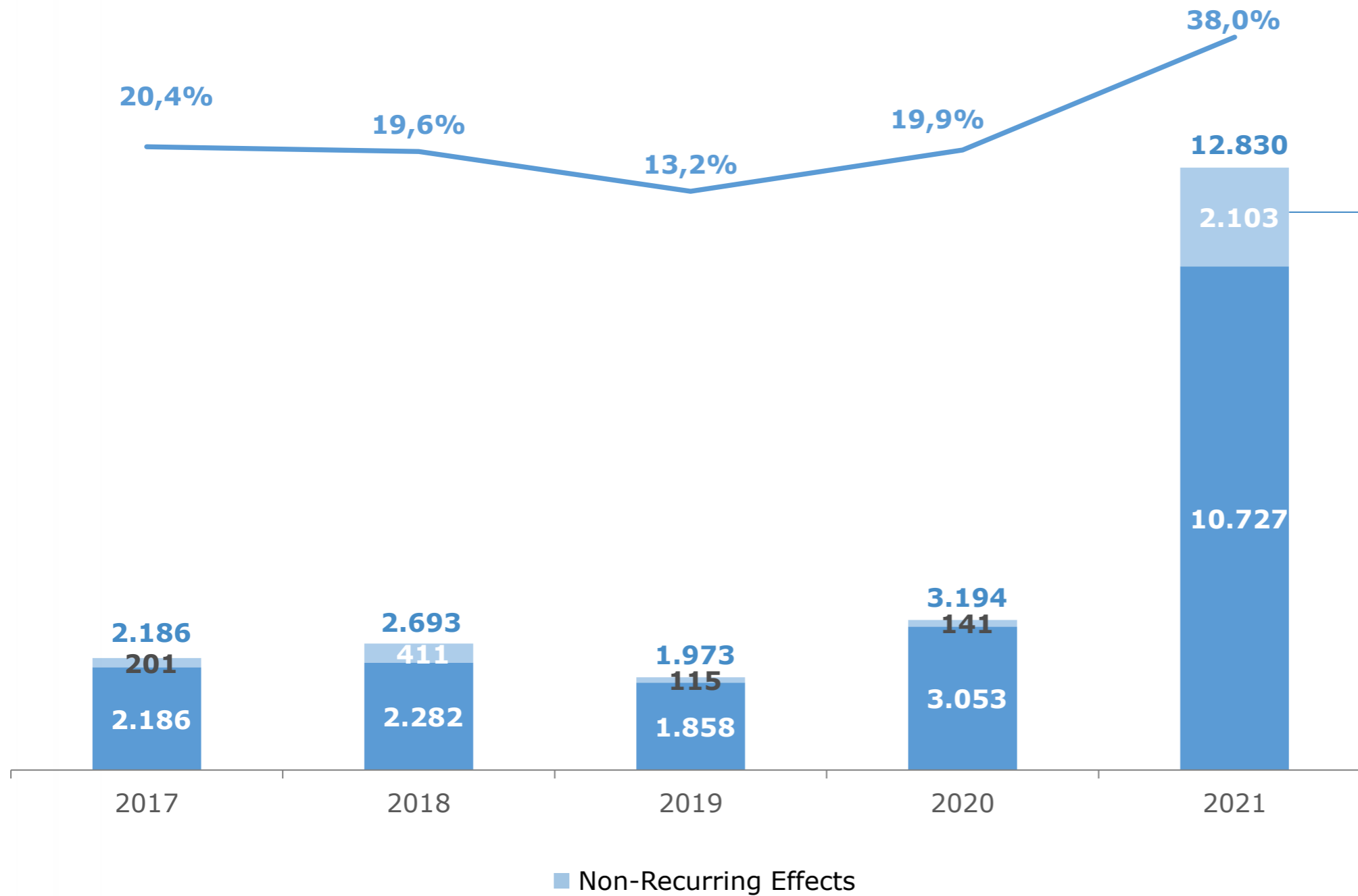


Negative FX variation of R\$765 million  
 Impairment reversion of R\$731 million  
 Tax Credit PIS/COFINS of R\$3,212 million  
 Negative FX variation of R\$290 million

# Results - Consolidated

Adjusted EBITDA and Margin – R\$ Million

Highest EBITDA in history

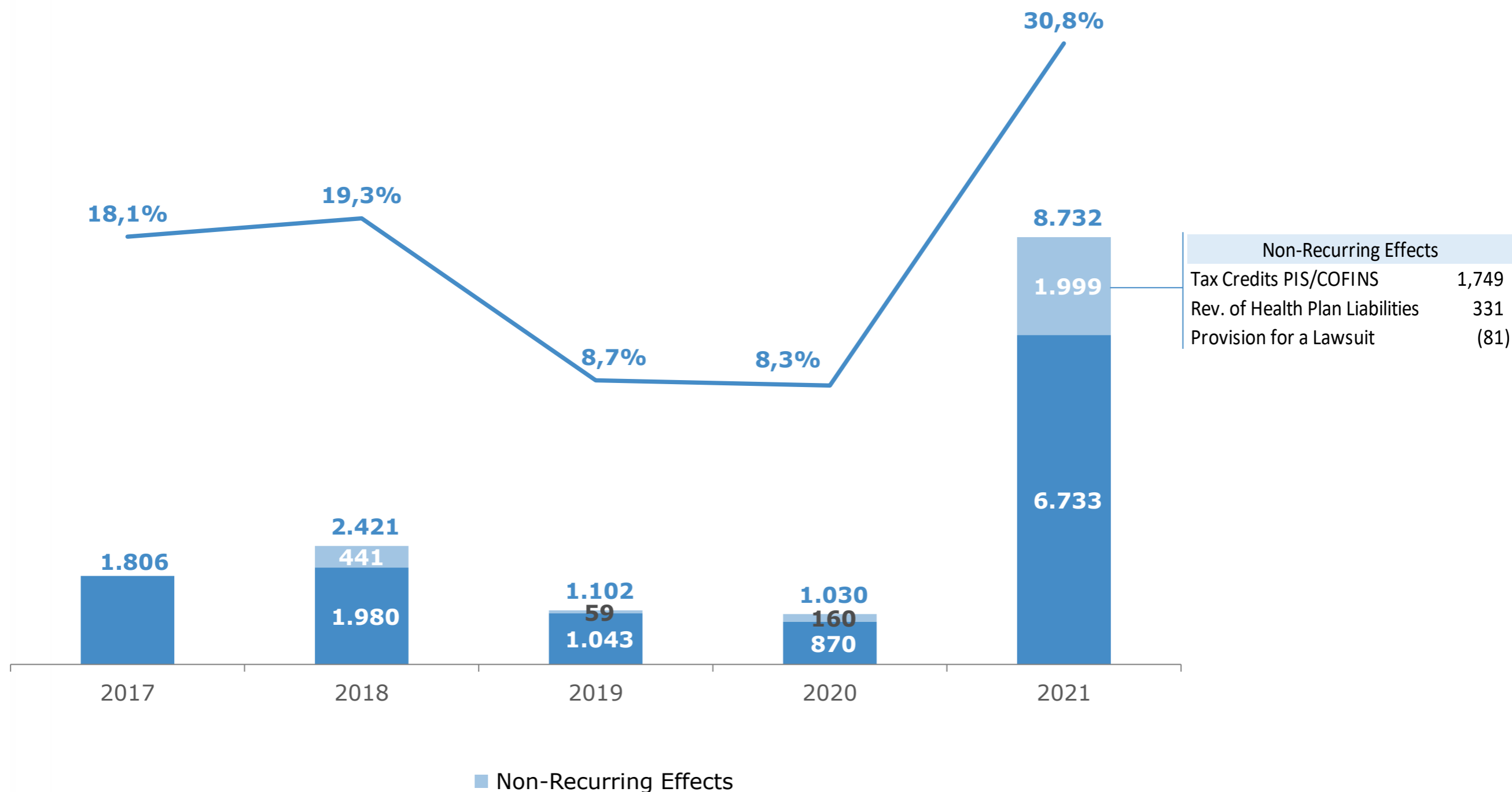


Non-Recurring Effects	
Tax Credits PIS/COFINS	1,900
Rev. of Health Plan Liabilities	331
Provision for a Lawsuit	(81)
Others	(47)

# Results – Steel Unit

Adjusted EBITDA and Margin – R\$ Million

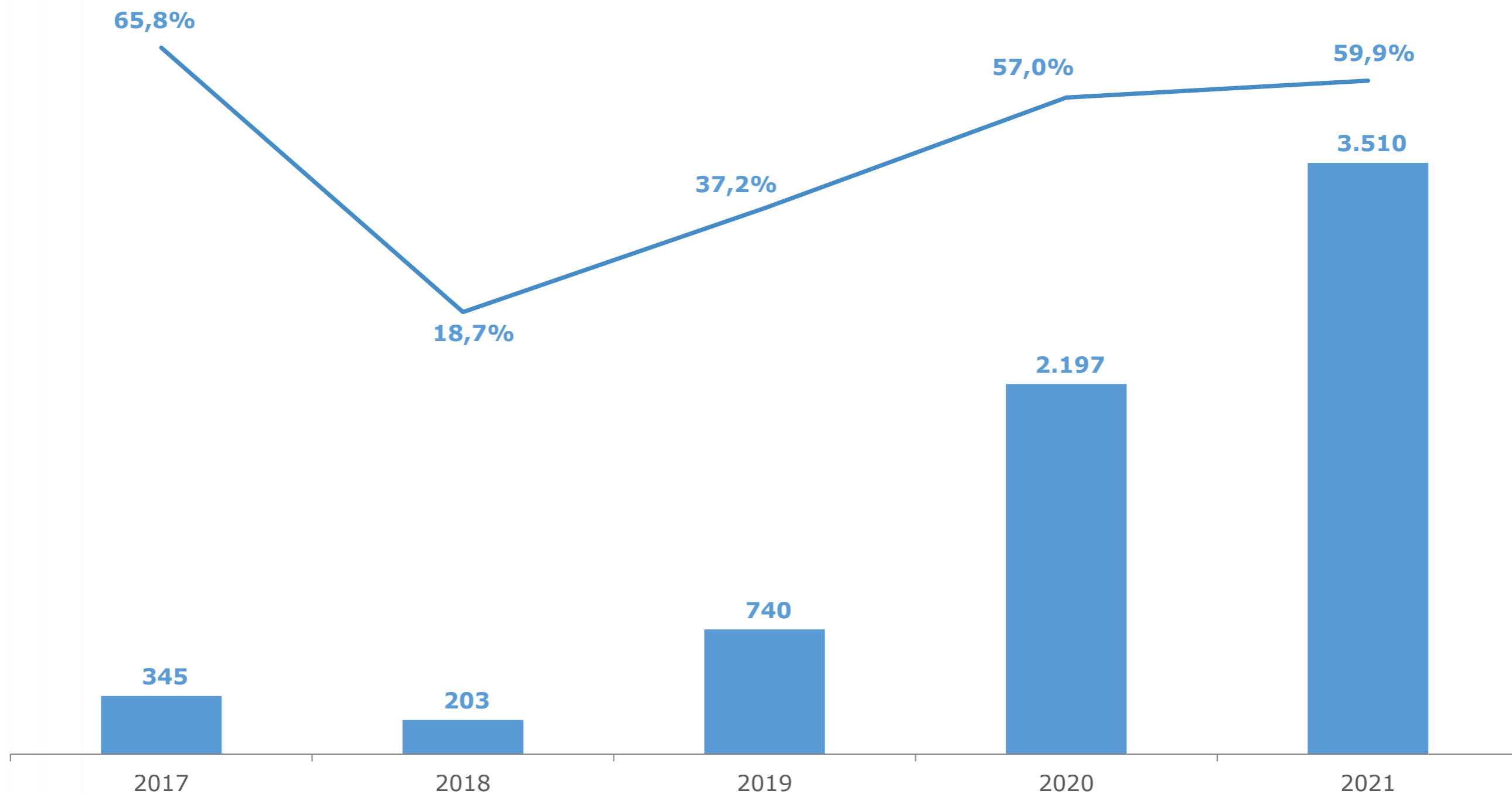
Highest EBITDA in history



# Results – Mineração Usiminas

Adjusted EBITDA and Margin – R\$ Million

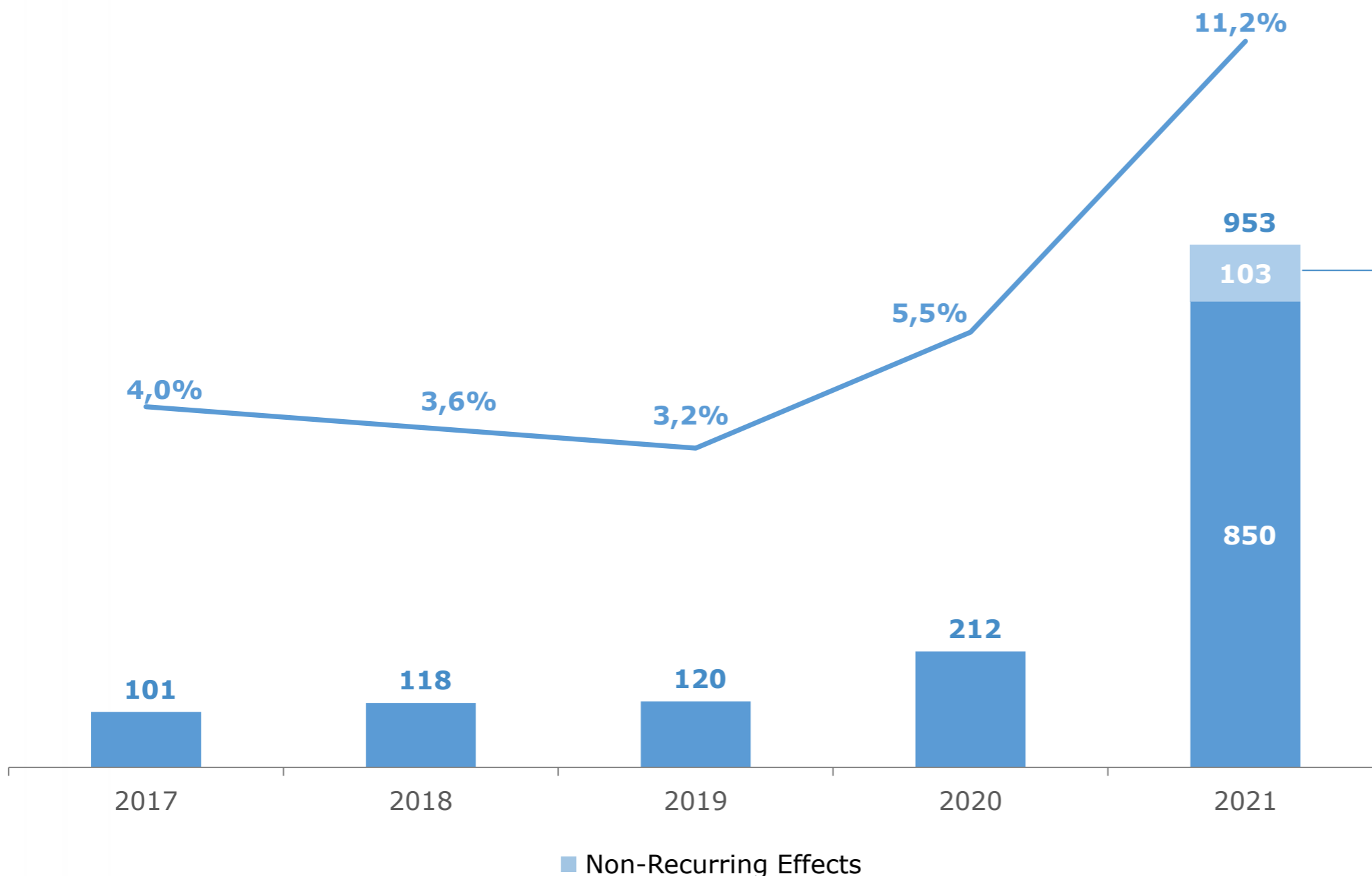
Highest EBITDA in history



# Results – Soluções Usiminas

Adjusted EBITDA and Margin – R\$ Million

Highest EBITDA in history



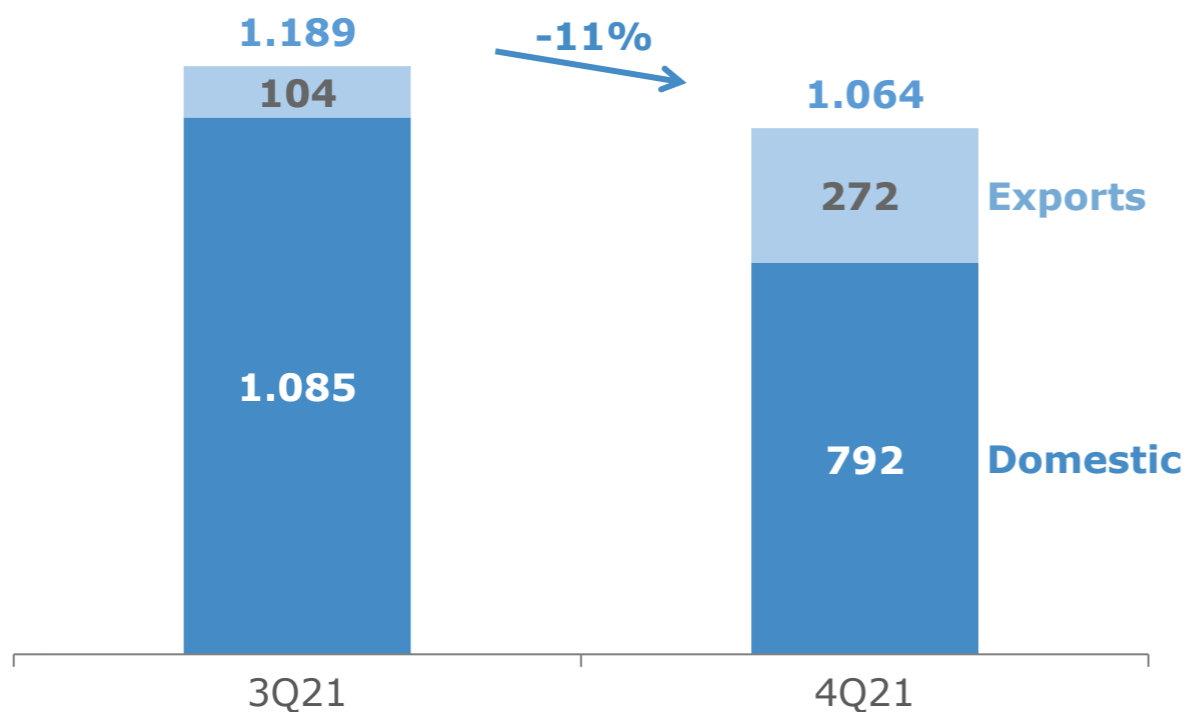
Non-Recurring Effects	
Tax Credits PIS/COFINS	150
Prov. for Inventory Adjustments	(27)
Prov. for Tax Credits	(20)

# 4Q21 Results

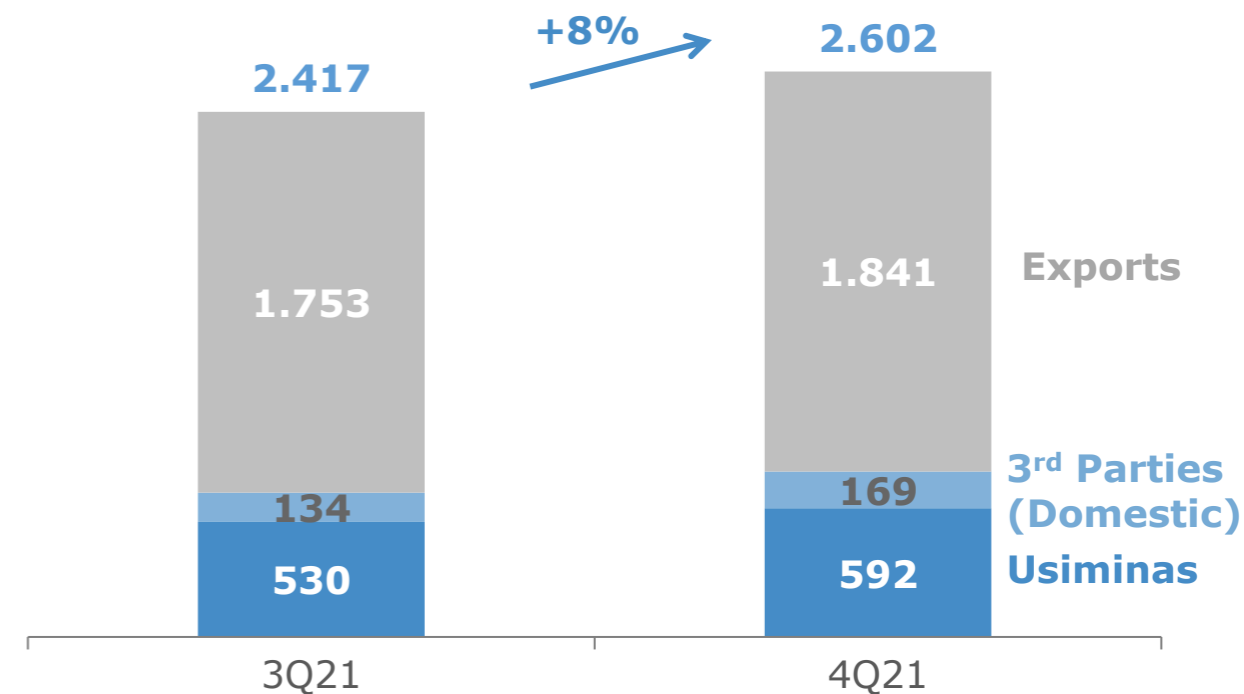
## WEBCAST

## Highlights

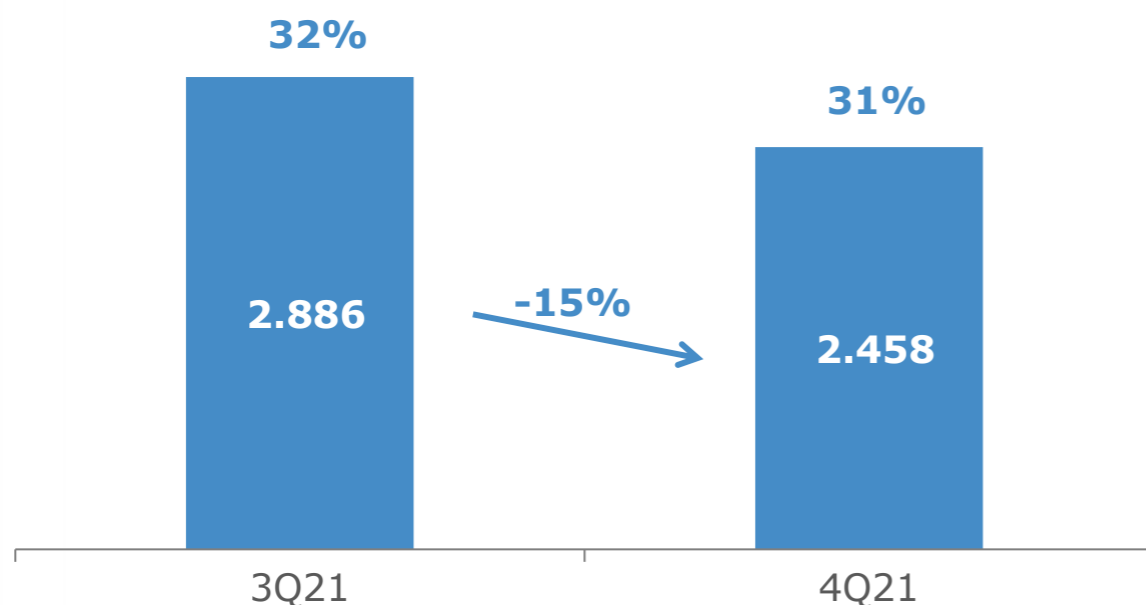
### Steel Unit Sales – thousand tons



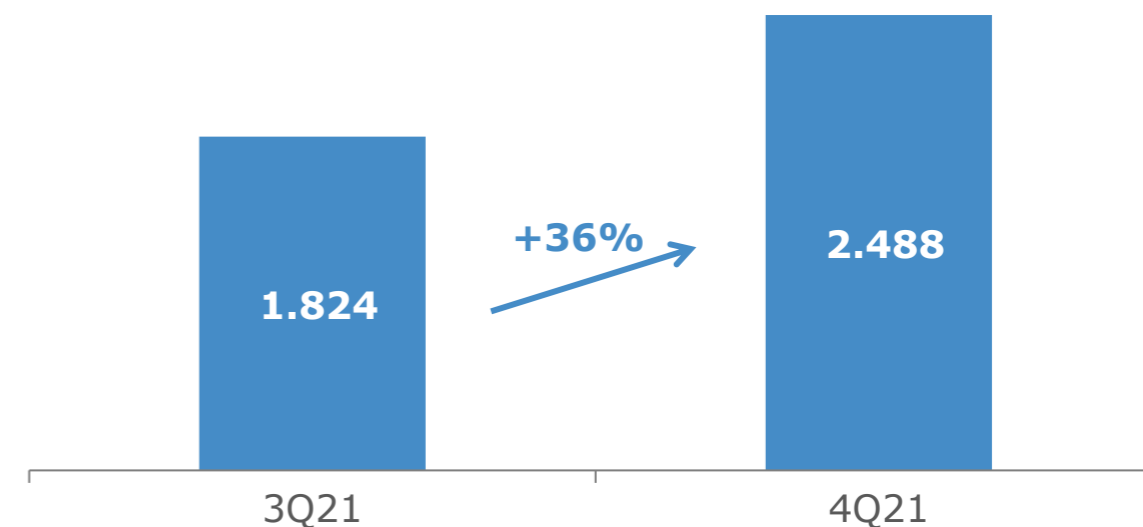
### Iron Ore Sales – thousand tons



### Adjusted EBITDA – R\$ million



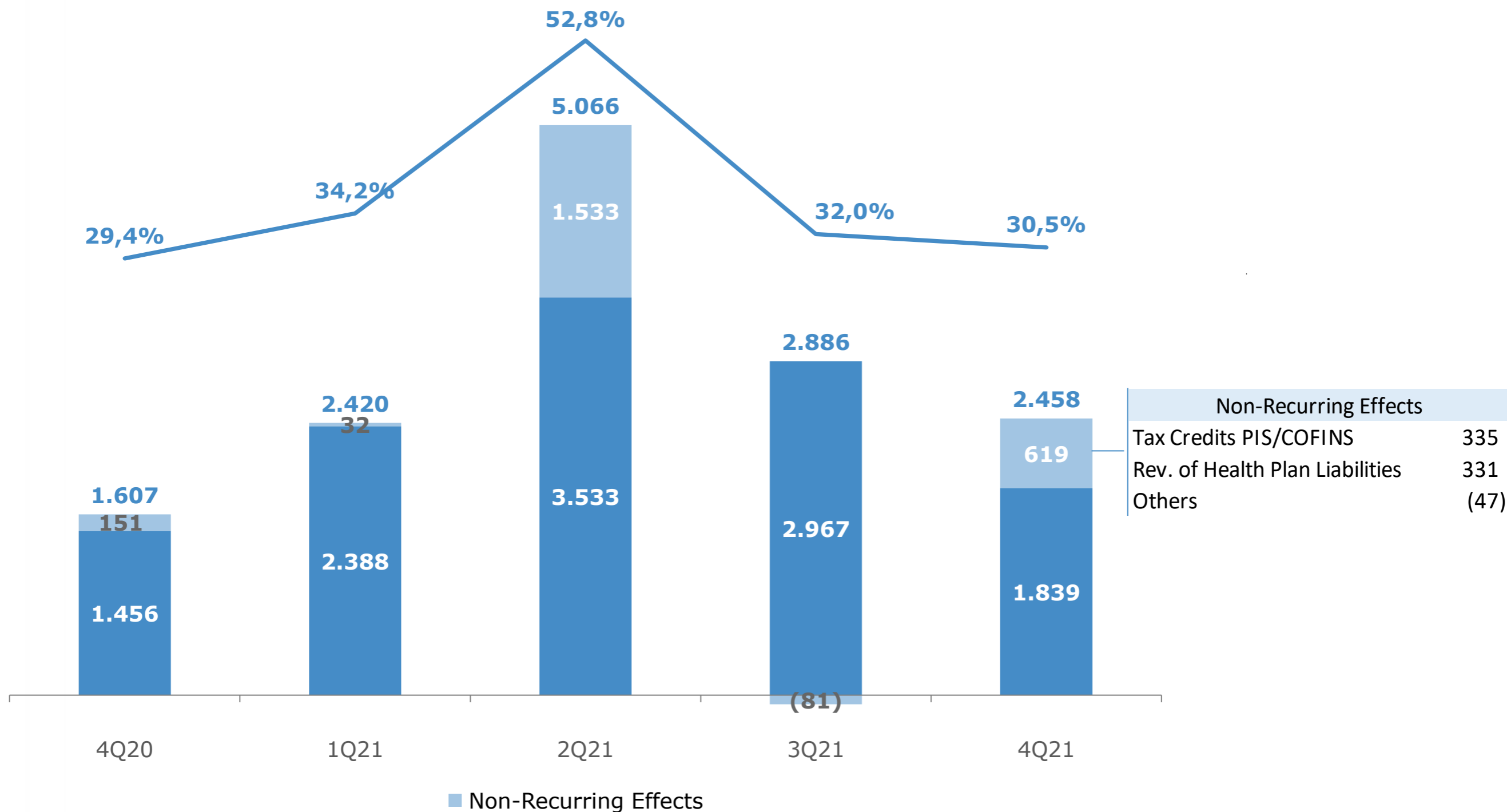
### Net Profit – R\$ million



Negative FX variation of R\$328 million  
 Provision for a lawsuit of R\$ 183 million  
 Tax Credit PIS/COFINS of R\$713 million  
 Rev. of Health Plan Liabilities of R\$331 million

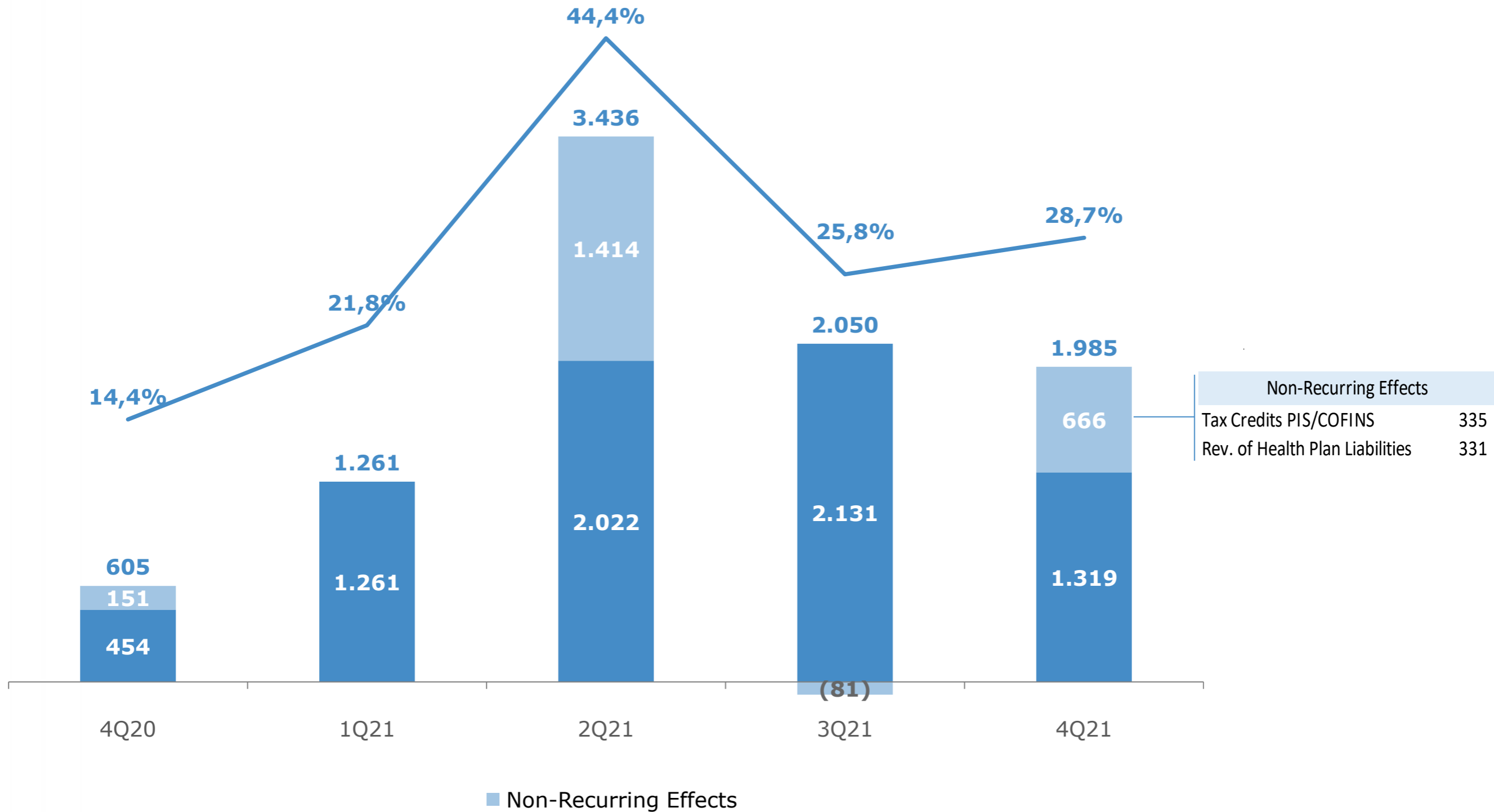
# Results – Consolidated

## Adjusted EBITDA and Margin – Quarterly – R\$ Million



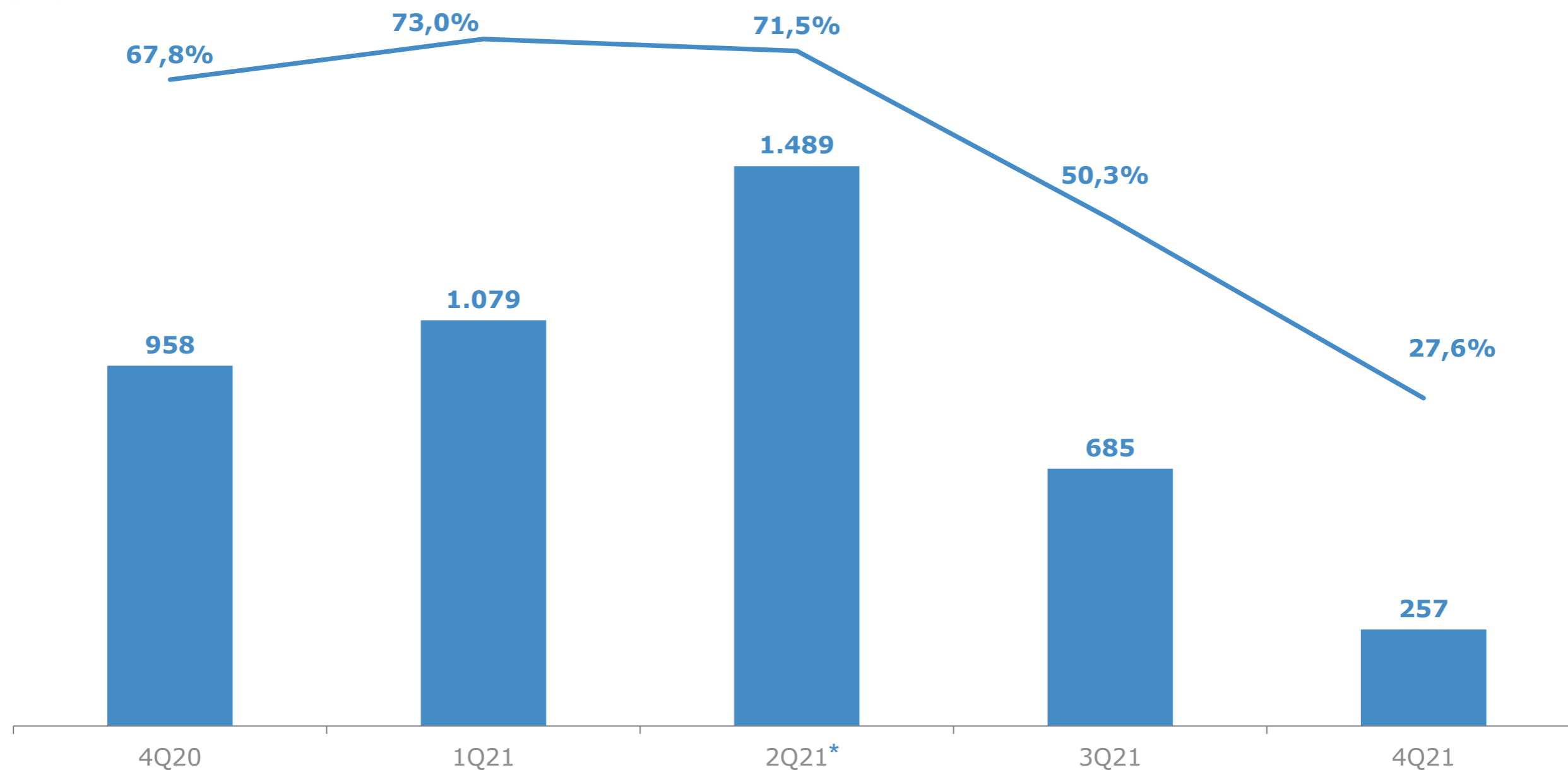
# Results – Steel Unit

## Adjusted EBITDA and Margin – Quarterly – R\$ Million



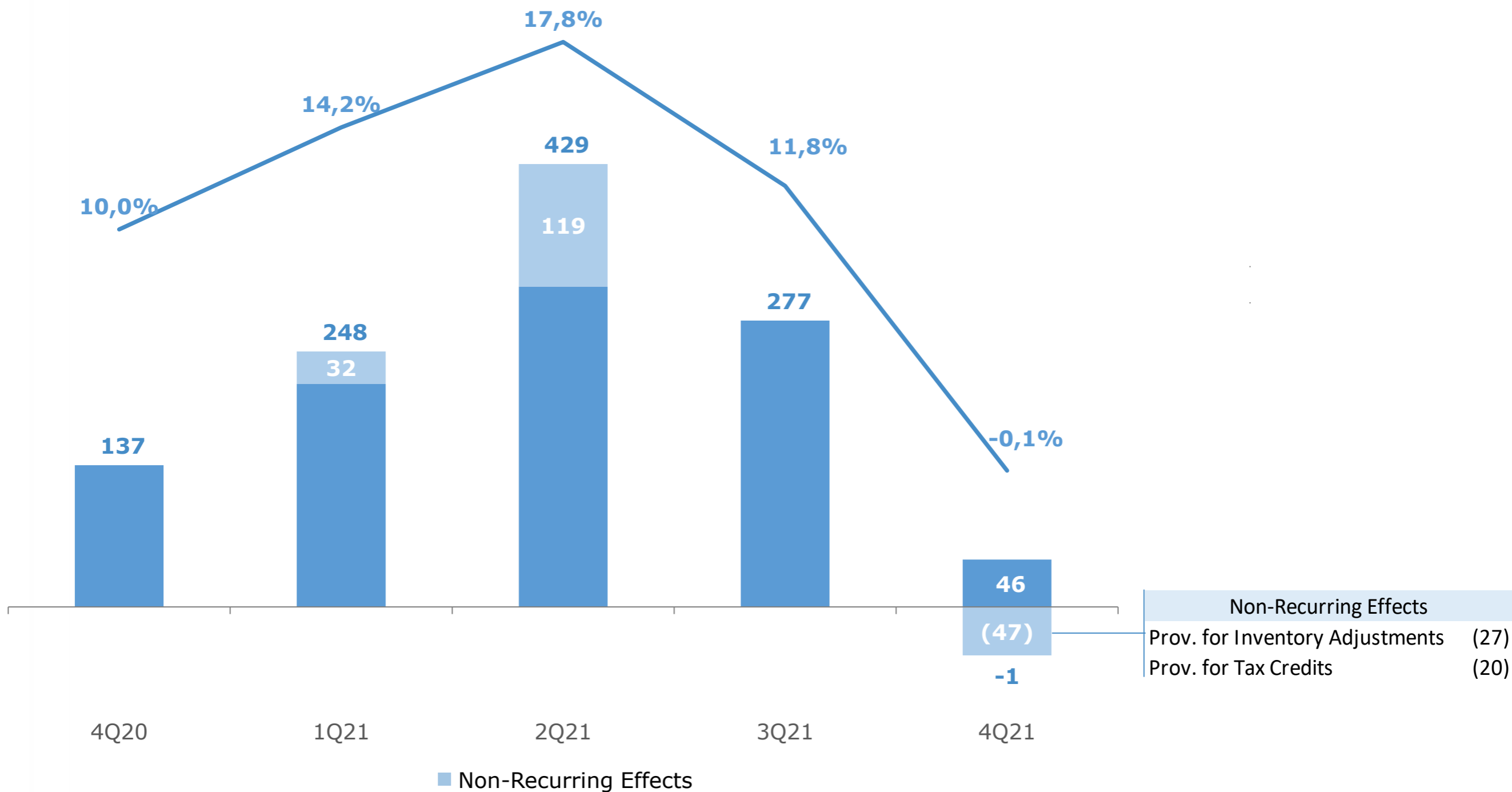
# Results – Mining Unit – Mineração Usiminas

Adjusted EBITDA and Margin – Quarterly – R\$ Million



\* In 2Q21 there was a reclassification of CFEM

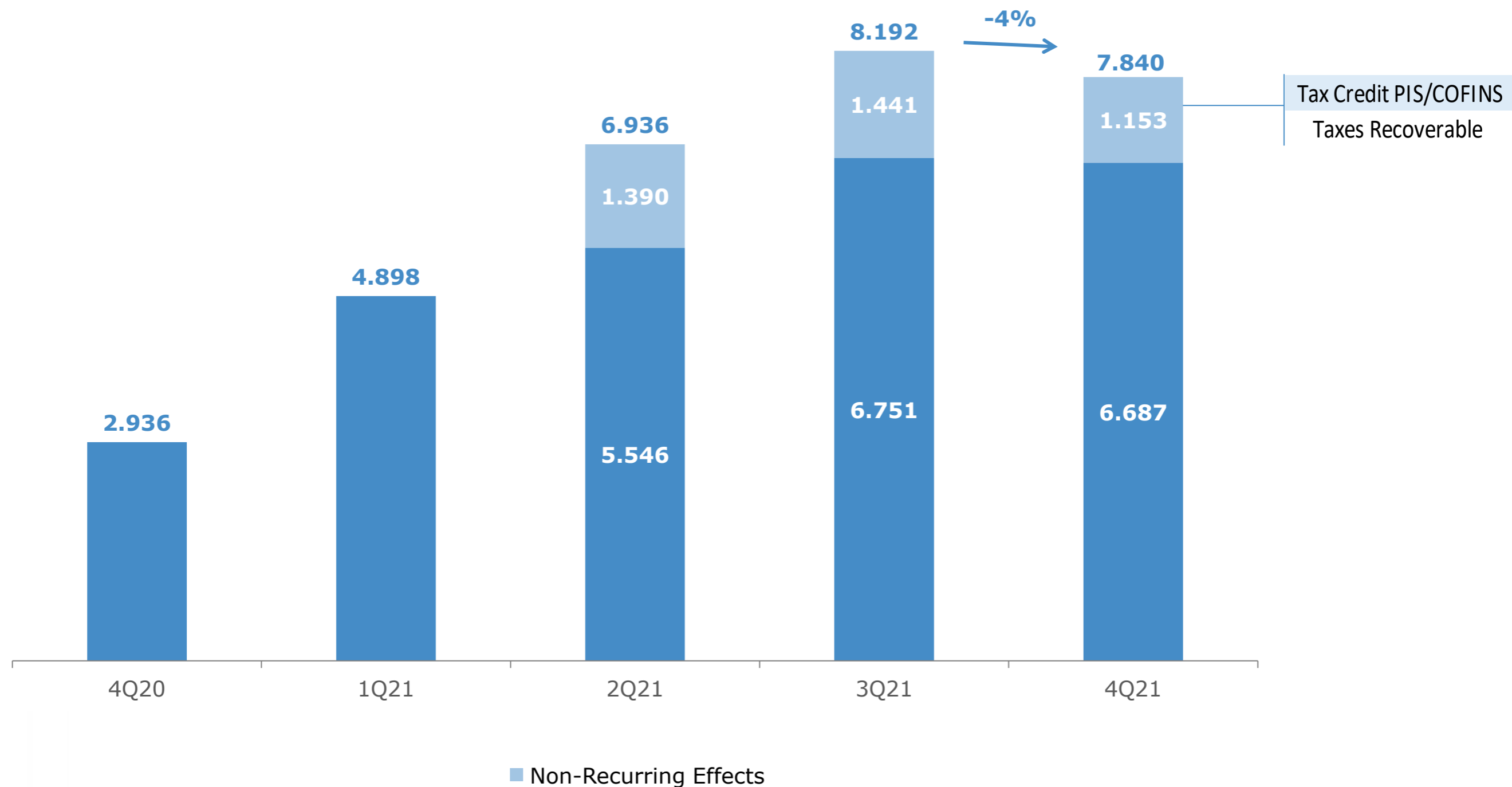
## Adjusted EBITDA and Margin – Quarterly – R\$ Million



# Other Financial Indicators

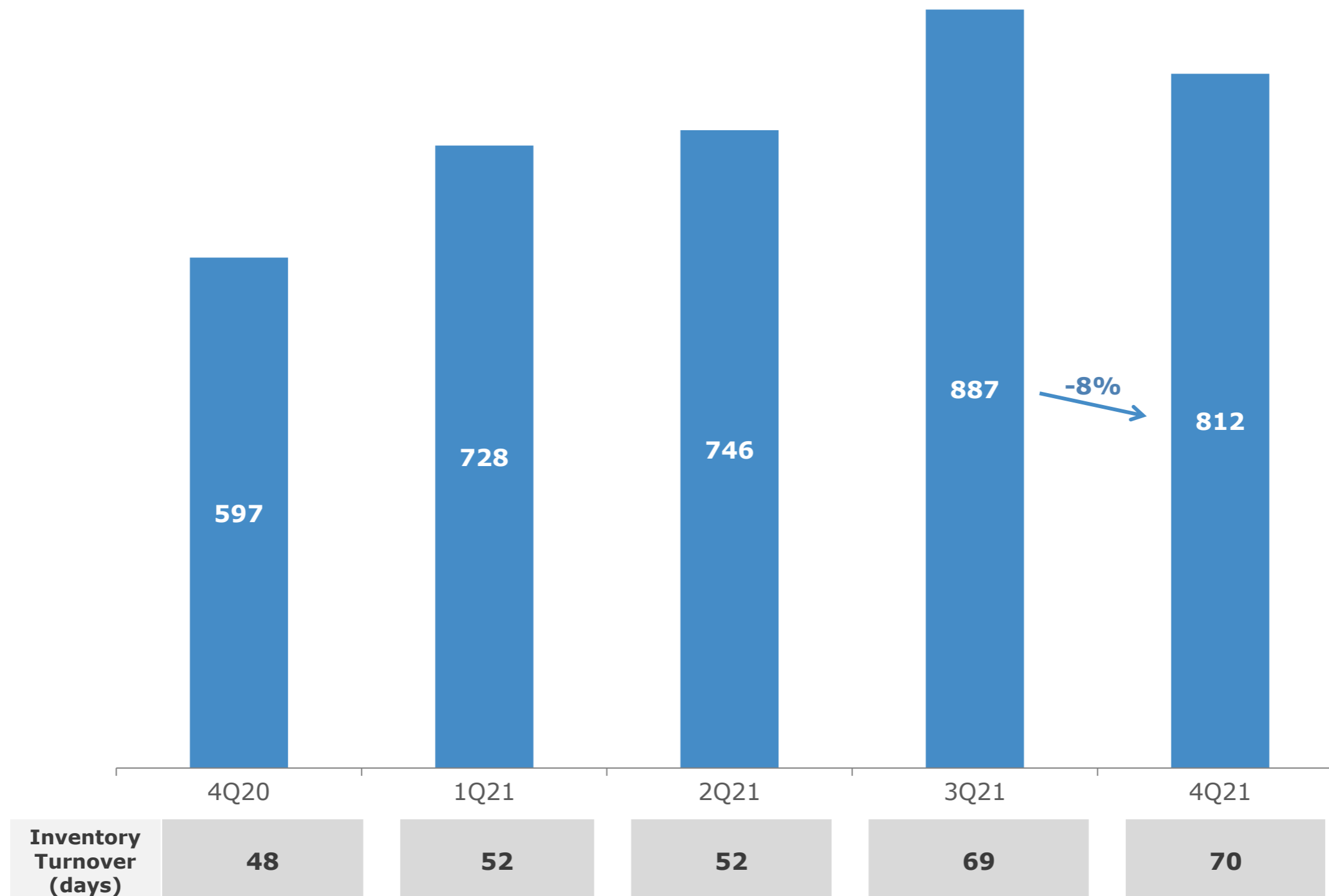
# Working Capital – Consolidated

R\$ million



# Working Capital – Steel Inventories

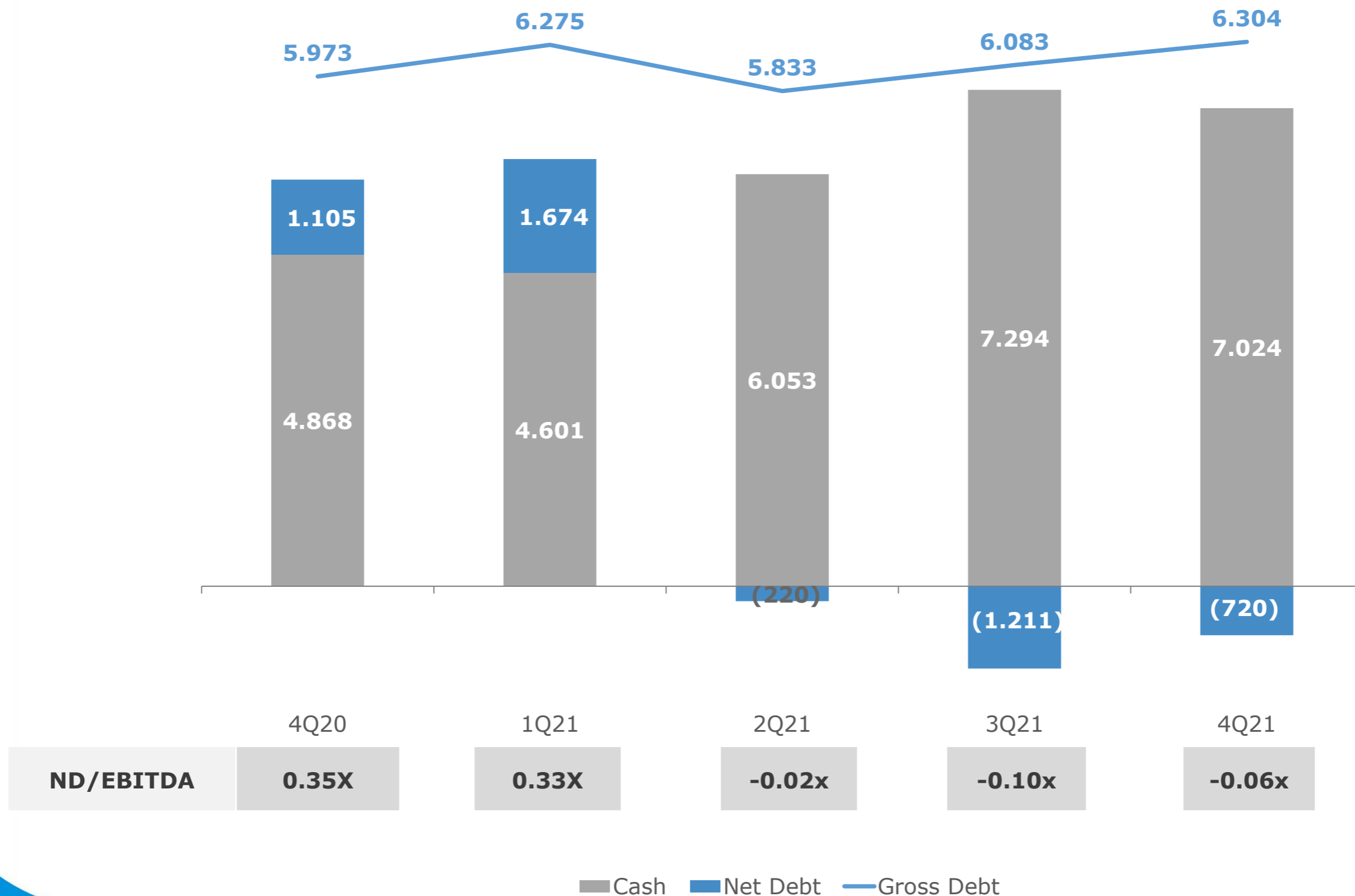
Thousand tons



# Cash Position and Indebtedness – Consolidated

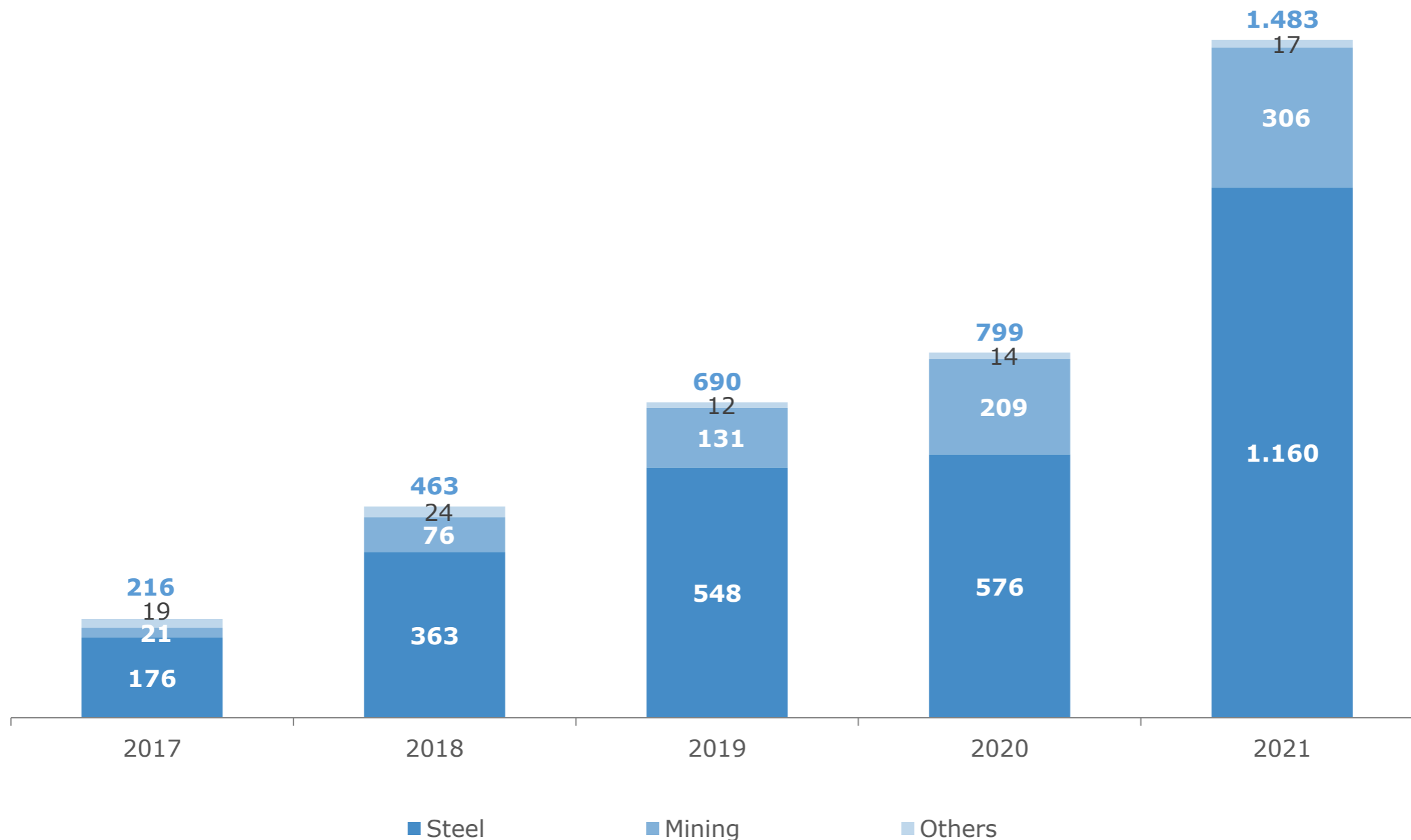
With interest – Quarterly – R\$ million

Duration: R\$: 29 months  
US\$: 48 months



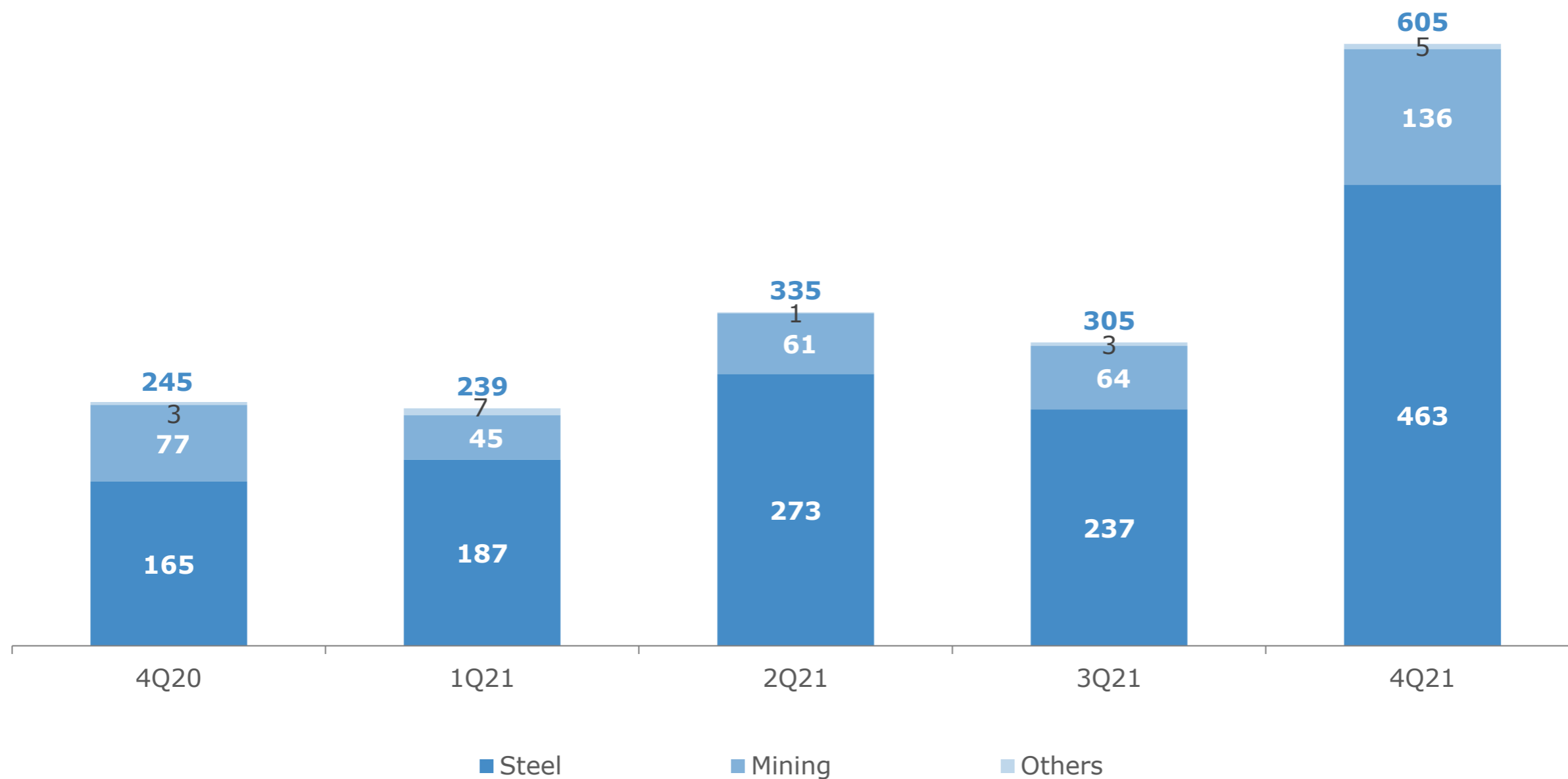
# Capex – Consolidated

Annualy - R\$ million



# Capex – Consolidated

Quarterly - R\$ million





## Follow-up of Goals:

Indicator	Goal	Status
Index of women in the company's Industrial area	10% of women in the company's Industrial area by 2022;	Reviewed
Recorded accident frequency rate	Zero Accident Target. Lost Time Accident frequency rate less than 0.3 in 2021;	●
Carbon Emission	Conducting GHG emission inventories in 2021 with independent certification;	●
	Participation in the CDP (Carbon Disclosure Project);	●
	Disclosure of the inventory through the GHG Protocol.	●
Dam Safety	Migration of the traditional waste disposal method to filtering in the 2Q21;	●
	Decharacterization of the Central dam in the 1Q22, certified by the proper authorities;	●

● In line with planning      ● Late in relation to planning      ● Not achieved

## New Goals for 2022:

Indicator	Goal
Water Efficiency	Achieve 94.6% annual average recirculation by 12/31/22;
Self-generation of renewable energy	Contract at least 10% of Usiminas' total energy consumption from clean and renewable energy for 2025;
Emissions Inventory	Conducting a GHG inventory at the units of Mineração Usiminas and Soluções Usiminas until 12/31/22;
Scope 3 carbon emission	Engagement of 75% of Critical Suppliers with Scope 3 to Usiminas' climate agenda by 12/31/22;
Accident frequency rate	Zero Accident Goal. Lost-time accident frequency rate (CPT) recorded below or equal to 0.3 in 2022;
Women in apprentice training courses	Reach at least 55% of women in apprentice training classes by 12/31/22;
Pilots for safety risk reduction.	Execute 80% of innovation pilots with potential to reduce security risk;
General Customer Satisfaction Index	General Customer Satisfaction Index higher or equal to 89.7% in 2022;
Products with RoHS and ELV certifications	100% of the production of laminates, certified in RoHS and ELV Standards;
Environmental Compliance Program	Implementation of the Environmental Compliance Program until 12/31/2022.

ODS



# Institutional Presentation

4Q21 and 2021

# AGENDA



1

**Usiminas**

2

**Pillars of Usiminas' Management**

People

Clients

Results

3

**Governance and Highlights**

4

**Appendix**

# Usiminas

## Overview

- ✓ **One of the largest flat steel producers in Brazil**
- ✓ **Operations in several segments of the value chain**
  - Mining and logistics, capital goods, service and distribution centers and customized solutions
- ✓ **Two steel plants strategically located along Brazil's main industrial axis**
  - Sales force present in the main regions of the country
- ✓ **Founder of the most enduring environmental education project in the private sector since 1984**
- ✓ **First Brazilian steel company certified by ISO 9001**

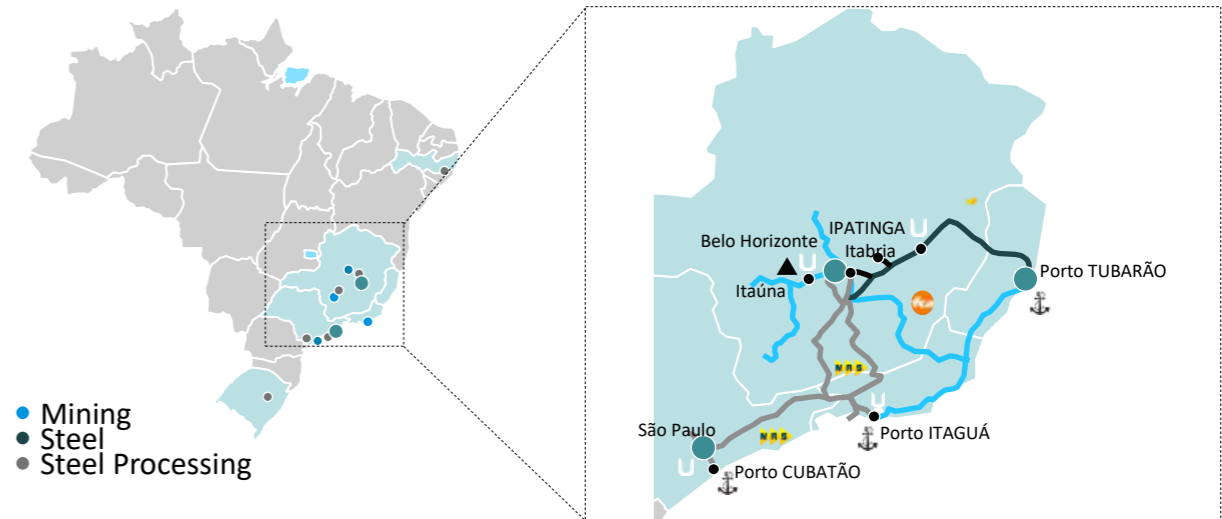


# Usiminas at a Glance

## Financial Highlights

	2016	2017	2018	2019	2020	2021
<b>Net Revenues</b>	<b>8,454</b>	<b>10,734</b>	<b>13,737</b>	<b>14,950</b>	<b>16,088</b>	<b>33.737</b>
<i>Growth YoY</i>	-17%	27%	28%	9%	8%	110%
<b>Adjusted EBITDA</b>	<b>660</b>	<b>2,186</b>	<b>2,693</b>	<b>1,973</b>	<b>3,194</b>	<b>12.830</b>
<i>Margin</i>	8%	20%	20%	13%	24%	38%
<b>Net Income</b>	<b>(577)</b>	<b>315</b>	<b>829</b>	<b>377</b>	<b>1,292</b>	<b>10.060</b>
<i>Margin</i>	(7%)	3%	6%	3%	8%	30%
<b>Total Debt</b>	<b>6,942</b>	<b>6,656</b>	<b>5,854</b>	<b>5,111</b>	<b>5,793</b>	<b>6.304</b>
<b>Cash and Equivalents</b>	<b>2,257</b>	<b>2,314</b>	<b>1,693</b>	<b>1,921</b>	<b>4,868</b>	<b>7.023</b>
<b>Net Debt</b>	<b>4,684</b>	<b>4,342</b>	<b>4,161</b>	<b>3,189</b>	<b>1,105</b>	<b>720</b>
<i>Net Debt / EBITDA</i>	7.1 x	2.0 x	1.6 x	1.6 x	0.3 x	-0,06x

## Geographic Footprint



## Shareholder Structure

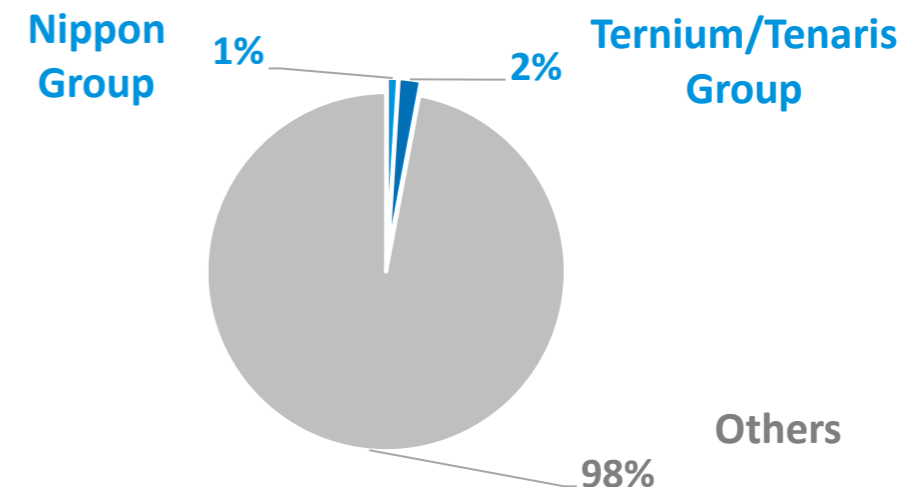
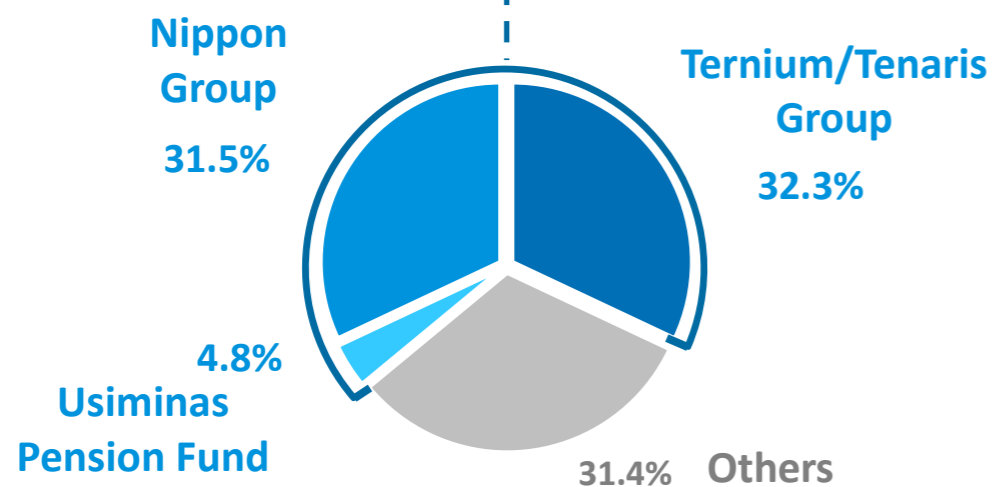
Voting Capital 56%

Total Shares

1,253,079,108

Preferred Shares 44%

Control Group: 68.6%



# Complete Solutions on Products and Services

**Mining**  
Mineração Usiminas




- ✓ JV formed in 2010 through a partnership with Sumitomo Corporation
- ✓ Responsible for the mining operations, in addition to rail and port transportation
- ✓ Three iron ore plants at Serra Azul - MG

**Steel**  
Ipatinga | Cubatão | Unigal




- ✓ One of the largest producers of flat rolled steel in Brazil
- ✓ Two industrial plants in Ipatinga (MG) and Cubatão (SP)
- ✓ Also holds Unigal Usiminas, a JV with Nippon Steel responsible for steel hot-dip galvanizing activities, enhancing the technology content within Usiminas' steel

**Steel Processing**  
Soluções Usiminas




- ✓ Created in 2009, Soluções Usiminas has a wide portfolio of products and services in the transformation and distribution of flat rolled steel division
- ✓ Holds 7 industrial facilities
- ✓ Soluções Usiminas' portfolio includes steel coils, coarse plates, rollers, welded assemblies, metal structures and metal disks and tubes, among other items

Upstream

Downstream

# Mining

## Overview



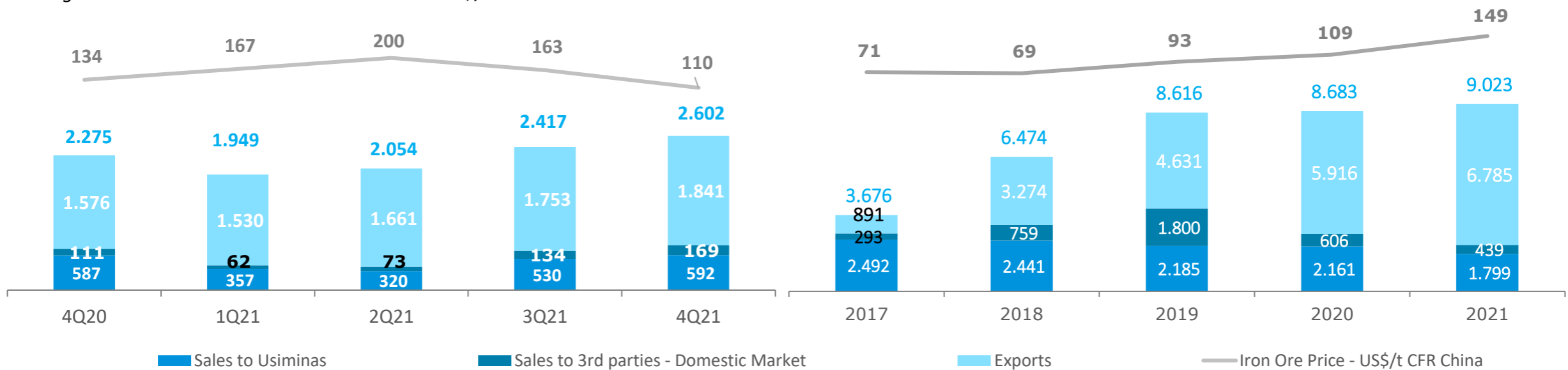
- ✓ JV formed in 2010 through a partnership with Sumitomo Corporation (30% economic stake) responsible for mining and railway operations
- ✓ Three mining sites in the Serra Azul region (MG), with resources of 2.4 billion tons of iron ore
- ✓ Asset base also includes pellet and sinter feed processing plants
- ✓ Concluded investments that will expand the currently capacity to 12 mm tons/year
- ✓ The company also has voting equity stake of 20% of MRS Logística and a strategic field in Sepetiba Bay (RJ)

# Mining

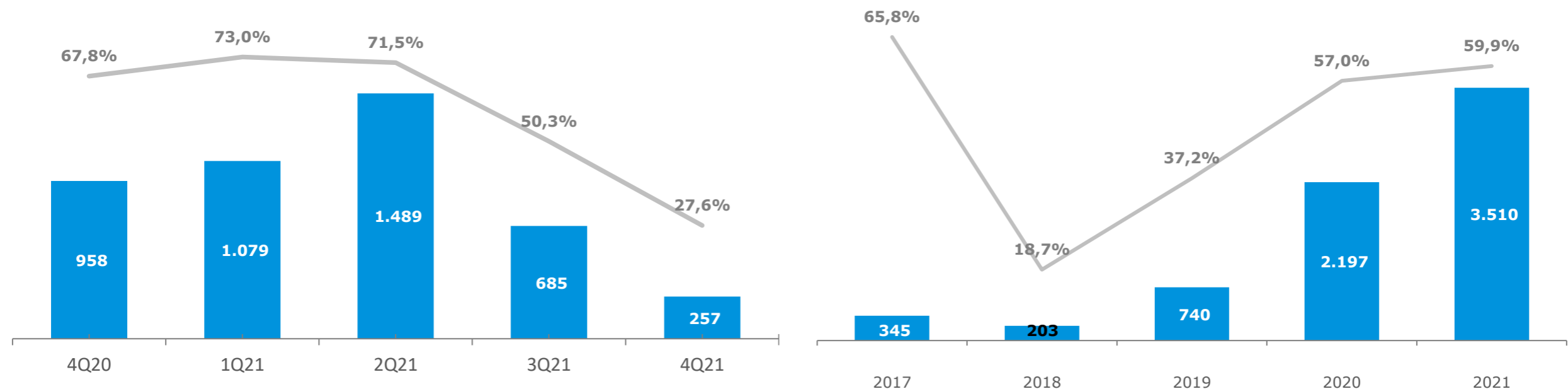
## Financial Highlights

### Iron Ore Sales and Price PLATTS (62% FE CFR China)

Mining Business Unit - Thousand tons – Prices in US\$/ton



### EBITDA (R\$ mm) and EBITDA Margin (%)



# Mining and Logistics (Cont'd)

## Key Projects

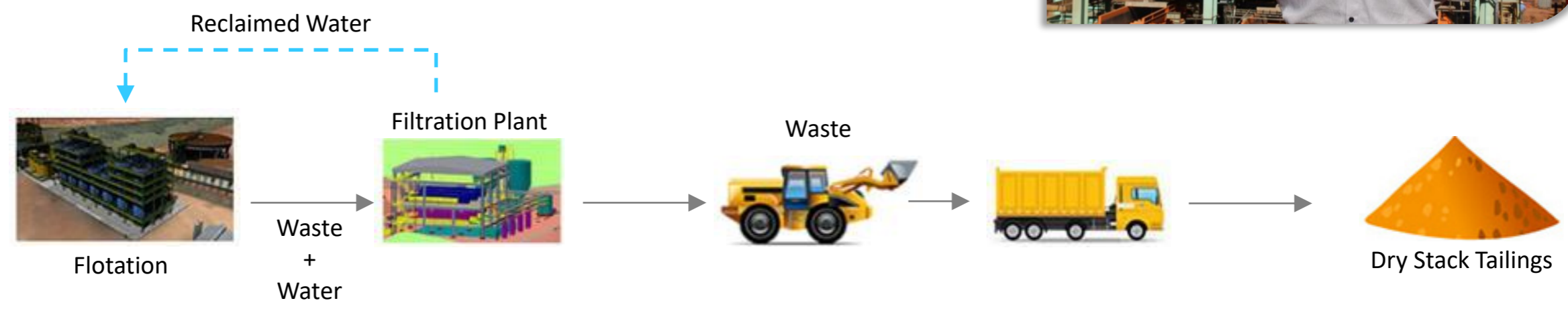


### Friables

- ✓ Started operation in 2014
- ✓ Increased nominal capacity from 8 million to 12 million tons / year of iron ore
- ✓ Iron ore with better quality, higher concentration of iron content and lower impurity level
- ✓ Two iron ore processing plants

### Dry Stacking

- ✓ Disposal of tailings by the dry stacking process, replacing dams
- ✓ Started operation in December 2021
- ✓ R\$235 million invested



# Steel

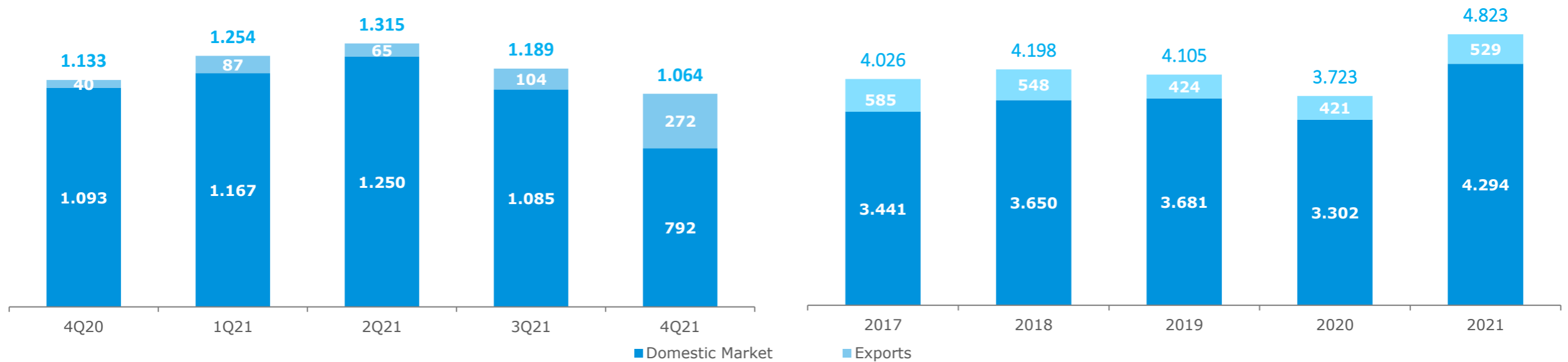
## Overview

- ✓ One of the largest producers of flat rolled steel in Brazil
- ✓ Two industrial plants in Ipatinga (MG) and Cubatão (SP)
- ✓ Nominal crude steel production capacity of 5 mm per year
- ✓ Owns Unigal Usiminas, a JV with Nippon Steel engaged in steel hot-dip galvanizing, enhancing the technology content within Usiminas' steel
- ✓ Largest center of steel research in Latin America
- ✓ Restructured and incorporated into the steel industry in mid-2020, Usiminas Mecânica started to act only in the provision of services to Usiminas companies in the Industrial Assembly and Maintenance segments.

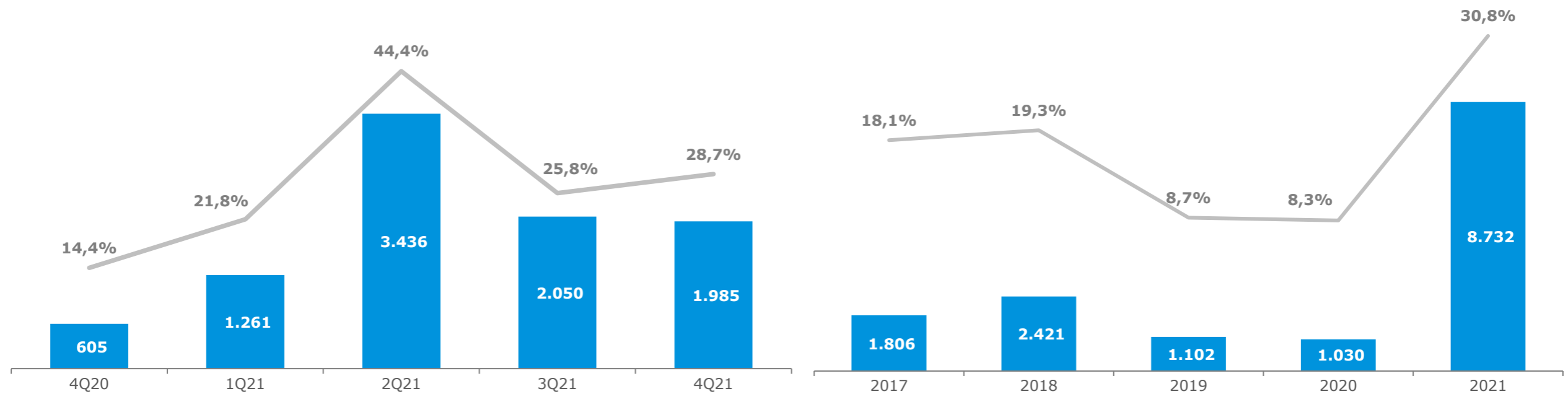
# Steel

## Financial Highlights

Steel Sales Evolution (Thousand tons)



EBITDA (R\$ mm) and EBITDA Margin (%)



# Steel (Cont'd)

Flat steel consumption markets



**Heavy Plates**



Civil Construction



Machinery and Equipment



Pipelines



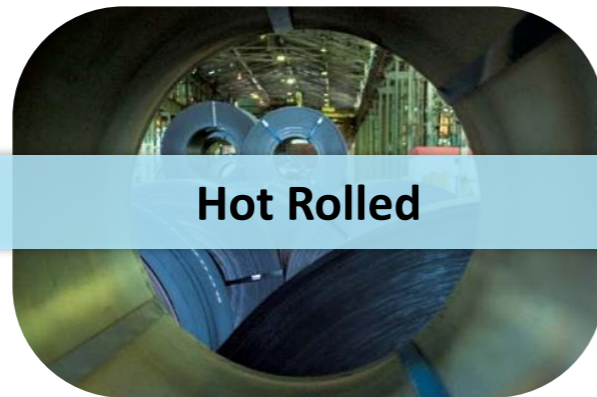
Capital Goods



Wind Energy



Oil and Gas



**Hot Rolled**



Civil Construction



Machinery and Equipment



Pipelines



Auto Industry



Solar Energy



Oil and Gas



**Cold Rolled**



Civil Construction



White Line



Auto Industry



**Galvanized**



Civil Construction



White Line



Auto Industry



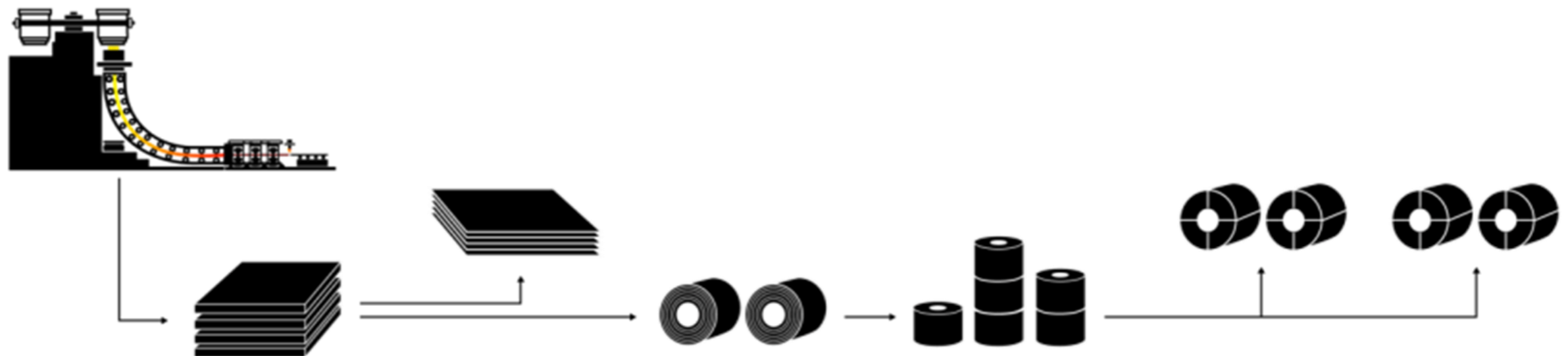
Solar Energy

# Steel (Cont'd)

## Flat steel consumption markets

The total crude steel generation capacity is 5 million tons and is located in Ipatinga.

Current capacity for generating finished products, considering the galvanizing lines (EG and HDG) and heavy plates at their maximum capacities.



	Heavy Plates	Hot Rolled	Cold Rolled	Galvanized		Total
				Electrogalvanized	HDG	
Total Production Capacity of Products for Sale	1,000	1,800	2,710	360	1,030	6,900

\*As of September 2021, at the Cubatão Plant, the assets of the blast furnaces and sinter plants were written off due to their obsolescence; The assets of the steelworks were not written off and remain temporarily shut down;

At the same plant, due to the lack of visibility of demand, the heavy plate mill and the number 1 hot strip mill, which had already been shut down, were also written off;

# Steel (Cont'd)

## Key Projects



### CLC Technology

- ✓ Started operation in 2010
- ✓ Meets specific requirements from Petrobras, focused in application on pre-salt operation, besides the shipbuilding sector.
- ✓ Consists of an accelerated cooling process for heavy plates.

### Hot-dip Galvanizing Line

- ✓ Started operations in 2011
- ✓ Doubled the capacity to 1 million tons / year
- ✓ Expertise in ultra-high strength steel production (dual phase)



### Coke Plant Revamp – Ipatinga

- ✓ Started operations in May 2015
- ✓ Metallurgical coke with adequate specifications for pig iron production in the blast furnace process
- ✓ Reduction of particle emissions, gases and volatile substances
- ✓ Coke gas to be used in the operational facilities of Ipatinga Mill and electricity generation
- ✓ Total capacity of coke plant of 1.4 million tons/year



# Steel (Cont'd)

## Key Projects



### Revamp of the Blast Furnace #3

- ✓ Estimated investment of 600 million for 2021
- ✓ Total value of the renovation of R\$ 2.09 billion, to be disbursed by 2023
- ✓ AF3 will continue operating normally until mid 2023

# Steel

## Research and Development

### Largest Center for Steel Research in Latin America

- ✓ 50 YEARS OF OPERATION
- ✓ 17 LABORATORIES
- ✓ Steel mill with the largest number of patents in Latin America (101 charters)
- ✓ Focus on developing new steel and improving production processes

# Steel Processing

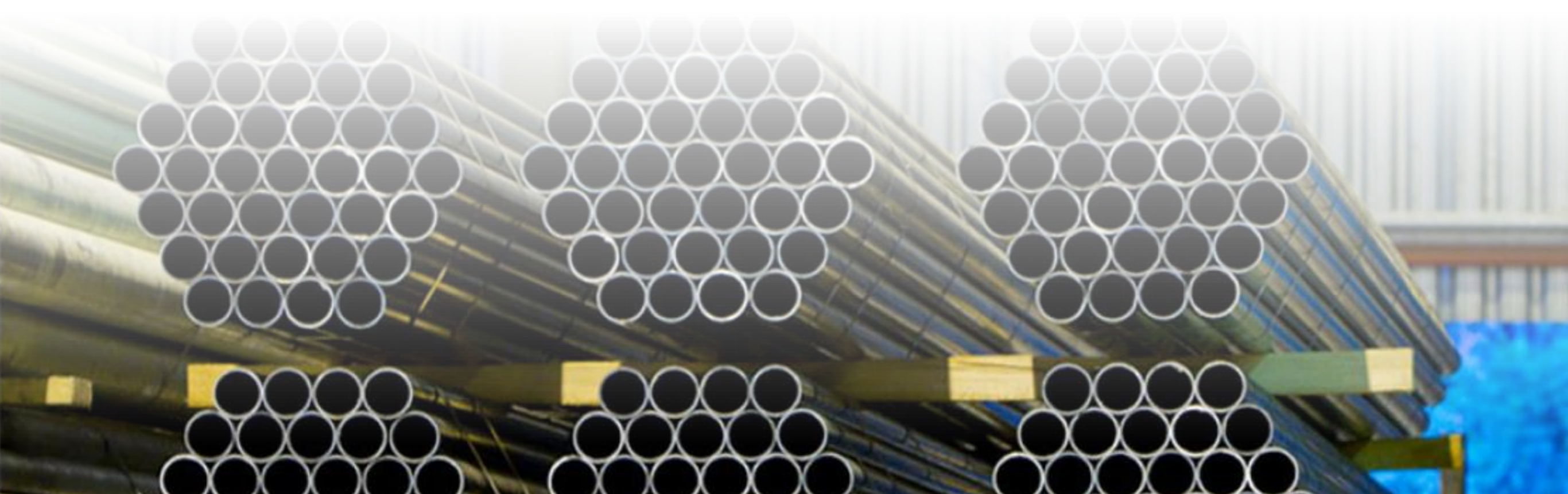
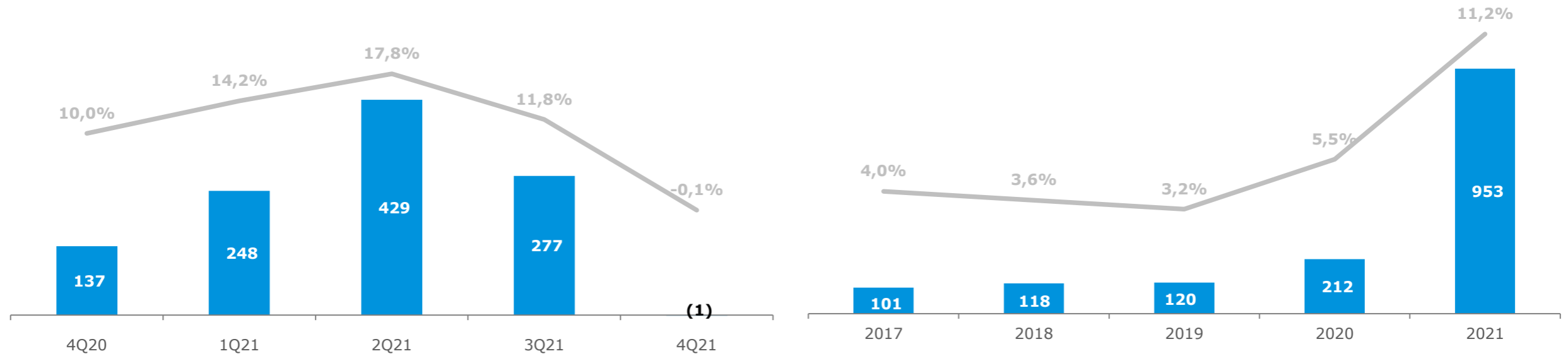
## Overview

- ✓ **Soluções Usiminas engages in steel transformation and distribution**
- ✓ **The company is controlled by Usiminas, that holds a 68.9% stake**
- ✓ **Its portfolio includes the production of steel coils, coarse plates, rollers, welded assemblies, metal structures and metal disks and tubes, among other items**
- ✓ **Located in seven different sites with an installed capacity to transform 1.9 million tons of steel per year**

# Steel Processing

## Financial Highlights

EBITDA (R\$ mm) and EBITDA Margin (%) – Steel Processing



# AGENDA



1

**Usiminas**

2

**Pillars of Usiminas' Management**

**People**

**Clients**

**Results**

3

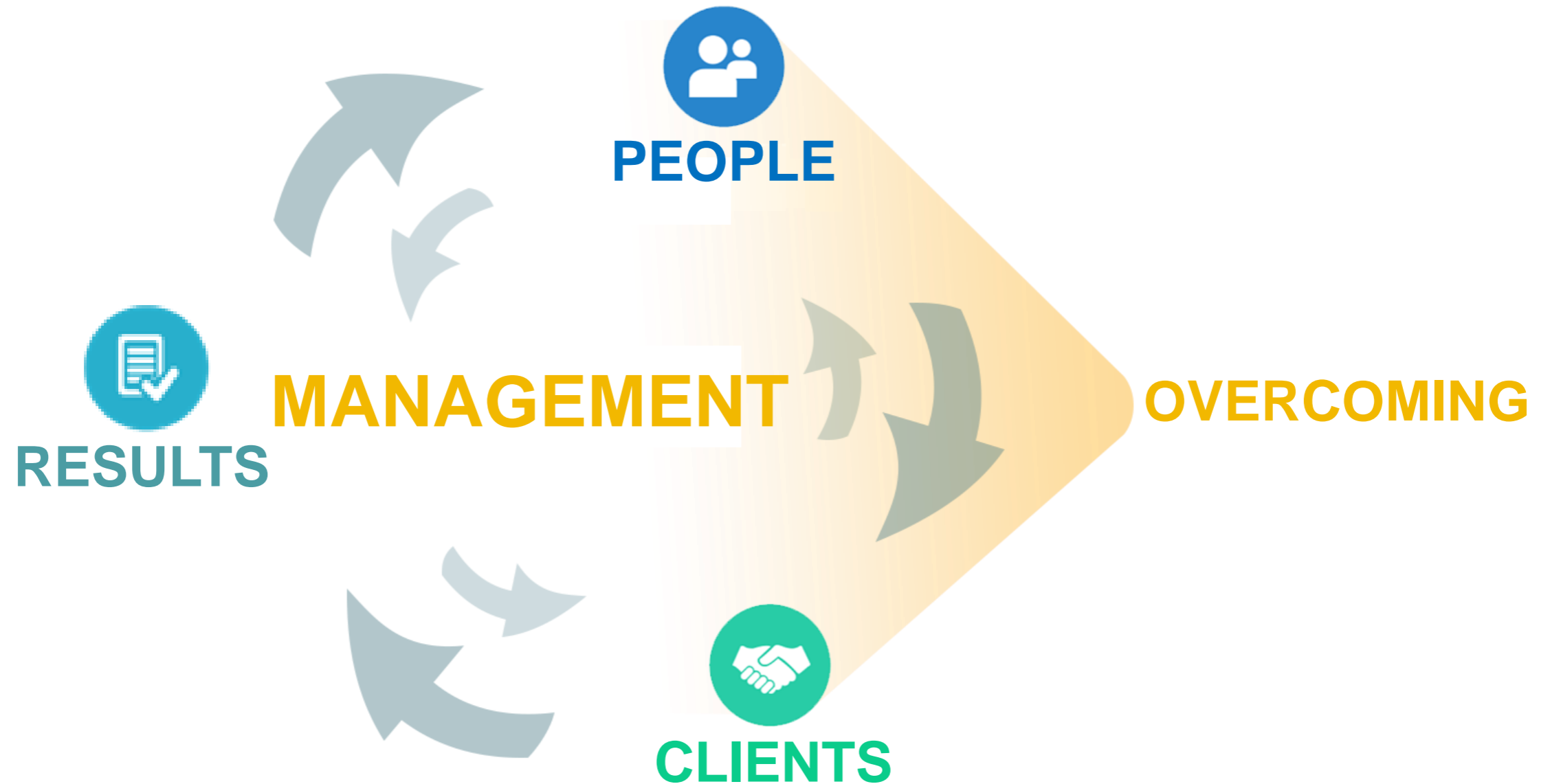
**Governance and Highlights**

4

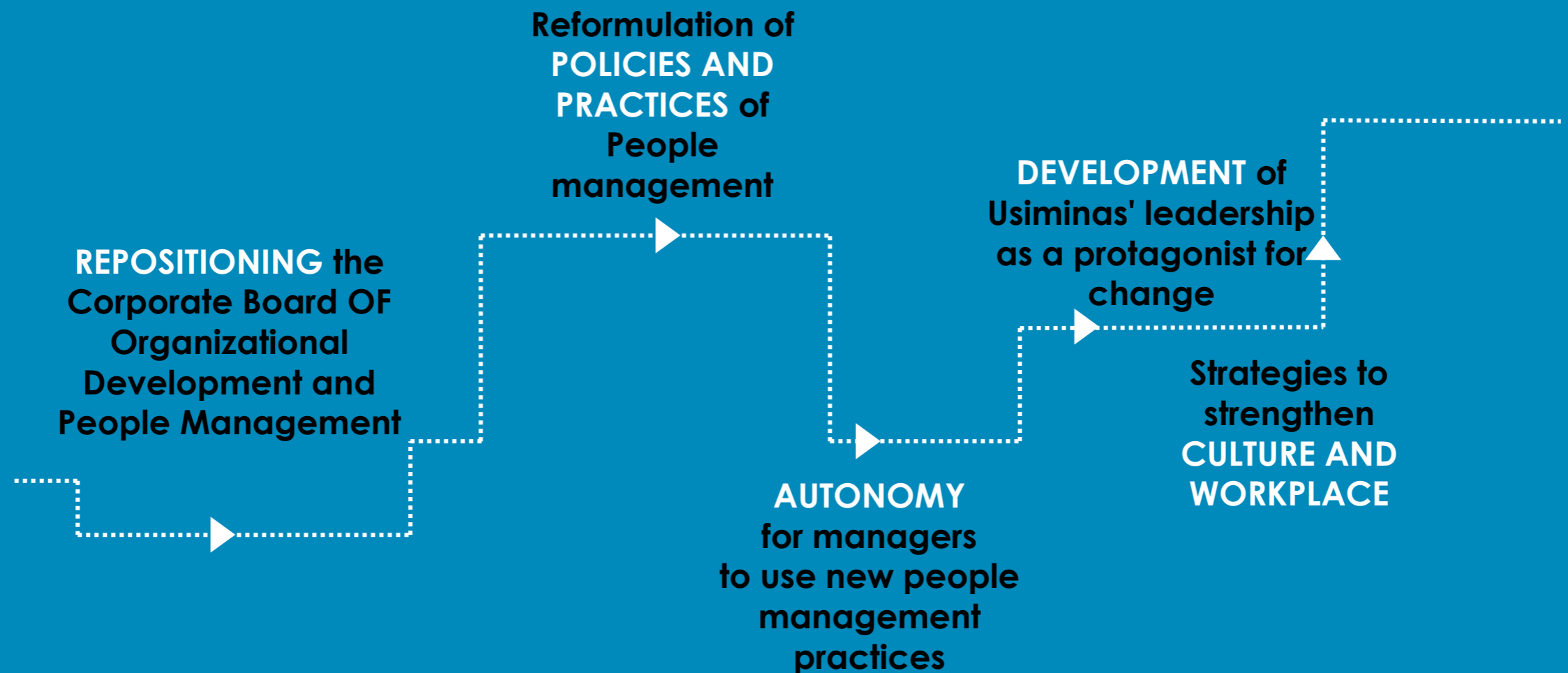
**Appendix**

# PILLARS OF USIMINAS' MANAGEMENT

People, Clients and Results



# PEOPLE



# People

## Social and Environmental Highlights

### Highlights



#### “Projeto Superar”

Awarded by **World Steel Association**  
 “Excellence in health and safety – Impact on occupational health.”



#### “Todos pela Água”

was the greatest winner in the category “**Best sustainable partner project**” of “IX Prêmio Hugo Werneck” in Sustainability & Love to Nature.



**51,000**

oncology sessions and **1593 patients recovered** from Covid in 2020



**832**

#### Scholarship

at “Colégio São Francisco Xavier” in 2019.



#### Márcio Cunha Hospital

recognized by Newsweek magazine as the **17th best hospital** in Brazil and **among the 3 best** in Minas Gerais in 2020.

### “Mobiliza Caminhos do Vale” Project

Promotes the recovery of rural roads based on steel aggregates, having as a counterpart the realization of socio-environmental projects and the recovery of springs by the municipalities

- ✓ **3.6 Million** tons of applied Siderbrita
- ✓ **1.3 Million** beneficiaries
- ✓ **3,209 km** of rural roads recovered
- ✓ **126,000** trips on 25 tons’ trucks
- ✓ **84 municipalities** in the east of Minas Gerais



# People

## Social and Environmental Highlights

### “Mobiliza Todos pela Água” Project

Enters into partnerships with municipal councils, using slag to recover springs

**84** Municipalities participating

**4,798** Springs recovered

**1.09 million** Seedlings planted



# People

## Social and Environmental Highlights

### “Mobiliza Pelo Trabalho” Project

Manufacture of interlocking blocks based on steel aggregate using inmates labor

88,255

benefited people

750m<sup>2</sup>/month

of production

100t

of Siderbrita used  
per month

50%

less costly\*

Gains in **accessibility** and **convenience** for the population  
**Re-socialization** and **remission** of punishment for the inmates



\*compared to similars on the market.

# People

## Social and Environmental Highlights

### “Mobiliza Caminhos do Vale” Project

Socio-environmental projects as counterpart in **Marliéria**



Slope containment works, leading to a **100% annual attendance** in the local schools

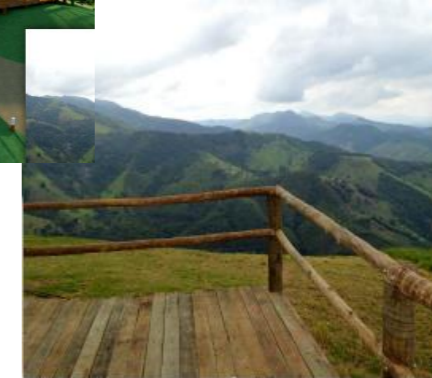
Contrapartidas sócio ambientais em **Paraíso e Iapú**



Workshop on **Ecology and Environmental Preservation**, environmental awareness and tree seed plantation in the springs by community children



Increase in **tourism and handicraft**, and helping the local products flow



Construction of the **free flight ramp** in the community of Achado, 2nd largest in the State of Minas Gerais

# People

## Social and Environmental Highlights

### Education and Culture

#### São Francisco Xavier School

First educational institution in Brazil to obtain ISO 9001



#### Usiminas Institute

Usiminas invested over R\$260 million, encouraging around 2,000 social projects since 1993



### Projects and Programs

#### Xerimbabo Usiminas Project

Promotes protection and environmental education free of charge for more than 2 million young people



#### “Plante uma vida” Project

The initiative promotes the planting of native tree by employees who had a children in the year



# People

## Social and Environmental Highlights

### São Francisco Xavier Foundation

#### Márcio Cunha Hospital – Unit I

Reference center in the area of health in Brazil



#### Márcio Cunha Hospital – Unit II

Hospitalization, Ambulatory Care, Diagnostic Imaging Center and Usifamília



#### Carlos Chagas Municipal Hospital

Reference for the municipalities of the Itabira microregion to SUS patients



#### Cubatão Hospital

General Hospital for services of medium complexity, reference for the region of São Vicente, Cubatão, Guarujá and Praia Grande



# People

## Social and Environmental Highlights

### Libertas Hospital

New hospital in installation by FSFX, occupying the **old headquarters building** in Belo Horizonte

Inicial opening of **140 beds** (380 in total)

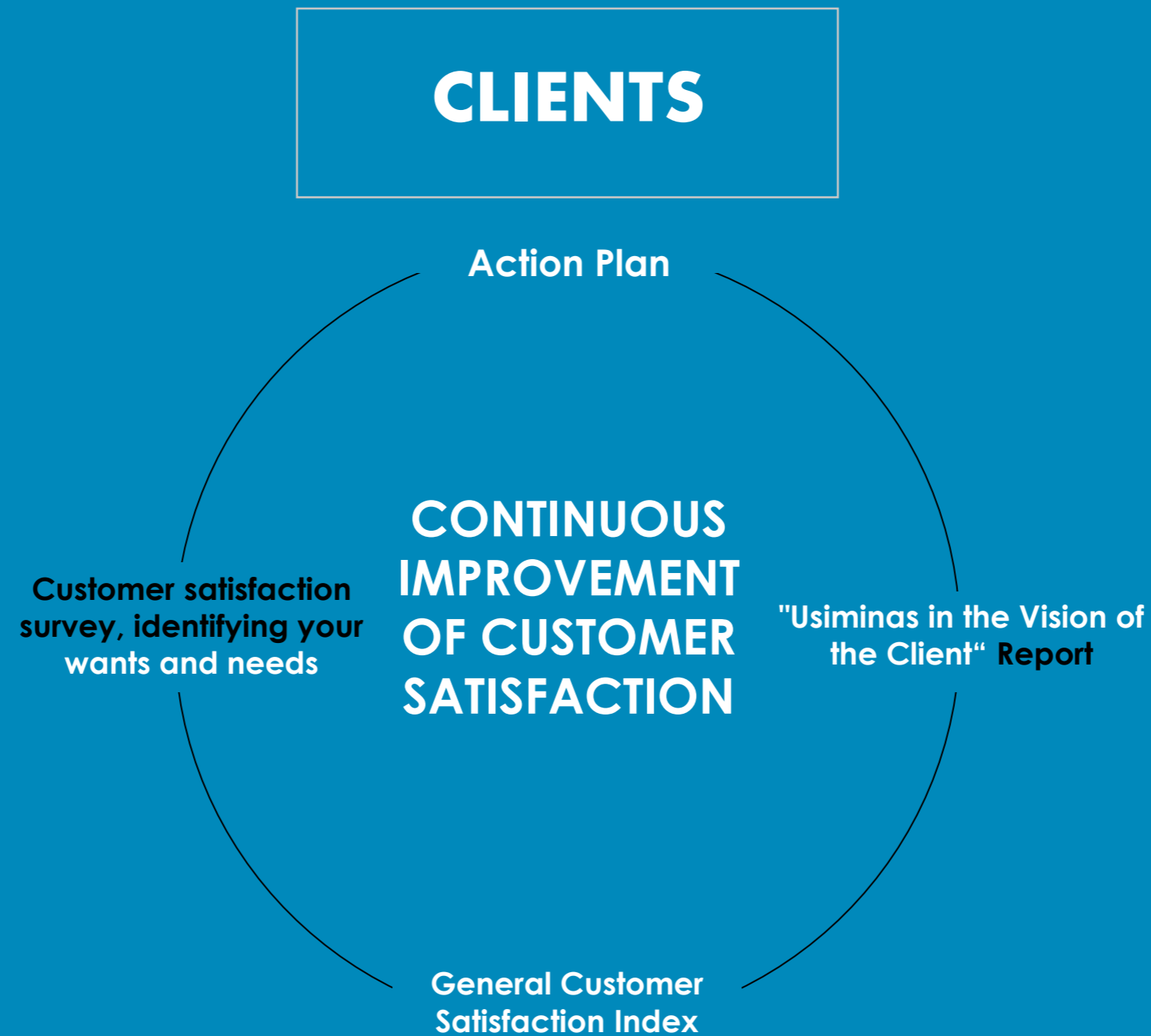
# People

## Social and Environmental Highlights

### Awards and Recognition

- 2021 – Top 100 Open Startups – Usiminas was recognized among the 100 most innovative companies in Brazil
- 2020 - Toyota Business Practices Award – Soluções Usiminas won in the Environment category
- 2020 – Aberje Award – Usiminas won in the Diversity and Inclusion category
- 2019 – “Boas Práticas Ambientais” State Award – Recognition from SEMAD and Sisema
- 2019 – “Chico Mendes Institute Social-Environmental Award” - Proactive posture in relation to sustainable development
- 2018 - “Sustentabilidade Américas” Award – Biggest Americas’ Award
- 2018 – “Hugo Werneck” Award – Best Sustainable Partner Project: “Todos pela Água”
- 2017 – “Boas Práticas Ambientais” Award – Recognition from FEAM and FIEMG
- 2017 – “World Steel Association”: Biggest World Award (Belgium)





# Clients

Customer Satisfaction, Awards and Recognition

## AWARDS AND RECOGNITION

Brazil Leaders Award – Steel Category

*Toyota Business Practices 2020*

*Whirlpool Supplier Award Quality Excellence 2019*

*Latin American Quality Awards 2019 - Latin American Excellence Model*

*Top Supplier Ford – Raw Material and Stamping 2018*

*Gestamp Supplier Quality – Excellence Award 2017*

*MotoHonda Supplier – Excellence in Quality and Delivery 2017*

*Mercedes Benz award for environmental responsibility 2017*

*Ranking of the "100 most Innovative Companies in Brazil"*

*Toyota Global Suppliers Award*

*PSA Peugeot-Citroen Award*

## MAIN SUPPLIER FOR THE AUTOMOTIVE MARKET



# RESULTS

**CRISE**  
 Deterioration of results  
 Loss of Market Cap.  
 Furnace shutdown

**SURVIVAL**  
 Capital increase of R\$ 1Bi  
 Debt Restructuring  
 Change of the business model in Cubatão

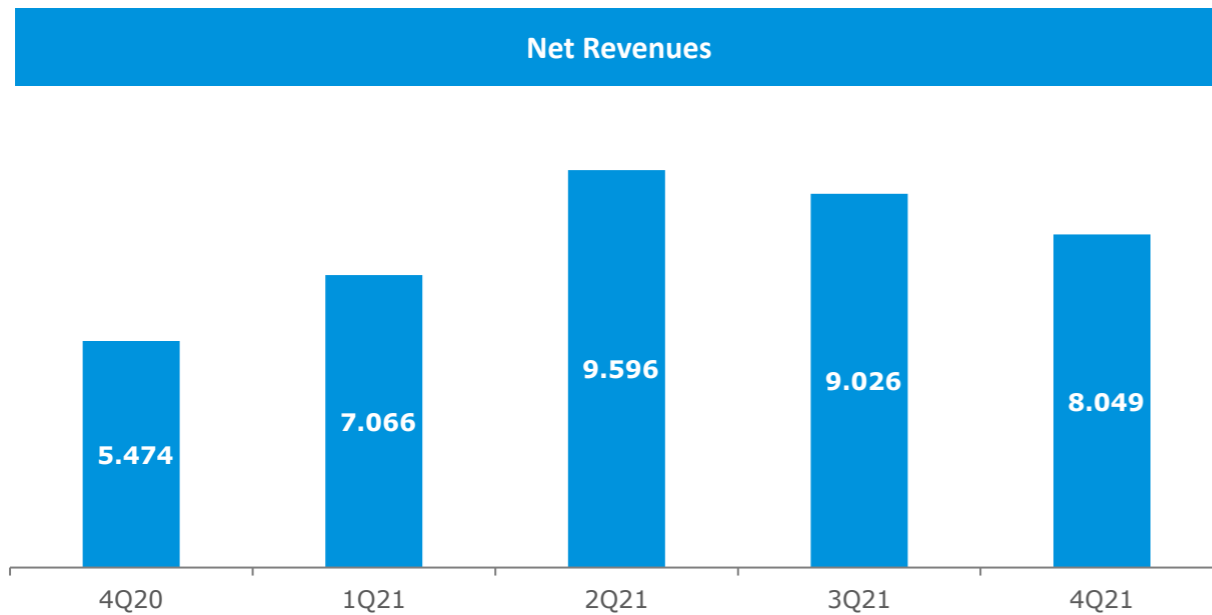
**CONSTRUCTION OF RESULTS**  
 Focus on results  
 Group of Ten  
 Restructuring the team  
 Valorization of employees  
 Austerity measures  
 Issuance of Bonds and Debentures  
 Revenue increase

**CURRENT SCENARIO AND CONSTRUCTION OF THE FUTURE**  
 Record results in all units  
 Revamp of AF3 in Ipatinga  
 Company cash biggest than debt  
 Participation in the Carbon Efficient Index - ICO2

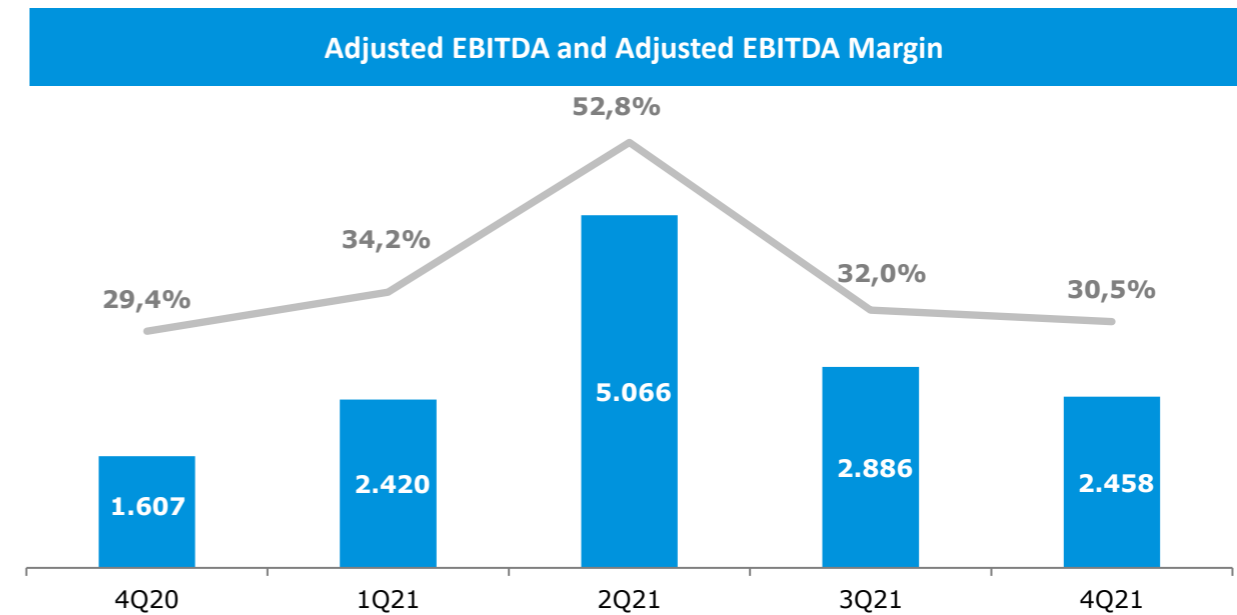
# Results

(R\$ Million, except otherwise indicated)

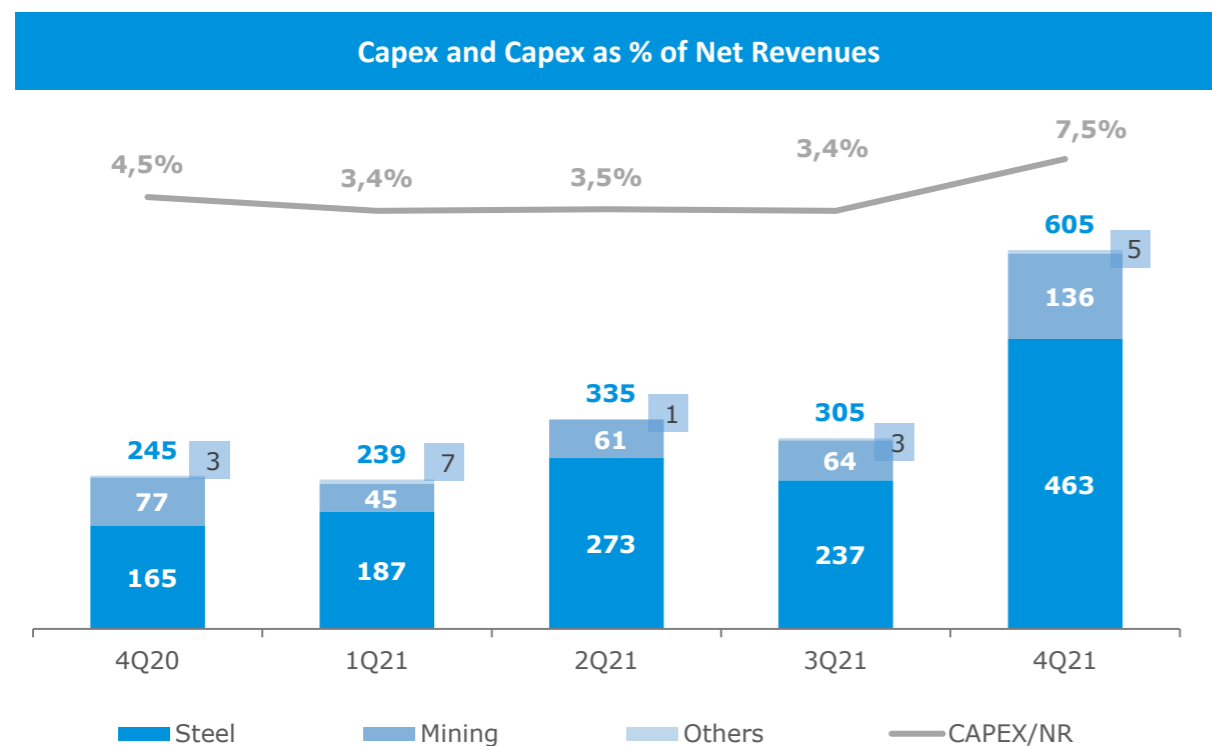
Net Revenues



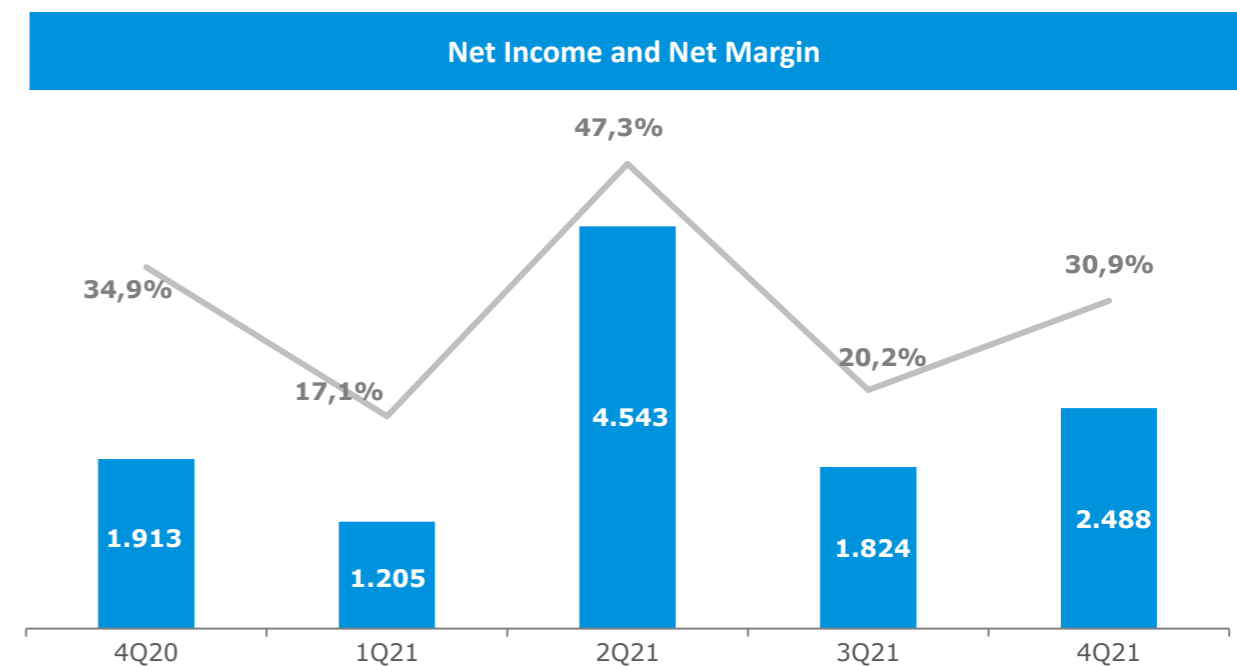
Adjusted EBITDA and Adjusted EBITDA Margin



Capex and Capex as % of Net Revenues



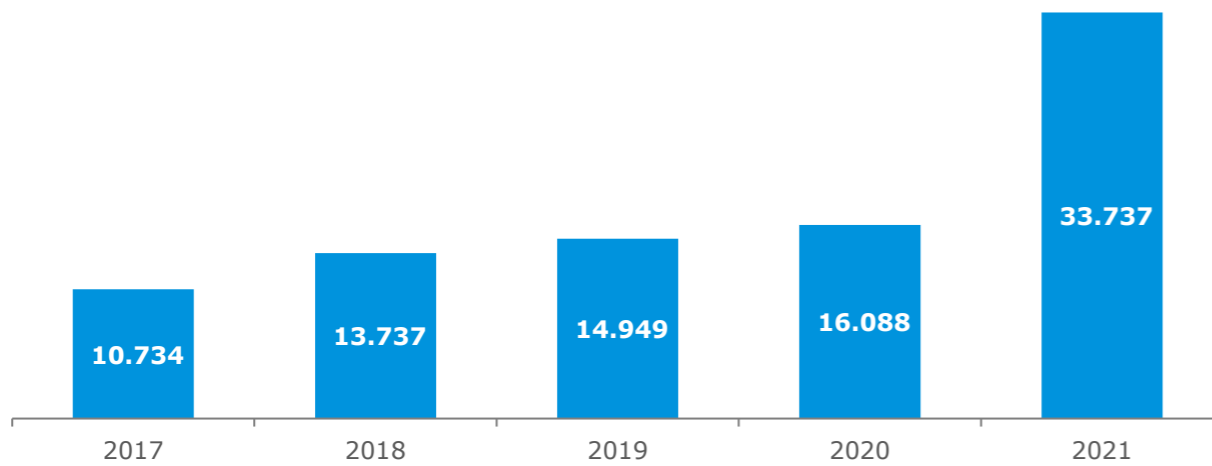
Net Income and Net Margin



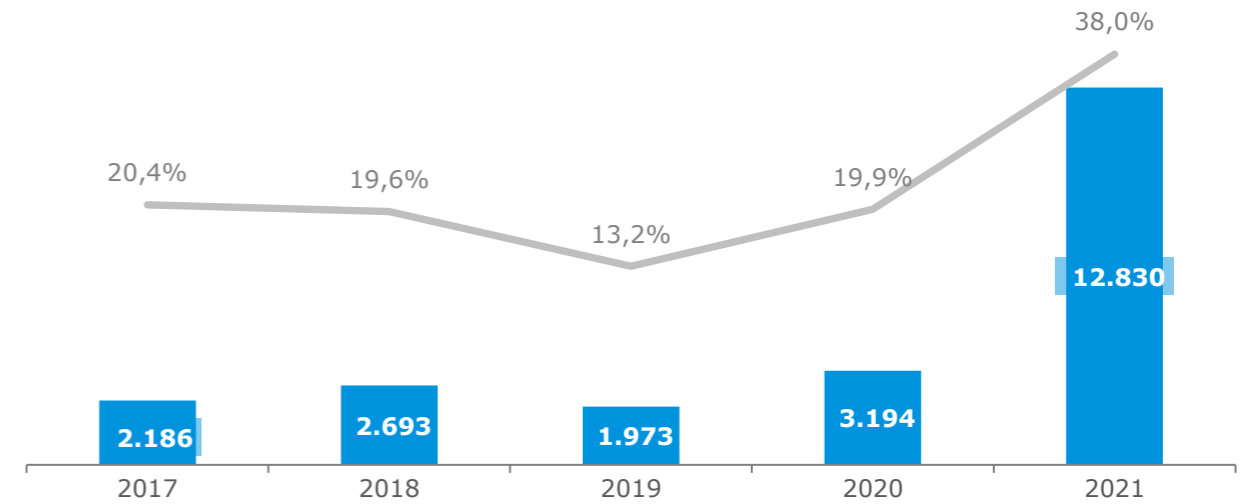
# Results

(R\$ Million, except otherwise indicated)

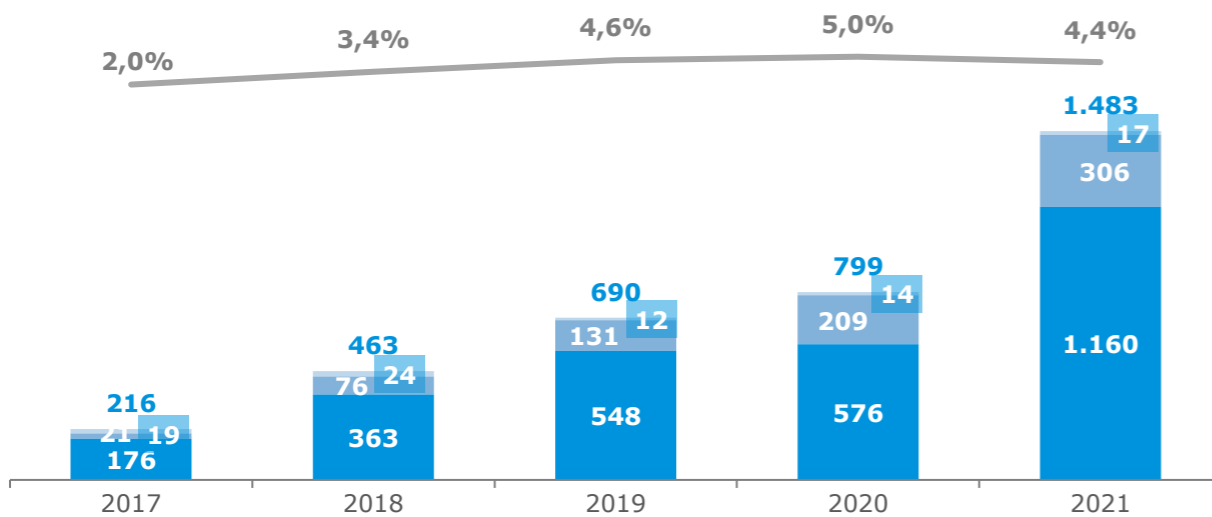
Net Revenues



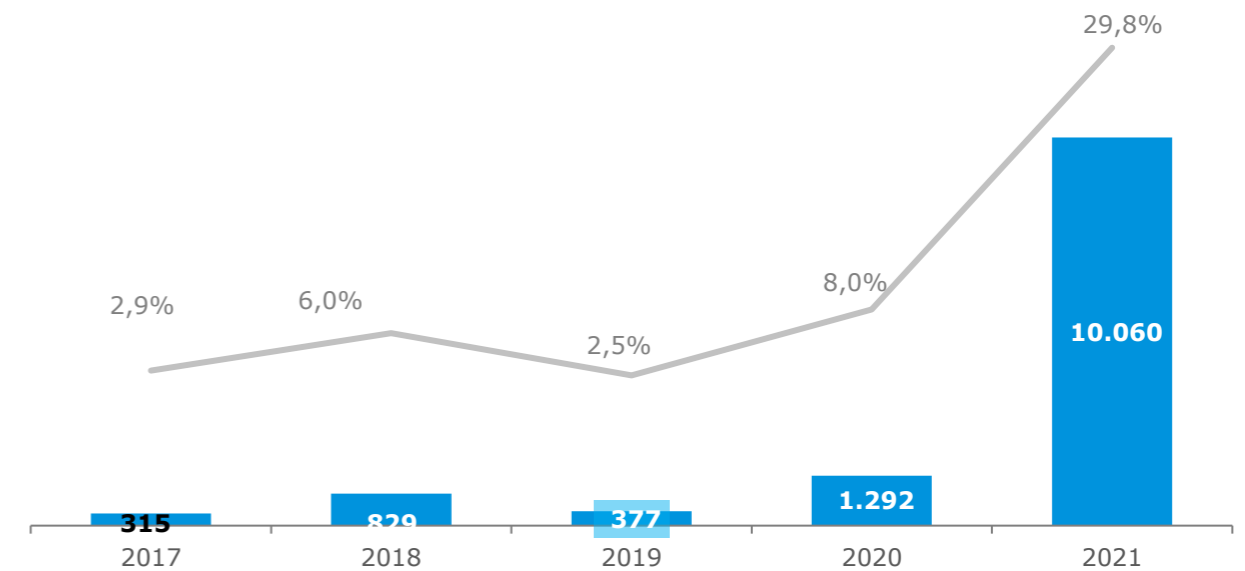
Adjusted EBITDA and Adjusted EBITDA Margin



Capex and Capex as % of Net Revenues

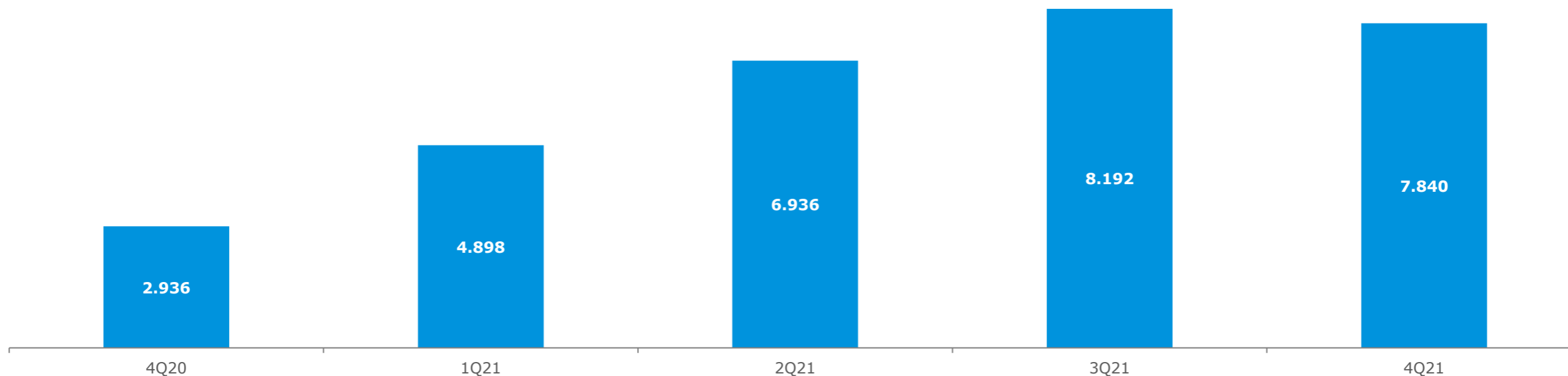


Net Income and Net Margin

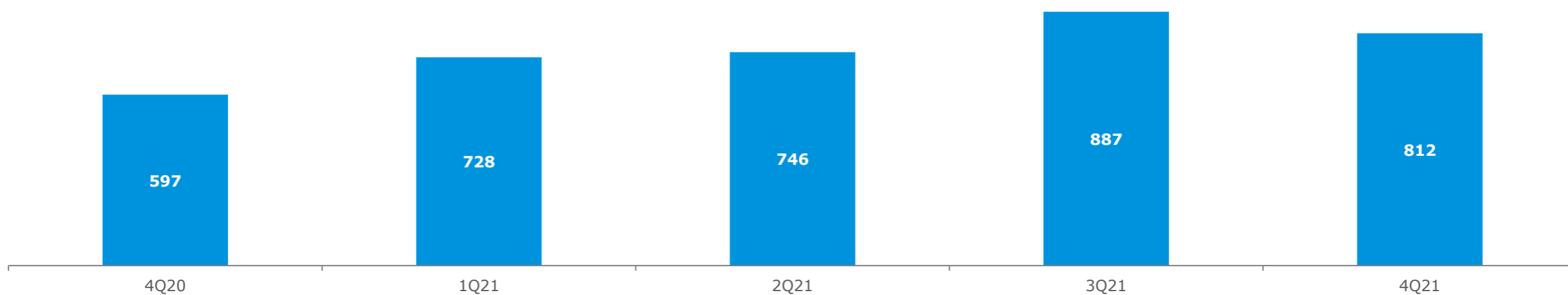


■ Siderurgia ■ Mineração ■ Steel Processing — CAPEX/RL

## Working Capital (R\$ million)



## Working Capital – Steel inventories (Thousand tons)



Days in Inventory

48

52

52


69

70

# Financial Restructuring

In 2016, Usiminas implemented important actions to preserve its financial and operational capacity

Capital Increase		
	Ordinary Shares	Preferred Shares
Capital Increase Amount	R\$1 billion	R\$50 million
Subscription Price	R\$5.00/sh	R\$1.28/sh
# Subscribed Shares	200 million	39 million
Homologation	AGE	RCA
Closing Date	July 19, 2016	June 3, 2016
Share Price @Closing Date	R\$7.05/sh	R\$1.82/sh

Debt Renegotiation	
<b>Creditors Involved</b>	
<b>Tenor</b>	<ul style="list-style-type: none"> <li>10 years (three years of grace period)</li> <li>Installments increasing gradually</li> </ul>
<b>Cost</b>	<ul style="list-style-type: none"> <li>CDI+3% p.a.</li> </ul>
<b>Completion</b>	<ul style="list-style-type: none"> <li>September 2016</li> </ul>

**R\$ 6.3bn Renegotiated with no haircut**

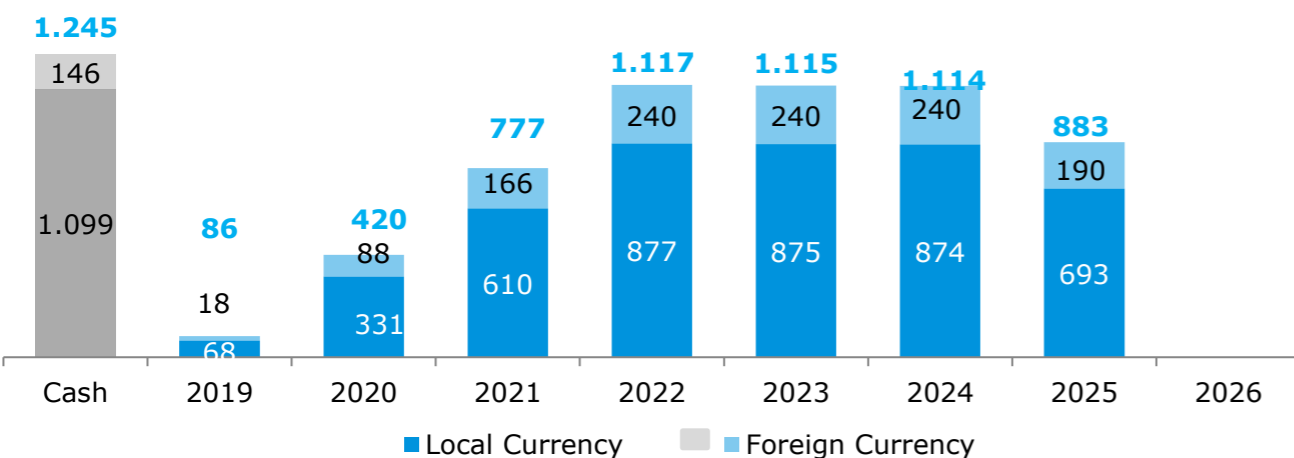
92% of Usiminas indebtedness

# DEBT PROFILE

2019 brought important events that changed the Company's debt profile

## Previous Profile: 06/30/2019

Duration: R\$: 39 months  
US\$: 42 months

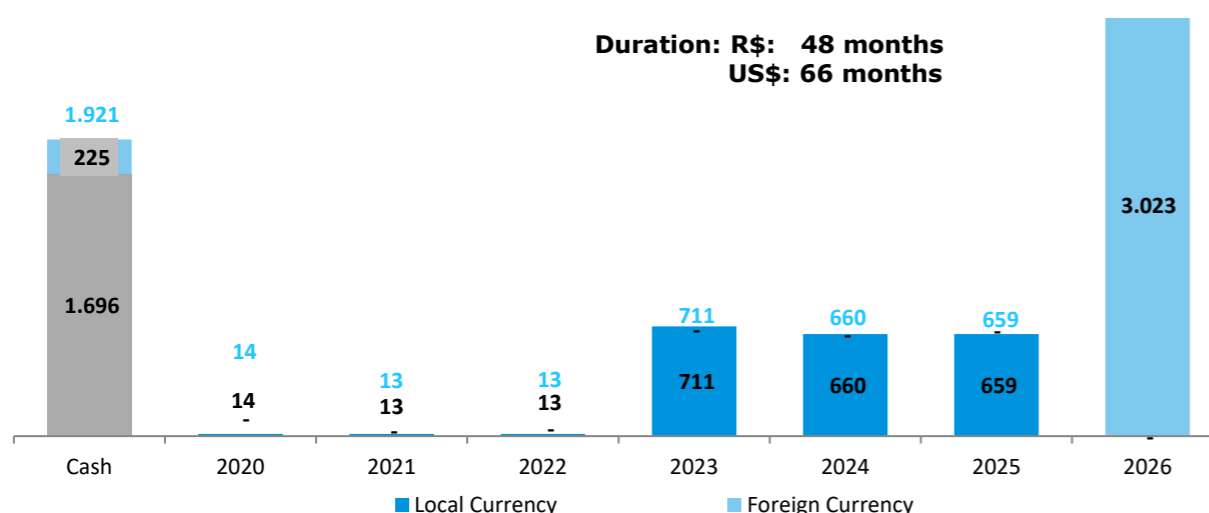


## Important Events

07/11/2019	10/16/2019	09/30/2019
<b>Bonds Issuance</b> US\$ 750 million	<b>Receipt of credits due by Eletrobras</b>	<b>Debentures Issuance</b> R\$ 2 billion
<u>Maturity</u> 7 anos	R\$ 751 million	<u>Maturity</u> 1 <sup>st</sup> Series : 2023 2 <sup>nd</sup> Series : 2024 and 2025
<u>Yield</u> 6,125% a.a.	<i>In order to prepay debt.</i>	<u>Coupon:</u> 1 <sup>st</sup> Series: CDI + 1,7% 2 <sup>nd</sup> Series: CDI +2,1%
<u>Coupon</u> 5,875% a.a.	<u>Liquidation:</u> 10/21/2019	<u>Liquidation</u> 10/23/2019
<u>Liquidation:</u> 07/18/2019		

## The New Profile (Proforma unaudited): 12/31/2019 – after bonds, debentures and Eletrobras credits

Duration: R\$: 48 months  
US\$: 66 months



"Cash Sweep" exclusion



CAPEX Flexibility



Release of Collaterals.

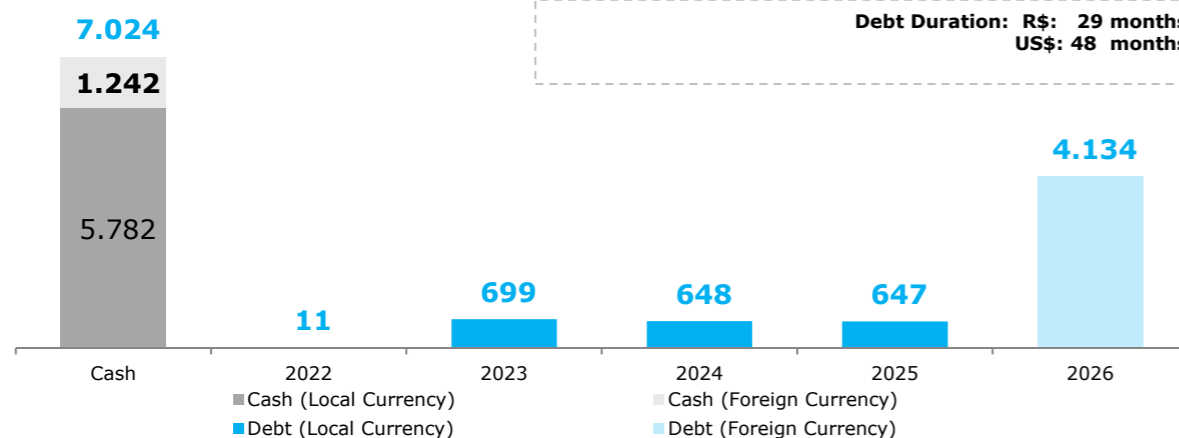
# Liquidity and Indebtedness

(R\$m)

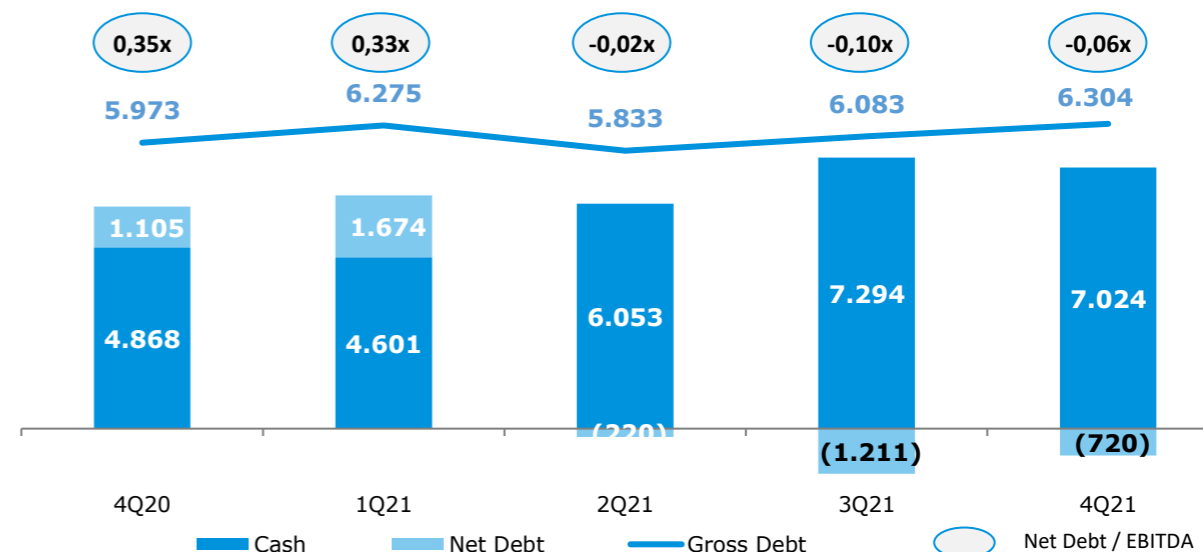
## Debt Repayment Schedule

Current cash position covers all debt

Debt Duration: R\$: 29 months  
US\$: 48 months



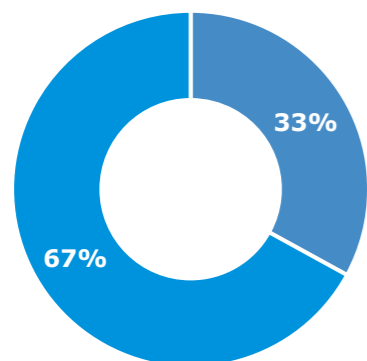
## Cash Position and Indebtedness



## Debt Profile by Category

Total Debt

Cost of Debt



■ BRL ■ USD

Local Currency	CDI + 1.7% CDI + 2.1%
Foreing CURRENCY	5.875%

## Credit Rating

	Global	National	Outlook
MOODY'S	Ba2	AA+.br	Stable
S&P Global	BB	brAAA	Stable
FitchRatings	BB	AA+(bra)	Stable

# AGENDA



1

**Usiminas**

2

**Pillars of Usiminas' Management**

People

Clients

Results

3

**Governance and Highlights**

4

**Appendix**

# Usiminas' Corporate Governance

Usiminas' model of corporate governance meets government and market requirements for listed companies, preserving and encouraging transparency

## New Shareholders Agreement

- ✓ On October, 2018, the Company's amended and restated the Usiminas Shareholders Agreement - valid until November, 2031

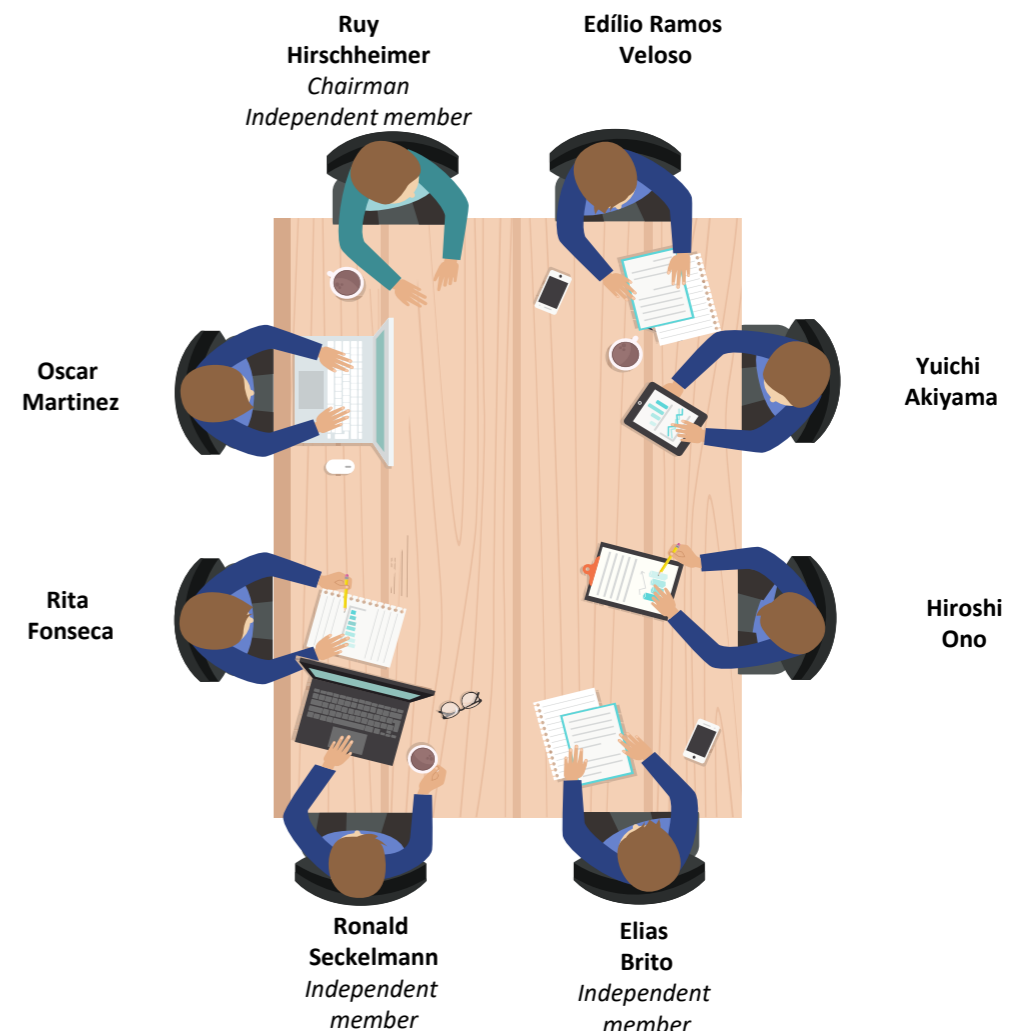
## Corporate Governance Model

- ✓ The Board of Directors is responsible for general strategic policies
- ✓ 7 current members and their respective alternates, besides the Chairman
- ✓ Election for unified terms of 2 years
- 2 committees supporting the BoD:
  - ✓ Human Resources Committee
  - ✓ Audit Committee
- Permanent Fiscal Council
  - ✓ Review of the financial statements, investment plans, budgets, opinion on dividend distribution, etc
  - ✓ Five members elected in General Meeting
- ✓ Listing on B3 Level 1, ADR on OTC Market (New York) and Latibex exchange (Madrid)
- ✓ Improvement in quarterly reports, including the disclosure of consolidated financial statements and special audit revision
- ✓ Disclosure of an annual calendar of corporate events
- ✓ Minimum Free Float of 25%
- ✓ Evaluation of Board of Directors, Management, and Committees
- ✓ Minimum dividend payout of 25% of the net profit (after legal reserves and contingencies – in compliance with Law N° 6,404)

Source: Company's 1Q19 Institutional Presentation (available at [ri.usiminas.com/enu/download-center](http://ri.usiminas.com/enu/download-center))

Note: Independent board members based on the criteria of the Brazilian Code of Corporate Governance and Novo Mercado.




## Board of Directors (Current Members)



# Usiminas' Corporate Governance (Cont'd)

Recently approved programs that ensure safety for the investor, transparency of actions, management control and clarity in communication

## Integrity Program

-  Code of Ethics and Conduct
-  Anticorruption Policy
-  Competition Policy
-  Policy of Conflict of Interests and Transactions with Related Parties
-  Policy of Rewards, Gifts and Hospitalities
-  Policy of Sponsorship and Donations
-  Policy of Relationship with Third Intermediary Parties

## Policies of the Brazilian Corporate Governance Code

-  Policy of Destination of Results
-  Policy of on the Remuneration of the Members of the Board of Officers
-  Policy of Contracting of Extra-audit Services
-  Policy of Disclosure of Information and Negotiation with Securities

*Approved by the Board of Directors  
in October 2018*

# AGENDA



1

**Usiminas**

2

**Pillars of Usiminas' Management**

**People**

**Clients**

**Results**

3

**Governance and Highlights**

4

**Appendix**

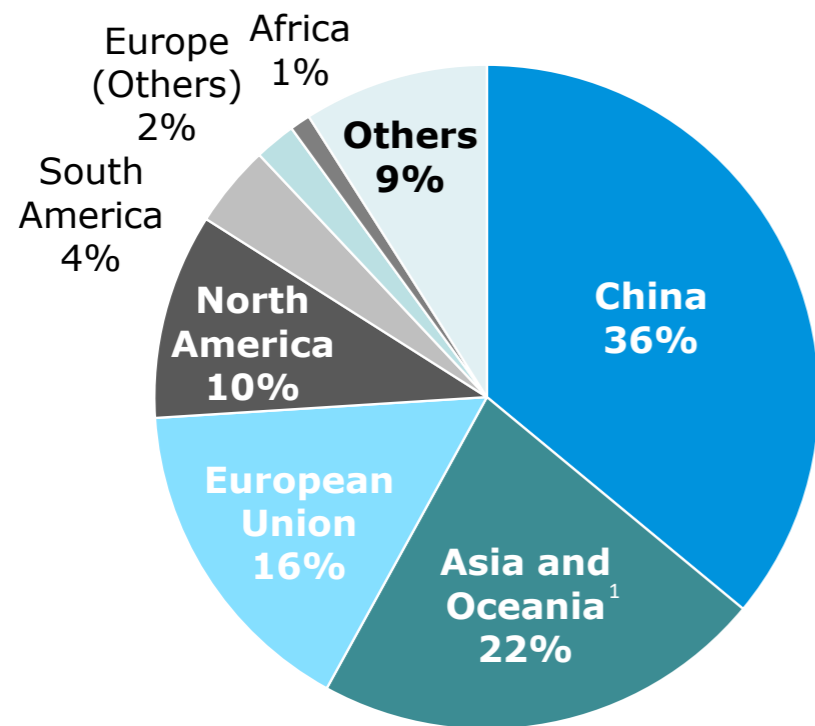
# Over Half a Century of Leadership



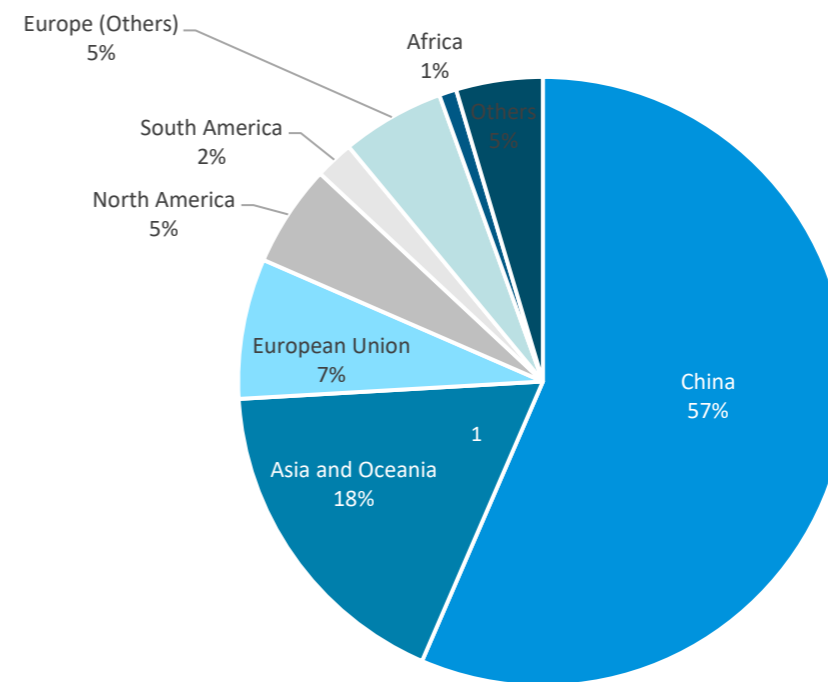
# World Crude Steel Production

2007

2020



1,348 million tons



1,878 million tons

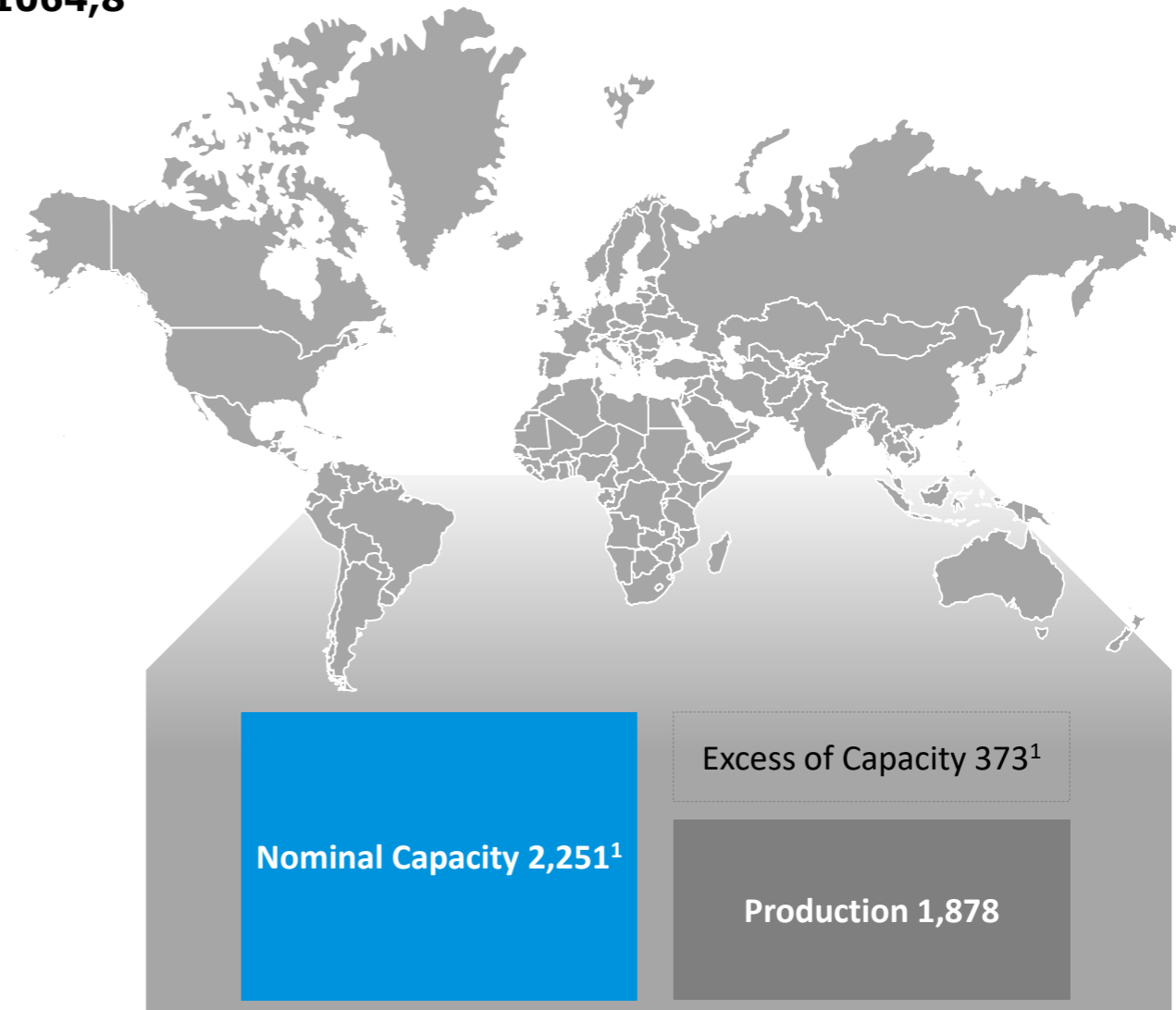
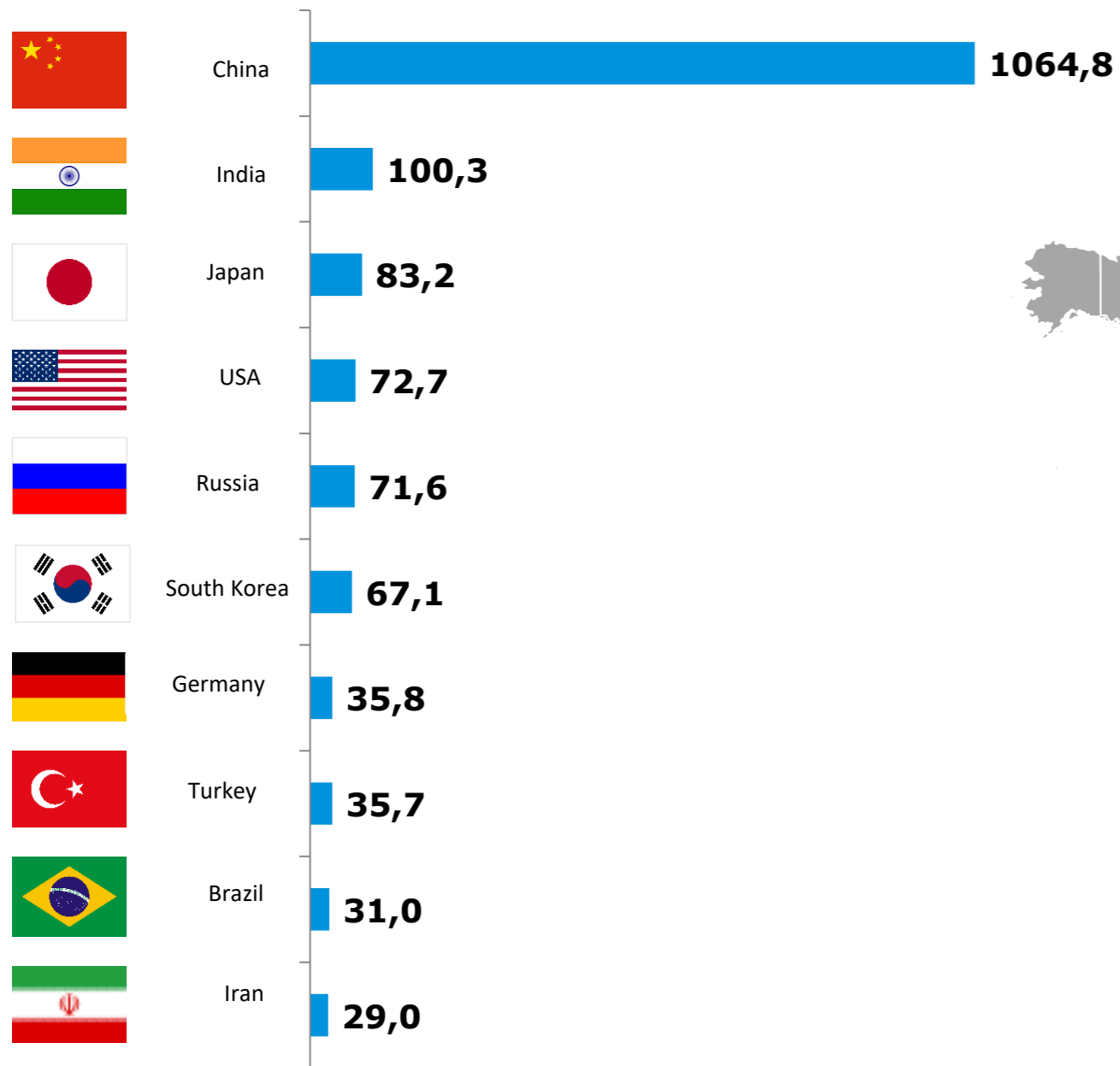
+39%

Source: World Steel Association and Company's 1Q19 Institutional Presentation (available at [ri.usiminas.com/enu/download-center](http://ri.usiminas.com/enu/download-center))

<sup>1</sup> Except China.

# World Crude Steel Market in 2020

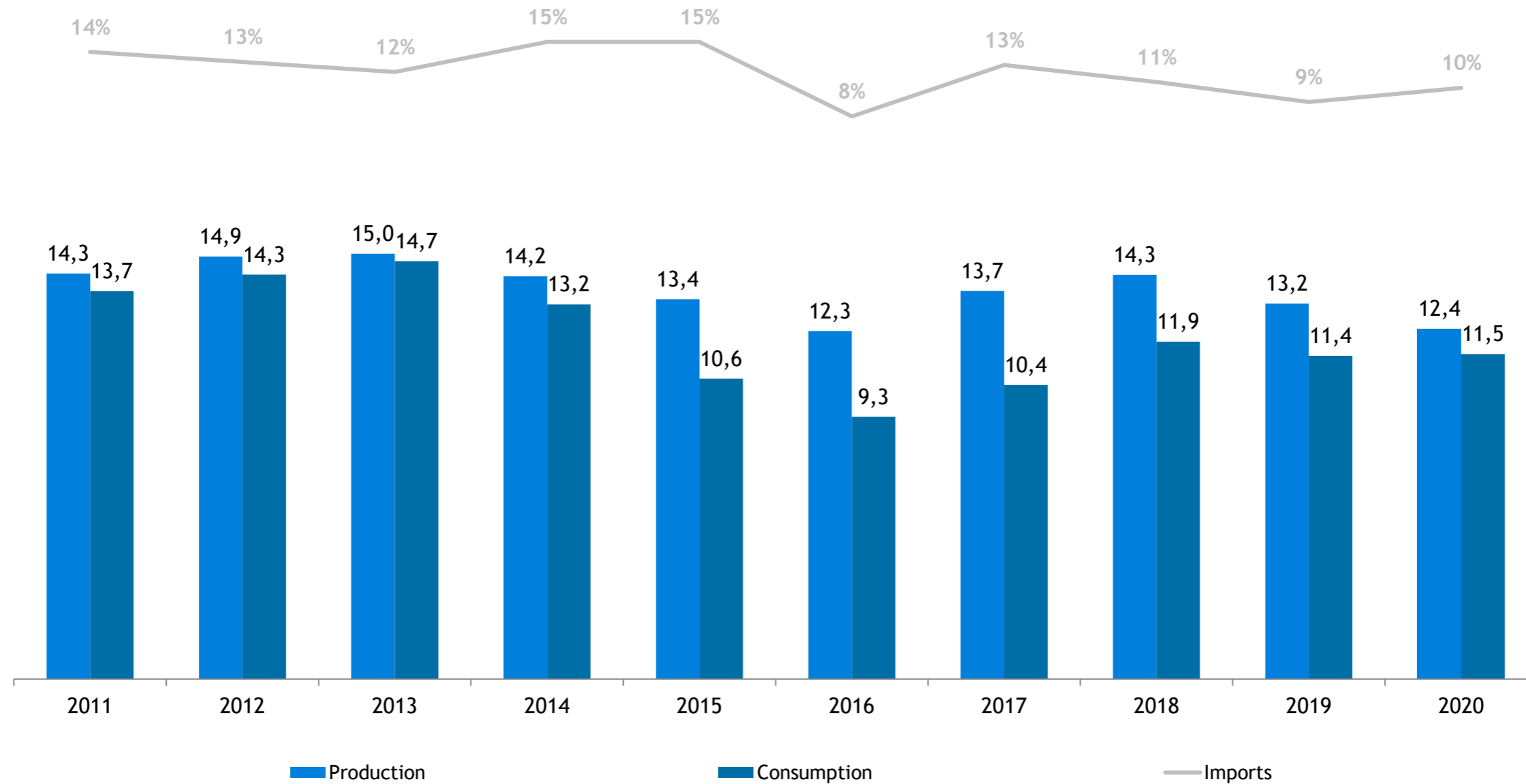
(Million tons)



Source: World Steel Association / OECD  
<sup>1</sup> Latest data available as of 2017.

# Brazilian Flat Steel Market

(Million tons)



Source: Instituto Aço Brasil / Usiminas  
 Note: Excludes Slabs.

# Highlights



**1** Leading position in the Brazilian steel market, with presence in strategic international markets



**2** Diversification across products and markets



**3** Assets strategically located in the country's main industrial and logistic axis in the country



**4** Seasoned and specialized management team



**5** Solid corporate governance

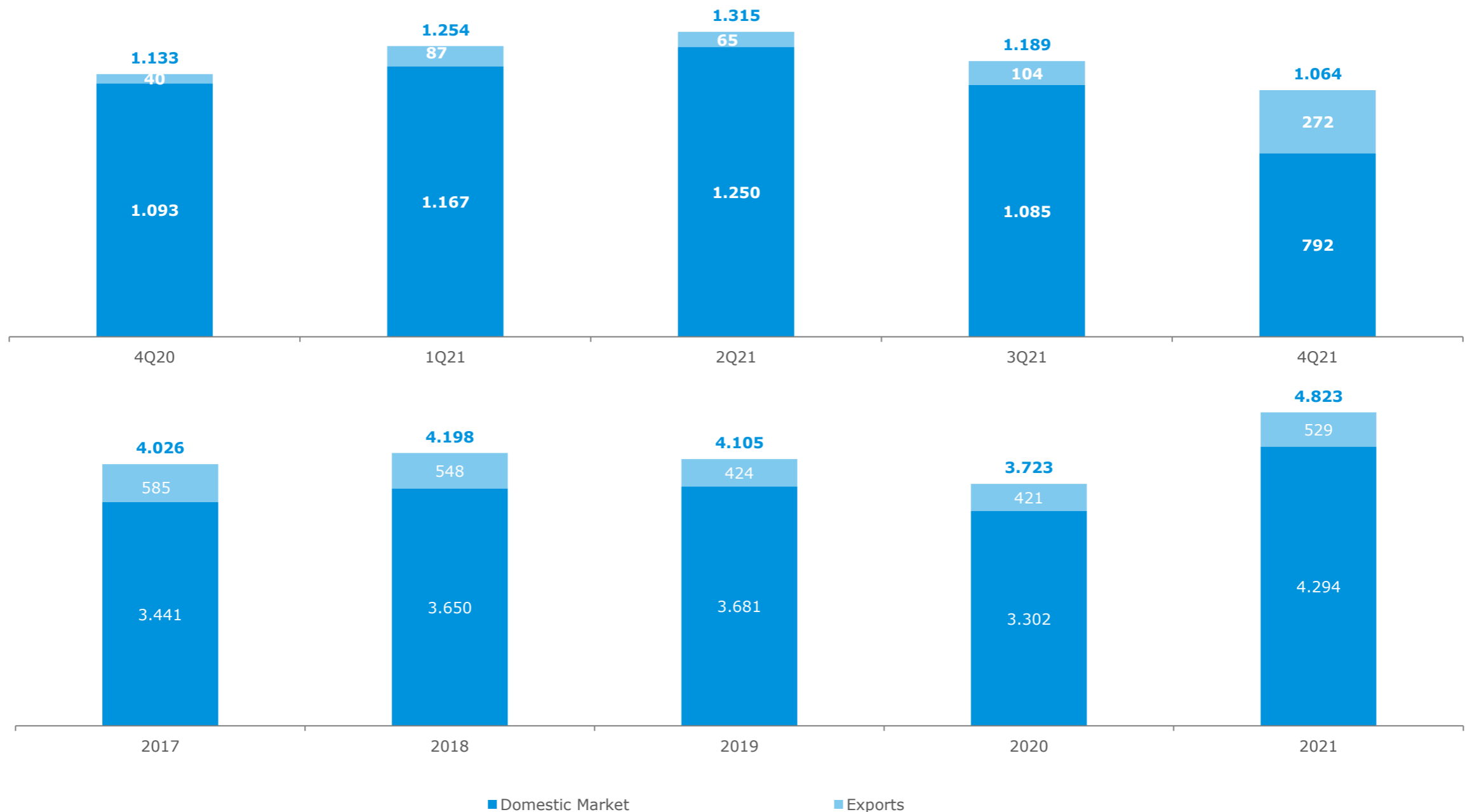


**6** Culture of Employee, Social and Environmental Responsibility

# Leading Position in the Brazilian Steel Market, with Presence in Strategic International Markets

Usiminas' leading position is underpinned by the superior quality of its products and the long-term relationship with key clients

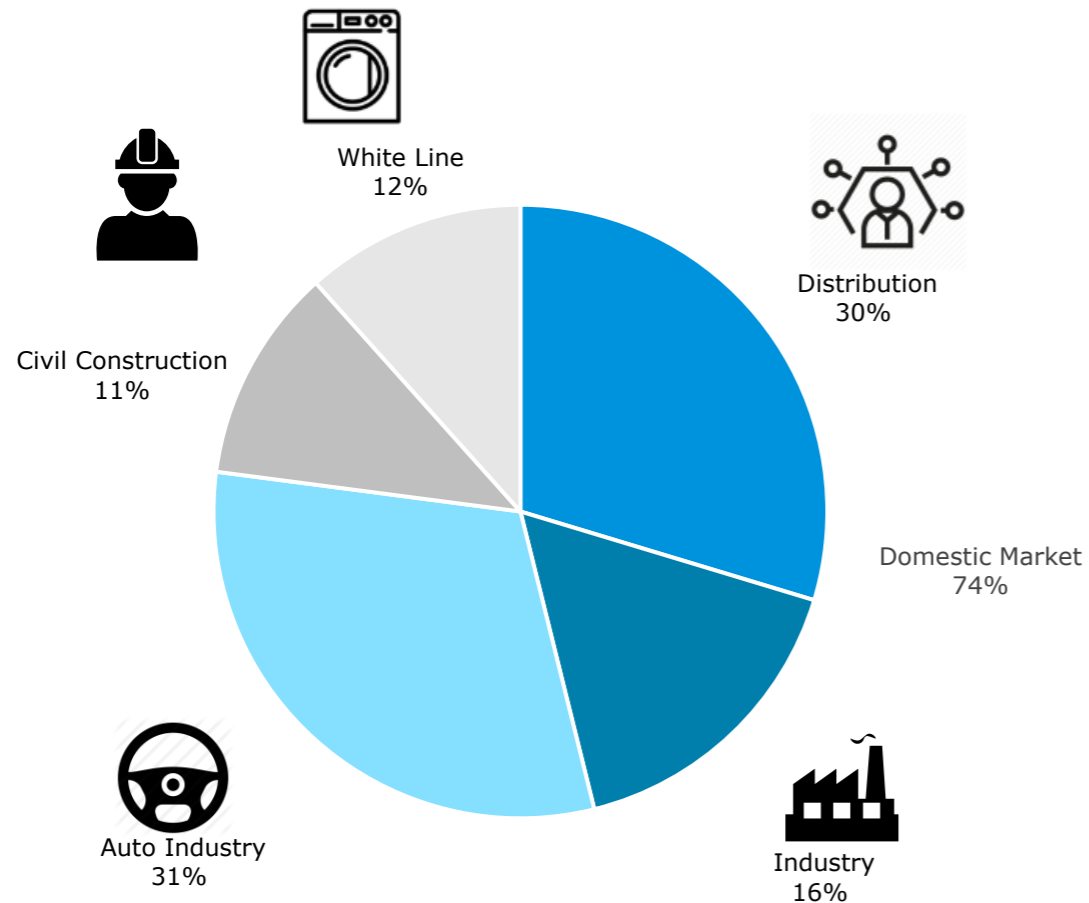
Sales Volumes – Steel – (Thousand Tons – Quarterly)



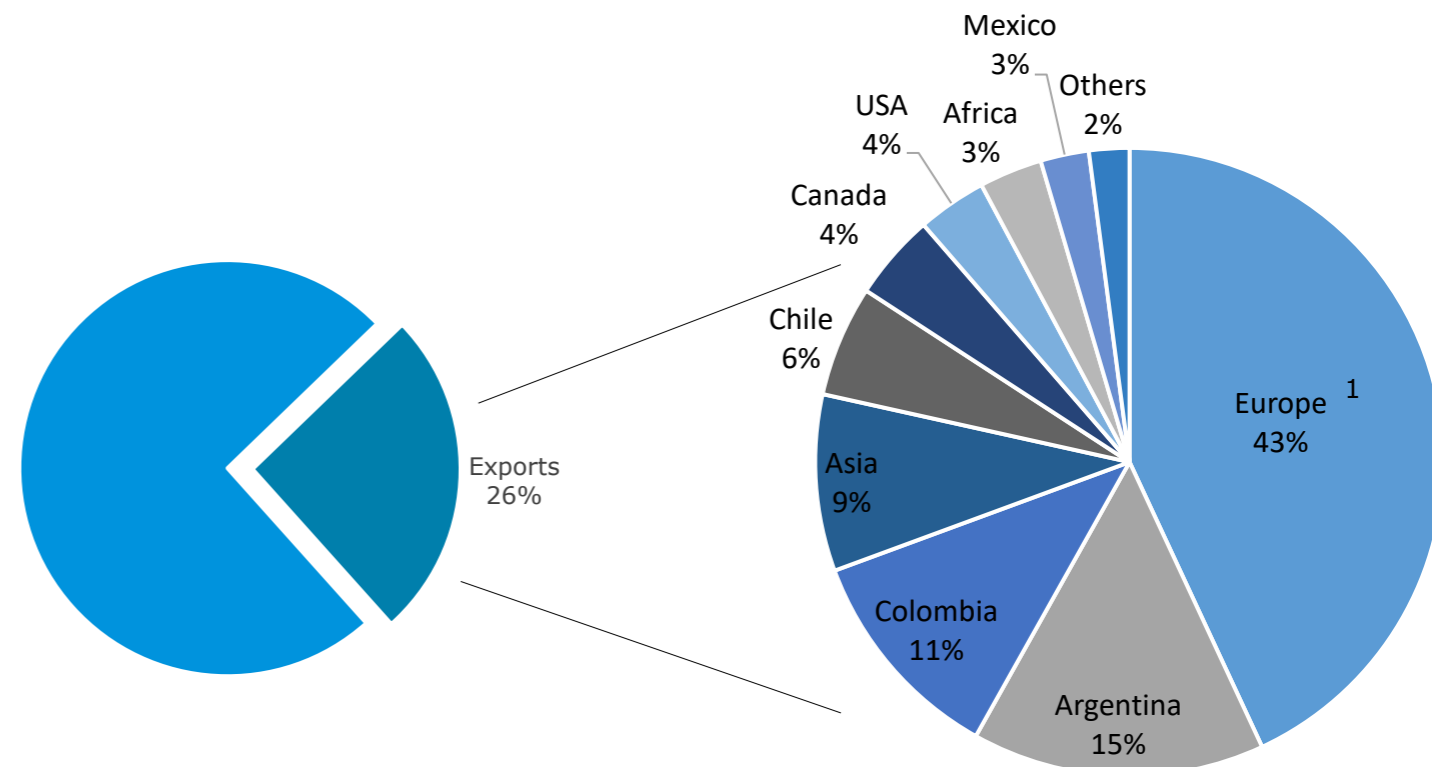
# Diversificação de Produtos e Mercados

A Usiminas tem capacidade de produzir uma ampla variedade de tipos de aços, permitindo flexibilidade para ajustar sua produção de acordo com as demandas do mercado nacional e internacional

## End Markets Share of Volume, 4Q21



## Revenues by Country Share of Net Revenue, 4Q21, Steel

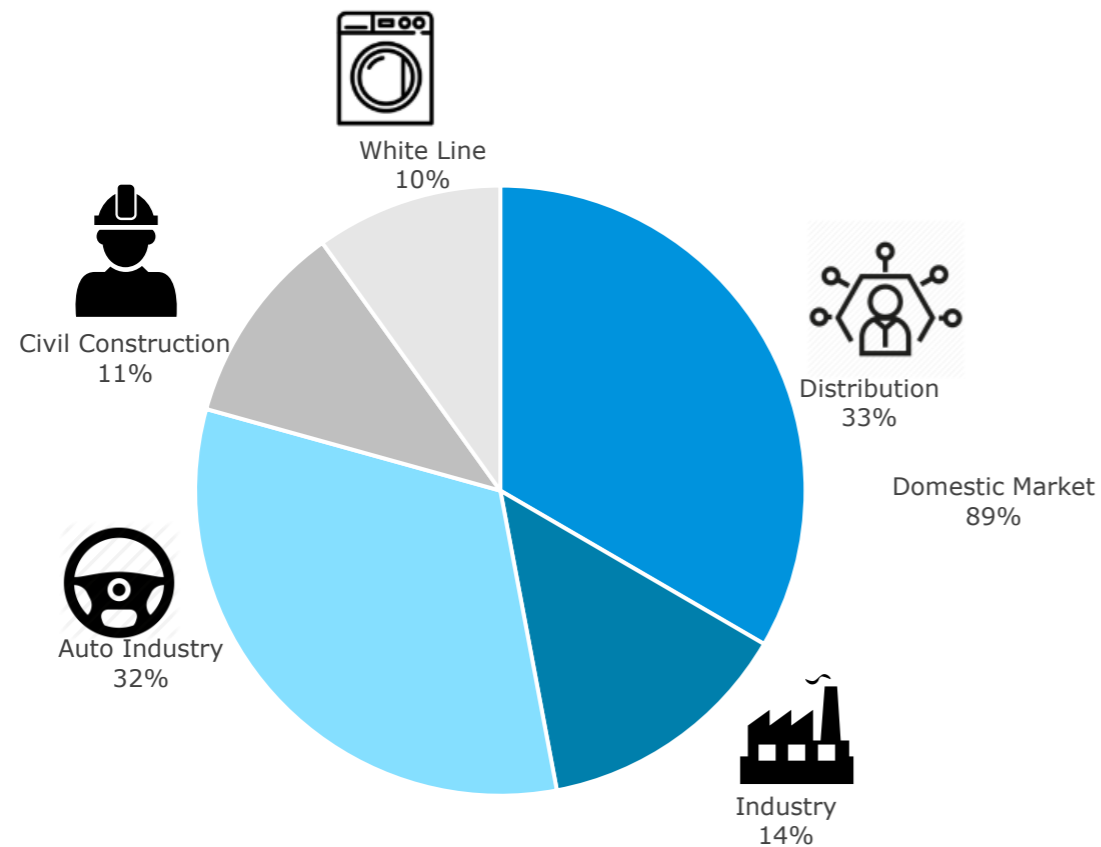


<sup>1</sup> Europe includes: Germany, UK, Spain, Belgium, Portugal, France, Luxemburg, Italy, Switzerland and Netherlands

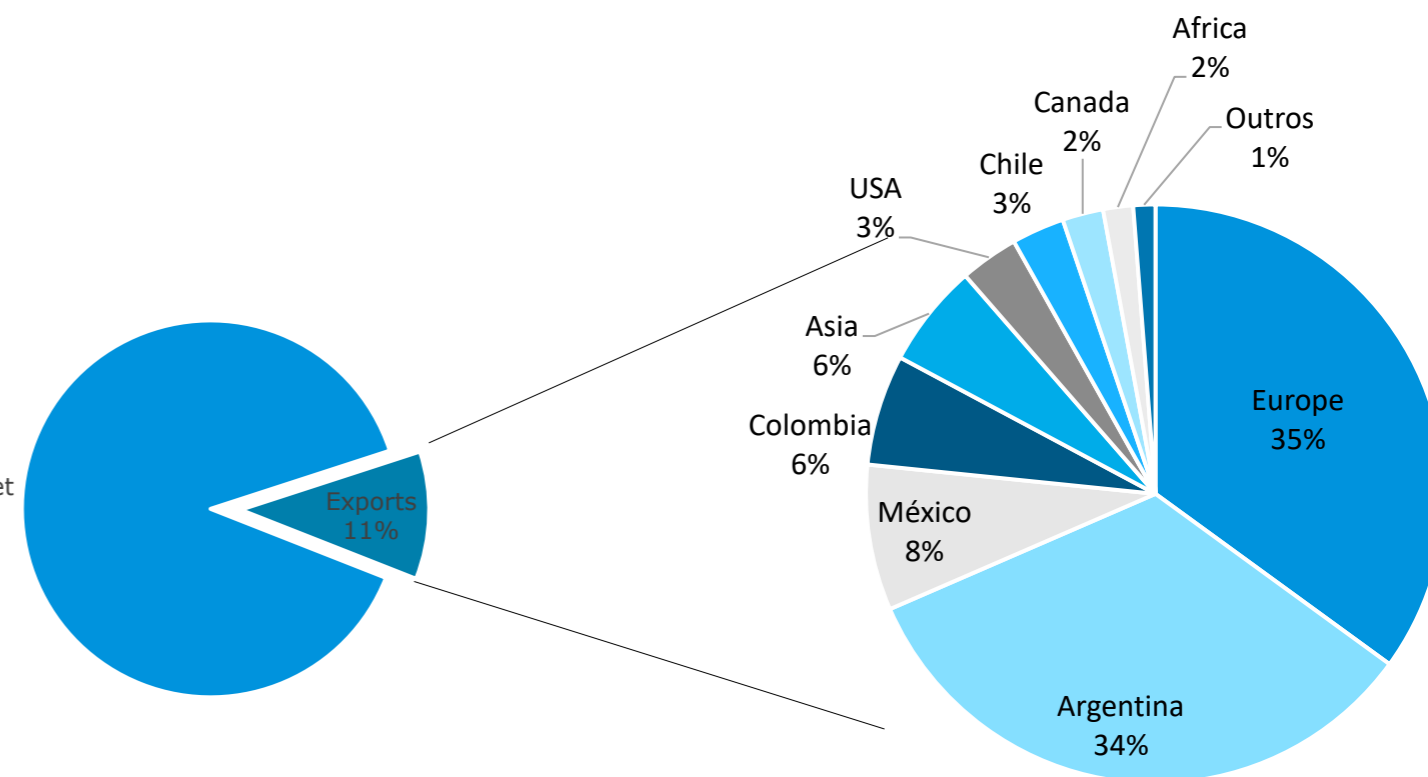
# Diversification Across Products and Markets

Usiminas has capacity to produce a wide variety of steel, allowing for flexibility to adjust its production according to market demands domestically and internationally

End Markets Share of Volume, 2021



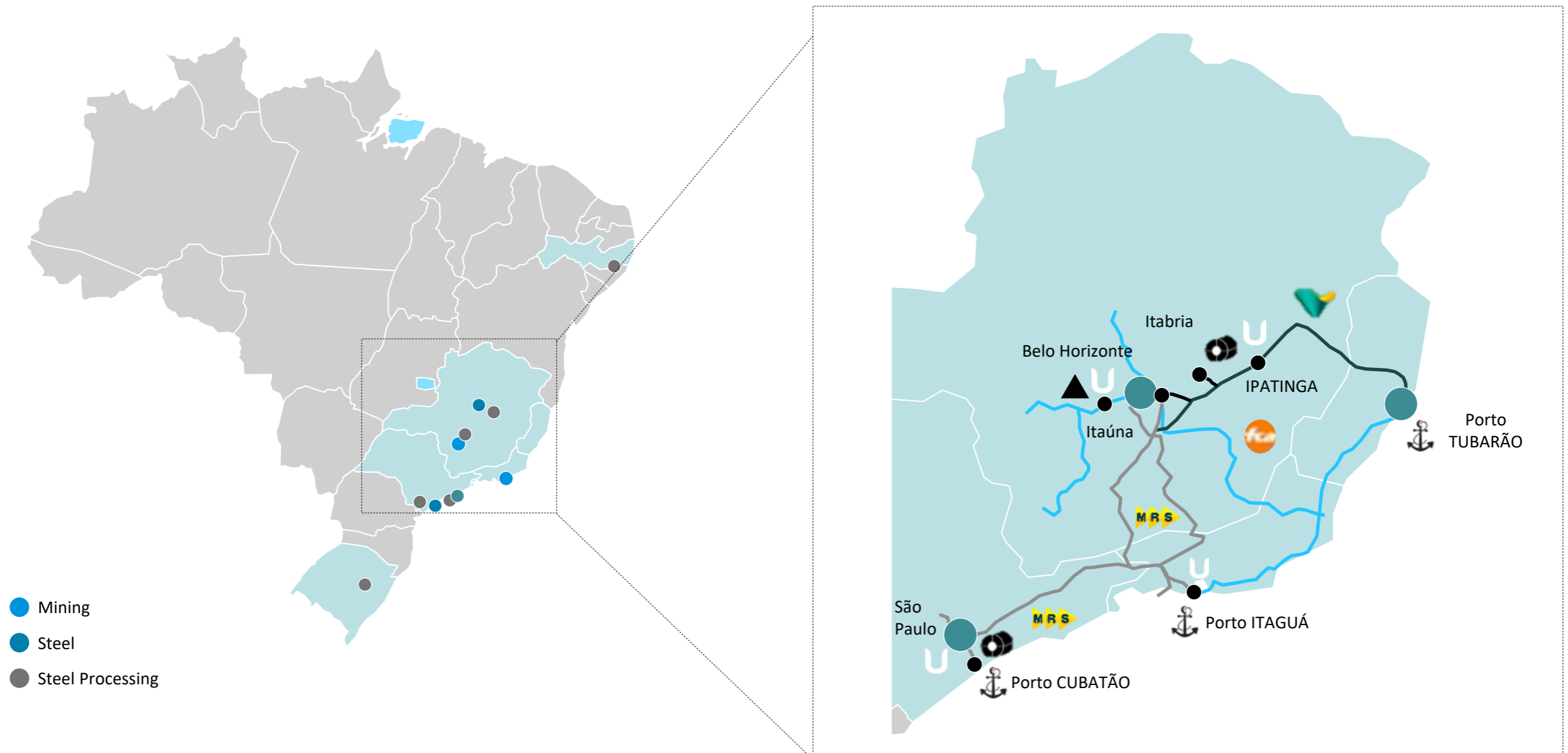
Revenues by Country Share of Net Revenue, 2021



<sup>1</sup> Europe includes: Germany, Belgium, Spain, UK, Portugal, Switzerland, Italy, Netherlands and Luxembourg.

## Assets Strategically Located in the Country's Main Industrial and Logistic Axis in the Country

The location of Usiminas' assets allows for access to raw materials (e.g. iron ore), consumption centers and logistic terminals (railways, ports)



# Seasoned and Specialized Management Team

Usiminas' Executive Board consists of professionals with deep knowledge in their respective areas



**Sergio Leite de Andrade**  
*CEO*

- Joined Usiminas in 1976 as Research Engineer, also working in several other areas in the company before being named CEO in 2016
- Holds a BS degree in Metallurgical Engineering by the Federal University of Rio de Janeiro (UFRJ) and a Master's degree in Metallurgical Engineering by the Federal University of Minas Gerais (UFMG)



**Kohei Kimura**  
*Technology and Quality Vice President Officer*

- Prior to joining Usiminas, he worked at Nippon Steel & Sumitomo Metal Corporation
- Kohei Kimura holds M.Eng. in Metallurgy from Osaka University



**Alberto Akikazu Ono**  
*CFO and IR Vice President Officer*

- Prior to joining Usiminas in 2009, he worked in other Mining & Metallurgy companies such as Aços Villares SA, CBMM, Votorantim Industrial and Votorantim Siderurgia
- Holds a Ph.D. in Metallurgy from The University of Tokyo and a M.Sc. in Metallurgical Engineering from the University of São Paulo



**Miguel Angel Homes Camejo**  
*Commercial Vice President Officer*

- Prior to joining Usiminas, he was General Manager for the Andean Region of Ternium Colombia and Exports Manager at Ternium Sidor
- Graduated with a degree in Economy from Universidad Catolica Andres Bello, in Venezuela, and has completed different management programs at Chicago Booth and Stanford University in California, USA.



**Américo Ferreira Neto**  
*Industrial Vice President Officer*

- He joined Usiminas as an apprentice at the age of 14. The professional path allowed Américo, in these three decades, to act in different areas until he was appointed VP Industrial in 2020
- Electrical engineer by Unisantia, with specialization in industrial automation by Unisantos and MBA in project management by FGV, Américo is a master's student in Electrical Engineering at the University of São Paulo (USP)



**Yoshiaki Shimada**  
*Corporate Planning Vice President Officer*

- Prior to being appointed VP of Corporate Planning, he served as a member of the Board of Directors of Usiminas. Before joining Usiminas, he worked in the Nippon group since 1986, with his last position as President and CEO of Nippon Steel North America, Inc.
- Bachelor of Laws from Keio University.

# Solid Corporate Governance

Recently approved programs that ensure safety for the investor, transparency of actions, management control and clarity in communication

## Integrity Program

- ✓ Code of Ethics and Conduct
- ✓ Anticorruption Policy
- ✓ Competition Policy
- ✓ Policy of Conflict of Interests and Transactions with Related Parties
- ✓ Policy of Rewards, Gifts and Hospitalities
- ✓ Policy of Sponsorship and Donations
- ✓ Policy of Relationship with Third Intermediary Parties

## Policies of the Brazilian Corporate Governance Code

- ✓ Policy of Destination of Results
- ✓ Policy of on the Remuneration of the Members of the Board of Officers
- ✓ Policy of Contracting of Extra-audit Services
- ✓ Policy of Disclosure of Information and Negotiation with Securities

*Approved by the Board of Directors  
in October 2018*

# Culture of Employee, Social and Environmental Responsibility

Usiminas translates concepts into practice, conciliating the objective of all stakeholders

## Employee

*Investments in professional training and safety prove the ongoing commitment to the qualification, development and life of our people*



**More than 70 training hours per employee** provided in 2020



**400 leaders participating** in the Trilha da Liderança (Leading path program)



**100% of our employees** were assessed in 2020



**"Mãos Seguras"** Hand safety program awarded by the **World Steel Association**, in the **Safety Excellence Category**

## Social

*The company's sponsorship policy planned and executed by the Institute favors projects that promote inclusion, training and human development*



**150 thousand people attended** Instituto Cultural Usiminas shows



**46 social, cultural and sports projects** sponsored in Minas Gerais and São Paulo



**27 million invested in combating COVID-19**



**832 scholarships** in the Colégio São Francisco Xavier

## Environmental

*We believe that innovation and sustainability are essential to ensure that we continue to do business and stay competitive*



**1.76 million tons** of recycled materials reused



**13,402 tree saplings** of different species were cultivated within the **Green Areas** program



**4.798 springs recovered** by the **Caminhos do Vale** program



**95% of the water** used in the steel making process is recirculated on Usiminas steel plants

# Rating Agencies' Views

Comments from latest available rating reports

## S&P Global Ratings

On Sept. 15, 2021, S&P Global Ratings raised its global scale issuer credit ratings on Usiminas to 'BB' from 'BB-' and its national scale issuer credit and issue-level ratings to 'brAAA' from 'brAA+'.

The stable outlook reflects our expectation of strong results in the second half of 2021 and in 2022, despite cost pressures, allowing Usiminas to keep EBITDA margins above 20% and gross debt to EBITDA consistently below 2.0x. We also expect management to maintain its conservative financial policy on dividends, share repurchase and investment decisions, a robust liquidity position, and smooth debt amortization profile.

Record high results, sound liquidity, and sharp deleveraging underpin the upgrade. Usiminas' EBITDA and free cash flows surged in the past 12 months ended June 2021, given robust steel demand despite considerable price hikes.

## MOODY'S

On November 3, 2020, we changed Usiminas' rating outlook to stable to reflect better-than-expected performance during the coronavirus pandemic, which will limit pressure on the company's credit and liquidity metrics in 2020.

Usiminas' Ba3 rating reflects its solid position in the Brazilian flat steel market and its track record of rapidly adapting to market operating conditions in Brazil. The ratings are also supported by Usiminas' adequate credit metrics and liquidity, and its enhanced financial flexibility to withstand volatility.

The AA-.br corporate family rating (CFR) as of June 29, 2021 of Usinas Siderúrgicas de Minas Gerais SA (Usiminas) reflects its solid position in the Brazilian flat steel market, as well as the company's ability to adapt its operations to the conditions of market in Brazil. The rating is also favored by its strong credit metrics and robust liquidity, in addition to its enhanced financial flexibility, factors that together help the company to withstand the volatility of its key end markets.

## FitchRatings

On June 18, 2021, Fitch Ratings upgraded the Long-Term Foreign and Local Currency IDRs (Issuer Default Ratings) of Usinas Siderúrgicas de Minas Gerais SA (Usiminas) to 'BB' from 'BB-', and its National Long-Term Rating to 'AA+(bra)' from 'A+(bra)'. In addition, Fitch upgraded to 'BB', from 'BB-', the rating of the senior unsecured notes due 2026, issued by Usiminas International S.a.r.l. and guaranteed by Usiminas.

The Outlook on Usiminas' Foreign and Local Currency IDRs and Long-Term National Rating remains Stable.

The rating upgrade reflects Usiminas' low absolute and relative debt levels, its manageable debt amortization profile and performance despite the coronavirus pandemic, as well as the maintenance of a solid operating profile amid a favorable environment for the steel in Brazil, after the worst moment of the pandemic.

# Income Statement – Per Business Unit

(R\$mm, except otherwise indicated)

## Income Statement per Business Units - Non Audited - Quarterly







R\$ million	Mining		Steel*		Steel Processing		Adjustment		Consolidated	
	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21
<b>Net Revenue</b>	<b>930</b>	<b>1.362</b>	<b>6.914</b>	<b>7.933</b>	<b>1.998</b>	<b>2.358</b>	<b>(1.793)</b>	<b>(2.628)</b>	<b>8.049</b>	<b>9.026</b>
Domestic Market	221	434	5.323	7.344	1.996	2.356	(1.793)	(2.628)	5.748	7.507
Exports	709	928	1.591	589	2	2	-	-	2.302	1.518
<b>COGS</b>	<b>(596)</b>	<b>(566)</b>	<b>(5.457)</b>	<b>(5.739)</b>	<b>(1.940)</b>	<b>(2.047)</b>	<b>1.978</b>	<b>2.462</b>	<b>(6.016)</b>	<b>(5.890)</b>
<b>Gross Profit or Loss</b>	<b>334</b>	<b>796</b>	<b>1.457</b>	<b>2.194</b>	<b>58</b>	<b>311</b>	<b>185</b>	<b>(166)</b>	<b>2.033</b>	<b>3.135</b>
<b>Operating Income and Expenses</b>	<b>(135)</b>	<b>(148)</b>	<b>342</b>	<b>(752)</b>	<b>(65)</b>	<b>(40)</b>	<b>3</b>	<b>4</b>	<b>144</b>	<b>(937)</b>
Selling	(72)	(125)	(64)	(55)	(17)	(20)	-	-	(153)	(199)
General and Administrative	(14)	(9)	(136)	(95)	(17)	(16)	5	4	(163)	(115)
Other Operating Income and expenses, Net	(49)	(15)	542	(602)	(31)	(4)	(2)	(1)	460	(622)
<b>EBIT</b>	<b>198</b>	<b>648</b>	<b>1.799</b>	<b>1.442</b>	<b>(7)</b>	<b>271</b>	<b>188</b>	<b>(162)</b>	<b>2.178</b>	<b>2.199</b>
<b>Depreciation and amortization</b>	<b>57</b>	<b>39</b>	<b>185</b>	<b>207</b>	<b>6</b>	<b>6</b>	<b>(9)</b>	<b>(8)</b>	<b>240</b>	<b>243</b>
<b>Equity in the results of investees</b>	<b>11</b>	<b>45</b>	<b>370</b>	<b>490</b>	<b>-</b>	<b>-</b>	<b>(327)</b>	<b>(462)</b>	<b>54</b>	<b>73</b>
<b>EBITDA (Instruction CVM 527)</b>	<b>266</b>	<b>732</b>	<b>2.355</b>	<b>2.138</b>	<b>(1)</b>	<b>277</b>	<b>(148)</b>	<b>(632)</b>	<b>2.472</b>	<b>2.515</b>
<b>EBITDA Margin</b>	<b>28,6%</b>	<b>53,7%</b>	<b>34,1%</b>	<b>27,0%</b>	<b>-0,1%</b>	<b>11,8%</b>	<b>8,3%</b>	<b>24,1%</b>	<b>30,7%</b>	<b>27,9%</b>
<b>Adjusted EBITDA</b>	<b>257</b>	<b>685</b>	<b>1.985</b>	<b>2.050</b>	<b>(1)</b>	<b>277</b>	<b>217</b>	<b>(125)</b>	<b>2.458</b>	<b>2.886</b>
<b>Adj.EBITDA Margin</b>	<b>27,6%</b>	<b>50,3%</b>	<b>28,7%</b>	<b>25,8%</b>	<b>-0,1%</b>	<b>11,8%</b>	<b>-12,1%</b>	<b>4,8%</b>	<b>30,5%</b>	<b>32,0%</b>

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

Note: All intercompany transactions are made at arm's length basis.

# Environmental, Social and Governance (ESG)

## Follow-up of Goals:

Indicator	Goal	Status
Index of women in the company's Industrial area	10% of women in the company's Industrial area by 2022;	Reviewed
Recorded accident frequency rate	Zero Accident Target. Lost Time Accident frequency rate less than 0.3 in 2021;	
Carbon Emission	Conducting GHG emission inventories in 2021 with independent certification;	
	Participation in the CDP (Carbon Disclosure Project);	
	Disclosure of the inventory through the GHG Protocol.	
Dam Safety	Migration of the traditional waste disposal method to filtering in the 2Q21;	
	Decharacterization of the Central dam in the 1Q22, certified by the proper authorities;	

 In line with planning

 Late in relation to planning

 Not achieved

# Environmental, Social and Governance (ESG)

## New Goals for 2022:

Indicator	Goal
Water Efficiency	Achieve 94.6% annual average recirculation by 12/31/22;
Self-generation of renewable energy	Contract at least 10% of Usiminas' total energy consumption from clean and renewable energy for 2025;
Emissions Inventory	Conducting a GHG inventory at the units of Mineração Usiminas and Soluções Usiminas until 12/31/22;
Scope 3 carbon emission	Engagement of 75% of Critical Suppliers with Scope 3 to Usiminas' climate agenda by 12/31/22;
Accident frequency rate	Zero Accident Goal. Lost-time accident frequency rate (CPT) recorded below or equal to 0.3 in 2022;
Women in apprentice training courses	Reach at least 55% of women in apprentice training classes by 12/31/22;
Pilots for safety risk reduction.	Execute 80% of innovation pilots with potential to reduce security risk;
General Customer Satisfaction Index	General Customer Satisfaction Index higher or equal to 89.7% in 2022;
Products with RoHS and ELV certifications	100% of the production of laminates, certified in RoHS and ELV Standards;
Environmental Compliance Program	Implementation of the Environmental Compliance Program until 12/31/2022.



**NÍVEL 1**  
B3

**ADR**  
Nível I



**Leonardo Karam Rosa**

*Head of IR*

[leonardo.rosa@usiminas.com](mailto:leonardo.rosa@usiminas.com)

Tel: 55 31 3499-8550

**Felipe Gabriel P. Rodrigues**

*IR Analyst*

[f.gabriel@usiminas.com](mailto:f.gabriel@usiminas.com)

Tel: 55 31 3499-8710

**João Victor T. Ferreira**

*IR Analyst*

[joao.vferreira@usiminas.com](mailto:joao.vferreira@usiminas.com)

Tel: 55 31 3499-8178

**[www.usiminas.com/ri](http://www.usiminas.com/ri)**

Declarations relative to business perspectives of the Company, operating and financial results and projections, and references to the growth of the Company, constitute mere forecasts and were based on Management's expectations in relation to future performance. These expectations are highly dependent on market behavior, on Brazil's economic situation, on the industry and on international markets, and are therefore subject to change.





## **Relações com Investidores**