

(A free translation of the original in Portuguese)

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

**Quarterly Information (ITR) at
June 30, 2023
and report on review of
quarterly information**

Report on review of quarterly information – ITR

(A free translation from the original report issued in Portuguese)

To the Shareholders and Management of

Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas

Belo Horizonte – MG

Introduction

We have reviewed the interim financial information, individual and consolidated, of Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas ("the Company"), included in the "Formulário de Informações Trimestrais – ITR" ("Quarterly Information") as at June 30, 2023, which comprise the balance sheet as of June 30, 2023 and the related statements of income and comprehensive income for the three and six-month periods then ended, and changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation and fair presentation of the interim individual and consolidated financial information in accordance with CPC 21 (R1) – *Demonstração intermediária*, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information - ITR. Our responsibility is to express a conclusion on these interim individual and consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade*, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion about the individual and consolidated interim financial information

Based on our review, we are not aware of any facts that make us believe that the individual and consolidated interim financial information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters***Statements of value added***

The interim financial information referred to above includes the individual and consolidated statements of value added for the six-month period ended June 30, 2023, prepared under the responsibility of Company's management and presented as supplementary information for IAS 34. These statements have been subjected to review procedures performed in connection with the review of the quarterly information, in order to conclude that they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - *Demonstração do Valor Adicionado*. Based on our review nothing has come to our attention that causes us to believe that these interim individual and consolidated statements of value added, were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

Belo Horizonte, July 28, 2023

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-MG

Original report in Portuguese signed by

Bernardo Moreira Peixoto Neto
Accountant CRC RJ-064887/O-8

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Company Information / Capital Breakdown

Number of shares (units)	Current quarter 06/30/2023
Common Shares - Paid-in Capital	705,260,684
Preferred Shares - Paid-in Capital	547,818,424
Total - Paid-in Capital	1,253,079,108
Common Treasury Shares	2,526,656
Preferred Treasury Shares	19,609,792
Total Treasury Shares	22,136,448

Parent Company Financial Statements / Balance sheet - Assets

(In thousands of reais)

Account Code	Account description	Current quarter 06/30/2023	Prior year 12/31/2022
1	Total Assets	36,223,820	36,143,364
1.01	Current Assets	15,297,364	15,994,296
1.01.01	Cash and Cash Equivalents	2,474,575	1,822,191
1.01.02	Financial investments	450,920	246,349
1.01.03	Trade Receivables	3,269,445	3,579,107
1.01.04	Inventories	8,257,034	8,603,074
1.01.08	Other Current Assets	845,390	1,743,575
1.01.08.03	Other	845,390	1,743,575
1.01.08.03.01	Taxes Recoverable	356,715	537,758
1.01.08.03.02	Prepaid Income Tax and Social Contribution	121,084	128,292
1.01.08.03.03	Dividends Receivable	151,539	190,865
1.01.08.03.04	Advances to Suppliers	3,569	622,004
1.01.08.03.07	Other	212,483	264,656
1.02	Noncurrent Assets	20,926,456	20,149,068
1.02.01	Long-term Receivables	3,793,820	3,863,727
1.02.01.04	Accounts Receivable	204,471	210,016
1.02.01.04.01	Trade Accounts Receivable	33,717	33,907
1.02.01.04.02	Other Accounts Receivable	170,754	176,109
1.02.01.07	Deferred Taxes	1,660,655	1,747,016
1.02.01.09	Receivables from Related Parties	23,803	23,742
1.02.01.10	Other Noncurrent Assets	1,904,891	1,882,953
1.02.01.10.03	Judicial Deposits	265,663	271,421
1.02.01.10.06	Taxes Recoverable	965,468	950,870
1.02.01.10.07	Recoverable Income Tax and Social Contribution	284,397	269,620
1.02.01.10.08	Insurance Indemnity to Receive	356,119	352,661
1.02.01.10.09	Other	33,244	38,381
1.02.02	Investments	6,807,635	6,994,307
1.02.02.01	Ownership Interests	6,723,906	6,913,101
1.02.02.01.01	Interest Held in Associates	65,123	55,013
1.02.02.01.02	Interest Held in Subsidiaries	6,097,363	6,338,847
1.02.02.01.03	Interest Held in Jointly-Controlled Subsidiaries	561,420	519,241
1.02.02.02	Investment Property	83,729	81,206
1.02.03	Property, Plant and Equipment (PPE)	10,183,268	9,152,916
1.02.03.01	Property, Plant and Equipment in Use	6,403,266	6,377,750
1.02.03.03	Construction in Progress	3,780,002	2,775,166
1.02.04	Intangible Assets	141,733	138,118

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter 06/30/2023	Prior year 12/31/2022
2	Total Liabilities and Equity	36,223,820	36,143,364
2.01	Current Liabilities	4,364,556	4,800,963
2.01.01	Social and Labor Liabilities	199,098	190,299
2.01.02	Trade Payables	2,484,292	2,821,618
2.01.03	Tax Liabilities	200,794	92,668
2.01.03.01	Federal Tax Liabilities	200,794	92,668
2.01.03.01.02	Taxes payable	200,794	92,668
2.01.04	Borrowings	127,977	130,959
2.01.04.01	Borrowings	104,086	113,139
2.01.04.02	Debentures	23,891	17,820
2.01.05	Other Liabilities	1,352,395	1,565,419
2.01.05.02	Other	1,352,395	1,565,419
2.01.05.02.01	Dividends and Interest on Capital Payable	4,108	387,317
2.01.05.02.04	Accounts Payable	104,506	179,020
2.01.05.02.05	Taxes Payable in Installments	4,865	4,720
2.01.05.02.07	Advances from Customers	14,746	50,748
2.01.05.02.08	Accounts Payable - Forfeiting	1,215,858	935,375
2.01.05.02.09	Lease Liabilities	8,312	8,239
2.02	Noncurrent Liabilities	8,149,446	8,187,376
2.02.01	Borrowings	5,772,635	6,066,578
2.02.01.01	Borrowings	3,580,609	3,874,743
2.02.01.02	Debentures	2,192,026	2,191,835
2.02.02	Other Liabilities	461,910	468,563
2.02.02.01	Liabilities with Related Parties	10,200	11,400
2.02.02.02	Other	451,710	457,163
2.02.02.02.05	Lease Liabilities	20,376	24,062
2.02.02.02.06	Other Accounts Payable	431,334	433,101
2.02.04	Provisions	1,914,901	1,652,235
	Provisions for Tax, Social Security, Labor and Civil		
2.02.04.01	Contingencies	1,914,901	1,652,235
2.02.04.01.02	Provisions for Employee Benefits	1,083,091	894,791
2.02.04.01.05	Contingent Liabilities	831,810	757,444
2.03	Equity	23,709,818	23,155,025
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	312,665	312,665
2.03.04	Profit Reserves	9,561,524	9,561,524
2.03.04.01	Legal reserve	626,590	626,590
2.03.04.10	Investments and working capital	8,934,934	8,934,934
2.03.05	Retained Earnings (Accumulated Losses)	730,695	-
2.03.06	Equity Adjustments	-95,361	80,541

Parent Company Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current period 01/01/2023 to 06/30/2023	Prior period 01/01/2022 to 06/30/2022
3.01	Revenue	12,366,475	14,672,373
3.02	Cost of Sales and/or Services	-11,620,596	-12,049,335
3.03	Gross Profit	745,879	2,623,038
3.04	Operating Income (Expenses)	-172,512	3,582
3.04.01	Selling Expenses	-66,710	-132,742
3.04.02	General and Administrative Expenses	-218,814	-215,937
3.04.04	Other Operating Income	65,214	98,856
3.04.05	Other Operating Expenses	-339,235	-322,510
3.04.06	Equity in Results of Investees	387,033	575,915
3.05	Income Before Financial Income (Expense) and Taxes	573,367	2,626,620
3.06	Finance result, Net	323,284	110,902
3.07	Income Before Income Taxes	896,651	2,737,522
3.08	Income Tax and Social Contribution	-168,300	-656,840
3.08.01	Current	-98,292	-310,405
3.08.02	Deferred	-70,008	-346,435
3.09	Net Income (loss) from Continuing Operations	728,351	2,080,682
3.11	Net Income/Loss for the Period	728,351	2,080,682
3.99	Earnings (Loss) per Share (Reais / Shares)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common Shares (RCS)	0.57	1.62
3.99.01.02	Registered Preferred Shares (RPS)	0.62	1.78
3.99.02	Diluted Earnings per Share		
3.99.02.01	RCS	0.57	1.62
3.99.02.02	RPS	0.62	1.78

Parent Company Financial Statements / Statement of Comprehensive Income (Loss)

(In thousands of reais)

Account code	Account description	Current period 01/01/2023 to 06/30/2023	Prior period 01/01/2022 to 06/30/2022
4.01	Net Income for the Period	728,351	2,080,682
4.02	Other Comprehensive Income (Loss)	-173,632	-41,627
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-184,186	-46,476
4.02.02	Equity in the Comprehensive Income Subsidiaries and Affiliates	10,554	4,849
4.03	Comprehensive Income (Loss) for the Period	554,719	2,039,055

Parent Company Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2023 to 06/30/2023	Prior period 01/01/2022 to 06/30/2022
6.01	Net Cash from Operating Activities	1,984,620	807,813
6.01.01	Cash From Operations	847,464	2,446,834
6.01.01.01	Net Income (Loss) for the Period	728,351	2,080,682
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	-149,388	-174,796
6.01.01.03	Interest Expenses	179,759	148,229
6.01.01.04	Depreciation and Amortization	344,176	326,201
6.01.01.05	Gain/Loss on Sale of Property, Plant and Equipment	-4,843	-38,940
6.01.01.07	Equity in Results of Investees	-387,033	-575,915
6.01.01.09	Deferred Income Tax and Social Contribution	70,008	346,435
6.01.01.10	Set Up (Reversal) of Provisions	-77,428	-27,800
6.01.01.11	Actuarial Gains (Losses)	45,570	52,333
6.01.01.13	Current Income Tax and Social Contribution	98,292	310,405
6.01.02	Changes in Assets and Liabilities	1,515,012	-1,239,838
6.01.02.01	Advances to suppliers	618,435	-439,948
6.01.02.02	Trade Receivables	506,948	-250,580
6.01.02.03	Inventories	392,374	-2,162,049
6.01.02.04	Taxes Recoverable	20,790	-46,078
6.01.02.05	Receivables from Related Parties	-61	-
6.01.02.06	Judicial Deposits	1,648	2,340
6.01.02.08	Other Decreases (Increases) In Assets	49,507	-118,678
6.01.02.09	Accounts Payable, Contractors and Freight	-414,141	1,415,970
6.01.02.10	Advances from Customers	-36,002	-60,082
6.01.02.11	Payables to Related Parties	-1,200	-
6.01.02.12	Taxes Payable	226,549	265,879
6.01.02.13	Accounts Payable – Forfeiting	280,483	180,156
6.01.02.14	Other Increases (Decreases) in Liabilities	-130,318	-26,768
6.01.03	Other	-377,856	-399,183
6.01.03.01	Repayment of Borrowings	-283,048	-255,142
6.01.03.02	Prepaid Income Tax and Social Contribution	-53,352	-93,540
6.01.03.03	Actuarial Liability (Paid) Received	-41,456	-50,501
6.02	Net Cash from Investment Activities	-923,869	38,915
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	5,515	44,593
6.02.02	Purchases of Property, Plant and Equipment	-1,342,262	-583,970
6.02.04	Dividends Received	625,524	726,873
6.02.06	Purchase of Software	-8,075	-8,002
6.02.07	Marketable Securities	-204,571	-140,579
6.03	Net Cash from Financing Activities	-390,455	-740,974
6.03.01	Proceeds from Loans, Financing and Debentures	0	700,000
6.03.02	Repayment of Borrowings	-1,645	-701,702
6.03.05	Dividends and Interest on Equity Paid	-383,135	-733,133
6.03.08	Payment of Lease Liabilities	-5,675	-6,139
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	-17,912	-31,631
6.05	Increases (Decreases) in Cash and Cash Equivalents	652,384	74,123
6.05.01	Cash and Cash Equivalents at the beginning of Period	1,822,191	2,156,063
6.05.02	Cash and cash Equivalents at end of Period	2,474,575	2,230,186

Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2023 to 06/30/2023
(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity
5.01	Opening Balances	13,200,295	312,665	9,561,524	-	80,541	23,155,025
5.03	Adjusted Opening Balances	13,200,295	312,665	9,561,524	-	80,541	23,155,025
5.04	Capital Transactions with Shareholders	-	-	-	2,344	-2,270	74
	Adjustment from IAS 29 on Property, Plant and						
5.04.08	Equipment	-	-	-	2,270	-2,270	-
5.04.09	Prescribed Dividends	-	-	-	74	-	74
5.05	Total Comprehensive Income	-	-	-	728,351	-173,632	554,719
5.05.01	Net Income for the Period	-	-	-	728,351	-	728,351
5.05.02	Other Comprehensive Income	-	-	-	-	-173,632	-173,632
	Equity in the Comprehensive Income Subsidiaries and						
5.05.02.03	Affiliates	-	-	-	-	10,554	10,554
5.05.02.06	Actuarial Gain (Loss) on Retirement Benefits	-	-	-	-	-184,186	-184,186
5.07	Closing Balances	13,200,295	312,665	9,561,524	730,695	-95,361	23,709,818

Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2022 to 06/30/2022
(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity
5.01	Opening Balances	13,200,295	312,665	8,324,834	-	-88,459	21,749,335
5.03	Adjusted Opening Balances	13,200,295	312,665	8,324,834	-	-88,459	21,749,335
5.04	Capital Transactions with Shareholders	-	-	-	2,533	-2,294	239
	Adjustment from IAS 29 on Property, Plant and						
5.04.08	Equipment	-	-	-	2,294	-2,294	-
5.04.09	Prescribed Dividends	-	-	-	239	-	239
5.05	Total Comprehensive Income	-	-	-	2,080,682	-41,627	2,039,055
5.05.01	Net Income for the Period	-	-	-	2,080,682	-	2,080,682
5.05.02	Other Comprehensive Income	-	-	-	-	-41,627	-41,627
	Equity in the Comprehensive Income Subsidiaries and						
5.05.02.03	Affiliates	-	-	-	-	4,849	4,849
5.05.02.06	Actuarial Gain (Loss) on Retirement Benefits	-	-	-	-	-46,476	-46,476
5.07	Closing Balances	13,200,295	312,665	8,324,834	2,083,215	-132,380	23,788,629

Parent Company Financial Statements / Statement of Value Added**(In thousands of reais)**

Account code	Account description	Current period 01/01/2023 to 06/30/2023	Prior period 01/01/2022 to 06/30/2022
7.01	Revenue	14,759,953	17,465,385
7.01.01	Sales of Goods, Products and Services	14,732,296	17,453,302
7.01.02	Other Revenues	27,717	13,409
7.01.04	Allowance (Reversal of) for Doubtful Accounts	-60	-1,326
7.02	Inputs Acquired from Third Parties	-10,963,791	-13,808,389
7.02.01	Costs of Products Goods and Services Sold	-10,597,704	-13,441,269
	Materials, Energy, Third-Party Services and Other		
7.02.02	Expenses	-366,087	-367,120
7.03	Gross Value Added	3,796,162	3,656,996
7.04	Retentions	-344,176	-326,201
7.04.01	Depreciation, Amortization and Depletion	-344,176	-326,201
7.05	Net Value Added Produced	3,451,986	3,330,795
7.06	Value Added Received in Transfer	700,023	773,369
7.06.01	Equity in earnings	387,033	575,915
7.06.02	Financial Revenues	430,865	323,794
7.06.03	Other	-117,875	-126,340
7.06.03.01	Actuarial Gains (Losses)	-45,570	-52,333
7.06.03.02	Foreign Exchange Variations	-72,305	-74,007
7.07	Total Value Added to be Distributed	4,152,009	4,104,164
7.08	Distribution of Value Added	4,152,009	4,104,164
7.08.01	Personnel	409,034	444,803
7.08.01.01	Direct Compensation	345,024	350,408
7.08.01.02	Benefits	31,695	65,349
7.08.01.03	Unemployment Compensation Fund (FGTS)	32,315	29,046
7.08.02	Taxes, Rates and Contributions	2,979,348	1,439,794
7.08.02.01	Federal	1,370,684	625,674
7.08.02.02	State	1,562,458	769,317
7.08.02.03	Municipal	46,206	44,803
7.08.03	Remuneration of Third Parties	35,276	138,885
7.08.03.01	Interest	417,756	353,385
7.08.03.03	Other	-382,480	-214,500
7.08.03.03.01	Foreign Exchange Variations	-382,480	-214,500
7.08.04	Equity Remuneration	728,351	2,080,682
7.08.04.03	Retained Earnings (Accumulated Losses)	728,351	2,080,682

Consolidated Financial Statements - Balance Sheet - Assets**(In thousands of reais)**

Account code	Account description	Current quarter - 06/30/2023	Prior period - 12/31/2022
1	Total Assets	39,738,726	40,000,451
1.01	Current Assets	18,956,289	20,358,661
1.01.01	Cash and Cash Equivalents	3,750,274	2,916,047
1.01.02	Financial investments	1,190,367	2,156,314
1.01.03	Trade Receivables	3,416,772	3,547,946
1.01.04	Inventories	9,627,099	9,965,172
1.01.08	Other Current Assets	971,777	1,773,182
1.01.08.03	Other	971,777	1,773,182
1.01.08.03.01	Taxes Recoverable	588,494	748,983
1.01.08.03.02	Prepaid Income Tax and Social Contribution	155,405	163,436
1.01.08.03.03	Dividends Receivable	22,729	22,729
1.01.08.03.04	Advances to Suppliers	4,957	623,381
1.01.08.03.07	Other Accounts Receivable	200,192	214,653
1.02	Noncurrent Assets	20,782,437	19,641,790
1.02.01	Long-term Receivables	5,534,528	5,492,446
1.02.01.04	Accounts Receivable	197,909	206,194
1.02.01.04.01	Trade Accounts Receivable	45,403	48,982
1.02.01.04.02	Other Accounts Receivable	152,506	157,212
1.02.01.07	Deferred Taxes	2,377,417	2,410,456
1.02.01.07.01	Deferred Income Tax and Social Contribution	2,377,417	2,410,456
1.02.01.10	Other Noncurrent Assets	2,959,202	2,875,796
1.02.01.10.03	Judicial Deposits	532,516	513,777
1.02.01.10.05	Taxes Recoverable	1,405,949	1,398,912
1.02.01.10.06	Recoverable Income Tax and Social Contribution	331,696	314,416
1.02.01.10.08	Insurance Indemnity to Receive	356,119	352,661
1.02.01.10.09	Other	332,922	296,030
1.02.02	Investments	1,461,761	1,352,833
1.02.02.01	Ownership Interest	1,311,296	1,211,337
1.02.02.01.01	Interests Held in Associates	742,924	684,972
1.02.02.01.04	Other Ownership Interests	568,372	526,365
1.02.02.02	Investment Property	150,465	141,496
1.02.03	Property, Plant and Equipment (PP&E)	11,825,539	10,820,571
1.02.03.01	Property, Plant and Equipment in Use	7,817,073	7,686,335
1.02.03.03	Construction in Progress	4,008,466	3,134,236
1.02.04	Intangible Assets	1,960,609	1,975,940

Consolidated Financial Statements / Balance Sheet - Liabilities**(In thousands of reais)**

Account code	Account description	Current quarter - 06/30/2023	Prior period - 12/31/2022
2	Total Liabilities and Equity	39,738,726	40,000,451
2.01	Current Liabilities	4,774,478	5,392,626
2.01.01	Social and Labor Liabilities	315,983	267,712
2.01.02	Trade Payables	2,446,597	2,838,631
2.01.03	Tax Liabilities	273,725	191,212
2.01.03.01	Federal Tax Liabilities	273,725	191,212
2.01.03.01.01	Income and Social Contribution Taxes Payable	24,225	47,901
2.01.03.01.02	Taxes Payable	249,500	143,311
2.01.04	Borrowings	127,989	130,975
2.01.04.01	Borrowings	104,098	113,155
2.01.04.02	Debentures	23,891	17,820
2.01.05	Other Liabilities	1,610,184	1,964,096
2.01.05.02	Other	1,610,184	1,964,096
2.01.05.02.01	Dividends and Interest on Capital Payable	69,810	470,599
2.01.05.02.04	Taxes Payable in Installments	4,865	4,722
2.01.05.02.05	Financial Instruments	22,600	100,678
2.01.05.02.06	Advances from Customers	49,134	108,813
2.01.05.02.08	Accounts Payable	213,986	309,866
2.01.05.02.09	Accounts Payable - Forfeiting	1,215,858	935,375
2.01.05.02.10	Lease Liabilities	33,931	34,043
2.02	Noncurrent Liabilities	8,664,601	8,720,075
2.02.01	Borrowings	5,772,635	6,066,582
2.02.01.01	Borrowings	3,580,609	3,874,747
2.02.01.02	Debentures	2,192,026	2,191,835
2.02.02	Other Liabilities	495,543	525,371
2.02.02.01	Payables to related companies	48,443	72,933
2.02.02.02	Other	447,100	452,438
2.02.02.02.06	Lease Liabilities	82,349	85,137
2.02.02.02.07	Other	364,751	367,301
2.02.04	Provisions	2,396,423	2,128,122
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	2,107,096	1,845,062
2.02.04.01.02	Post-employment benefits	1,144,569	952,905
2.02.04.01.05	Provision for litigation	962,527	892,157
2.02.04.02	Other Provisions	289,327	283,060
2.02.04.02.03	Provisions for Environmental Liabilities	289,327	283,060
2.03	Equity	26,299,647	25,887,750
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	312,665	312,665
2.03.04	Revenue Reserves	9,561,524	9,561,524
2.03.04.01	Legal Reserve	626,590	626,590
2.03.04.10	Investments and working capital	8,934,934	8,934,934
2.03.05	Retained Earnings (Accumulated Losses)	730,695	-
2.03.06	Carrying value adjustments	-95,361	80,541
2.03.09	Non-controlling interests	2,589,829	2,732,725

Consolidated Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current period 01/01/2023 to 06/30/2023	Prior period current quarter 01/01/2022 to 06/30/2022
3.01	Revenue	14,142,645	16,376,108
3.02	Cost of Sales and/or Services	-12,675,392	-12,473,551
3.03	Gross Profit	1,467,253	3,902,557
3.04	Operating Income (Expenses)	-796,349	-855,438
3.04.01	Selling expenses	-264,117	-364,195
3.04.02	General and Administrative Expenses	-287,931	-277,609
3.04.04	Other Operating Income	63,259	110,645
3.04.05	Other Operating Expenses	-414,745	-415,320
3.04.06	Equity in Results of Investees	107,185	91,041
3.05	Income Before Financial Income (Expense) and Taxes	670,904	3,047,119
3.06	Finance result, Net	398,916	253,642
3.07	Income Before Income Taxes	1,069,820	3,300,761
3.08	Income Tax and Social Contribution	-238,387	-977,662
3.08.01	Current	-229,468	-626,254
3.08.02	Deferred	-8,919	-351,408
3.09	Net income (loss) from Continuing Operations	831,433	2,323,099
3.11	Net Income/Loss for the Period	831,433	2,323,099
3.11.01	Attributed to Shareholders of Parent Company	-	2,080,682
3.11.02	Attributed to Noncontrolling Shareholders	103,082	242,417
3.99	Earnings (Loss) per Share (Reais / Shares)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common Shares (RCS)	0.57	1.62
3.99.01.02	Registered Preferred Shares (RPS)	0.62	1.78
3.99.02	Diluted Earnings per Share		
3.99.02.01	RCS	0.57	1.62
3.99.02.02	RPS	0.62	1.78

Consolidated Financial Statements / Statement of Comprehensive Income (loss)

(In thousands of reais)

Account code	Account description	Current quarter 01/01/2023 to 06/30/2023	Current period 01/01/2022 to 06/30/2022
4.01	Consolidated Net Income for the Period	831,433	2,323,099
4.02	Other Comprehensive Income (Loss)	-169,108	-39,545
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-184,185	-46,472
4.02.03	Hedge Accounting	15,077	6,927
4.03	Consolidated Comprehensive Income (Loss) for the Period	662,325	2,283,554
4.03.01	Attributed to Shareholders of Parent Company	554,719	2,039,055
4.03.02	Attributed to Noncontrolling Shareholders	107,606	244,499

Consolidated Financial Statements / Cash Flow Statement - Indirect Method**(In thousands of reais)**

Account code	Account description	Current period 01/01/2023 to 06/30/2023	Prior period 01/01/2022 to 06/30/2022
6.01	Net Cash from Operating Activities	2,038,072	334,752
6.01.01	Cash From Operations	1,355,476	4,049,730
6.01.01.01	Net Income (Loss) for the Period	831,433	2,323,099
	Charges and Indexation/Exchange Gains (Losses),		
6.01.01.02	Net	-121,768	-177,461
6.01.01.03	Interest Expenses	184,148	151,386
6.01.01.04	Depreciation and Amortization	510,984	443,232
6.01.01.05	Gain/Loss on sale of Property, Plant and Equipment	-3,782	-39,660
6.01.01.07	Equity in Results of Investees	-107,185	-91,041
6.01.01.09	Deferred Income Tax and Social Contribution	8,919	351,408
6.01.01.10	Set up (Reversal) of Provisions	-82,989	323,908
6.01.01.11	Actuarial Gains (Losses)	48,935	55,632
6.01.01.12	Loss for recoverable value of assets (Impairment)	-6,214	-
6.01.01.13	Derivative Financial Instruments	-136,473	82,973
6.01.01.14	Current Income Tax and Social Contribution	229,468	626,254
6.01.02	Changes in Assets and Liabilities	1,057,911	-2,253,285
6.01.02.01	Advances to suppliers	618,424	-439,766
6.01.02.02	Trade Receivables	303,067	-689,248
6.01.02.03	Inventories	390,329	-2,496,651
6.01.02.04	Taxes Recoverable	-85,645	-173,011
6.01.02.05	Judicial Deposits	-12,566	-9,208
6.01.02.08	Other (Increase) Decrease in Assets	-36,998	-139,090
6.01.02.09	Accounts Payable, Contractors and Freight	-458,835	1,375,189
6.01.02.10	Payables to Related Parties	-24,490	-23,215
6.01.02.11	Advances from Customers	-59,679	-60,784
6.01.02.12	Taxes Payable	262,325	291,326
6.01.02.13	Accounts Payable – Forfeiting	280,483	180,156
6.01.02.14	Other Increase (Decrease) in Liabilities	-118,504	-68,983
6.01.03	Other	-375,315	-1,461,693
6.01.03.01	Interest Paid	-283,062	-255,343
6.01.03.02	Income and Social Contribution Taxes Paid	-170,349	-1,036,275
6.01.03.03	Actuarial Liabilities Receipt (Payment)	-41,456	-50,501
	Settlement of Derivative Financial Instrument		
6.01.03.04	Transactions	119,552	-119,574
6.02	Net Cash from Investing Activities	-477,953	-1,051,872
	Proceeds from the Sale of Property, Plant and		
6.02.01	Equipment	8,224	47,391
6.02.02	Purchases of Property, Plant and Equipment	-1,447,302	-701,735
6.02.05	Dividends Received	7,227	7,475
6.02.06	Purchase of Software	-12,049	-11,369
6.02.07	Marketable Securities	965,947	-393,634
6.03	Net Cash from Financing Activities	-677,039	-1,071,743
6.03.01	Loan, Financing and Debentures	-	700,000
6.03.02	Repayment of Borrowings	-1,653	-703,530
6.03.05	Dividends and Interest on Equity Paid	-651,217	-1,044,295
6.03.11	Payment of Lease Liabilities	-24,169	-23,918
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	-48,853	-31,631
6.05	Increase (Decrease) in Cash and Cash Equivalents	834,227	-1,820,494
6.05.01	Cash and Cash Equivalents at Beginning of Period	2,916,047	6,341,017
6.05.02	Cash and cash Equivalents at End of Period	3,750,274	4,520,523

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2023 to 06/30/2023.
(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumula ted losses)	Other Comprehen sive Income (Loss)	Equity	Noncontrollin shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	312,665	9,561,524	-	80,541	23,155,025	2,732,725	25,887,750
5.03	Adjusted Opening Balances	13,200,295	312,665	9,561,524	-	80,541	23,155,025	2,732,725	25,887,750
5.04	Capital Transactions with Shareholders	-	-	-	2,344	-2,270	74	-250,502	-250,428
5.04.06	Dividends	-	-	-	-	-	-	-250,502	-250,502
	Adjustment from IAS 29 on Property, Plant and								
5.04.08	Equipment	-	-	-	2,270	-2,270	-	-	-
5.04.09	Prescribed Dividends	-	-	-	74	-	74	-	74
5.05	Total Comprehensive Income (Loss)	-	-	-	728,351	-173,632	554,719	107,606	662,325
5.05.01	Net Income (Loss) for the Period	-	-	-	728,351	-	728,351	103,082	831,433
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	-173,632	-173,632	4,524	-169,108
	Equity in the Comprehensive Income Subsidiaries								
5.05.02.03	and Affiliates	-	-	-	-	10,554	10,554	4,523	15,077
5.05.02.06	Actuarial Gain (Loss) on Retirement Benefits	-	-	-	-	-184,186	-184,186	1	-184,185
5.07	Closing Balances	13,200,295	312,665	9,561,524	730,695	-95,361	23,709,818	2,589,829	26,299,647

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2022 to 06/30/2022.
(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	312,665	8,324,834	-	-88,459	21,749,335	2,609,168	24,358,503
5.03	Adjusted Opening Balances	13,200,295	312,665	8,324,834	-	-88,459	21,749,335	2,609,168	24,358,503
5.04	Capital Transactions with Shareholders	-	-	-	2,533	-2,294	239	-192,867	-192,628
5.04.06	Dividends	-	-	-	-	-	-	-192,867	-192,867
	Adjustment from IAS 29 on Property, Plant and								
5.04.08	Equipment	-	-	-	2,294	-2,294	-	-	-
5.04.09	Prescribed Dividends	-	-	-	239	-	239	-	239
5.05	Total Comprehensive Income (Loss)	-	-	-	2,080,682	-41,627	2,039,055	244,499	2,283,554
5.05.01	Net Income (Loss) for the Period	-	-	-	2,080,682	-	2,080,682	242,417	2,323,099
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	-41,627	-41,627	2,082	-39,545
5.05.02.06	Actuarial loss on retirement benefits	-	-	-	-	-46,476	-46,476	4	-46,472
5.05.02.07	Hedge Accounting	-	-	-	-	4,849	4,849	2,078	6,927
5.07	Closing Balances	13,200,295	312,665	8,324,834	2,083,215	-132,380	23,788,629	2,660,800	26,449,429

Consolidated Financial Statements / Statement of Value Added**(In thousands of reais)**

Account code	Account description	Current period 01/01/2023 to 06/30/2023	Prior period 01/01/2022 to 06/30/2022
7.01	Revenue	16,772,531	20,253,490
7.01.01	Sales of Goods, Products and Services	16,734,212	20,238,250
7.01.02	Other Revenues	28,849	16,154
7.01.04	Allowance (Reversal of) for Doubtful Accounts	9,470	-914
7.02	Inputs Acquired from Third Parties	-13,844,591	-15,407,103
7.02.01	Costs of Products Goods and Services Sold	-13,197,258	-14,726,691
	Materials, Energy, Third-Party Services and Other		
7.02.02	Expenses	-647,333	-680,412
7.03	Gross Value Added	2,927,940	4,846,387
7.04	Retentions	-510,984	-443,232
7.04.01	Depreciation, Amortization and Depletion	-510,984	-443,232
7.05	Net Value Added Produced	2,416,956	4,403,155
7.06	Value Added Received in Transfer	523,352	475,693
7.06.01	Equity in Results of Investees	107,185	91,041
7.06.02	Financial Revenues	597,451	529,913
7.06.03	Other	-181,284	-145,261
7.06.03.01	Actuarial Gains and Losses	-48,935	-55,632
7.06.03.02	Foreign Exchange Gains/losses	-132,349	-89,629
7.07	Total Value Added to be Distributed	2,940,308	4,878,848
7.08	Distribution of Value Added	2,940,308	4,878,848
7.08.01	Personnel	748,883	668,442
7.08.01.01	Direct Compensation	642,225	542,242
7.08.01.02	Benefits	55,492	85,335
7.08.01.03	Unemployment Compensation Fund (FGTS)	51,166	40,865
7.08.02	Taxes, Rates and Contributions	1,293,806	1,700,665
7.08.02.01	Federal	-344,670	508,731
7.08.02.02	State	1,583,709	1,141,373
7.08.02.03	Municipal	54,767	50,561
7.08.03	Remuneration of Third Parties	66,186	186,642
7.08.03.01	Interest	450,969	403,296
7.08.03.03	Other	-384,783	-216,654
7.08.03.03.01	Exchange variation, net	-384,783	-216,654
7.08.04	Equity Remuneration	831,433	2,323,099
7.08.04.03	Retained Earnings (Accumulated Losses)	728,351	2,080,682
7.08.04.04	Noncontrolling Interests in Retained Profits	103,082	242,417

Notes

1 Operations

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("USIMINAS", "Usiminas", "Parent" or "Company"), headquartered in Belo Horizonte, state of Minas Gerais, is a publicly-held company with shares traded on the Brazilian stock exchange (B3 – Brasil, Bolsa, Balcão) under the tickers USIM3, USIM5 and USIM6.

The Company and its subsidiaries, jointly-controlled subsidiaries and associates (Usiminas companies) operate in the steel industry and related activities, such as iron ore extraction, steel transformation, and logistics. Currently, Usiminas operates two steel mills located in Ipatinga, State of Minas Gerais, and Cubatão, State of São Paulo, in addition to iron ore reserves, service and distribution centers, maritime ports and cargo terminals, strategically located in different regions of the Brazilian territory.

The Company holds interest, either direct or indirect, in subsidiaries, jointly-controlled subsidiaries and associates, as described in Note 1 to the financial statements for the year ended December 31, 2022.

In accordance with the Company's investment plan, the operation of Blast Furnace #3 in Ipatinga/MG was temporarily halted in April 2023 for renovation. The revamping is expected to cost R\$2.7 billion, of which R\$1.7 billion was already invested by June 30, 2023, and should be completed by August 2023.

2 Interim accounting information

The issue and disclosure of the interim accounting information included in this Quarterly Information Form (ITR) on the Parent company and Consolidated accounts was approved by the Board of Directors at a meeting held on July 27, 2023.

3 Summary of significant accounting policies

The significant accounting policies applied in the preparation of this interim accounting information are consistent with those adopted and presented in the Company's financial statements for the year ended December 31, 2022, except for the adoption of the new standards, in force in 2023, presented in Note 3.3.

The accounting policies, which have been consistently applied in the current period, are consistent with those of the year and period presented for comparison purposes, and are common to the parent company, subsidiaries, associates and jointly-controlled subsidiaries. The interim accounting information on the subsidiaries are adjusted, when applicable, to meet this criterion.

3.1 Basis of preparation and statement of compliance

The individual and consolidated interim accounting information (referred to as Parent and Consolidated, respectively) for the quarter ended June 30, 2023 should be read together with the Company's financial statements for the year ended December 31, 2022.

Considering that there were no material changes in the composition and nature of the balances presented in the financial statements for the year ended December 31, 2022, the following Notes are presented in a condensed manner for the six-month period ended June 30, 2023:

- 1 Operations;
- 3 Summary of significant accounting policies;
- 4 Financial risk management objectives and policy;
- 11 Income tax and social contribution;
- 12 Judicial deposits;
- 13 Investments;
- 14 Property, plant and equipment;
- 15 Impairment of non-financial assets;
- 16 Intangible assets;
- 18 Borrowings;
- 19 Debentures;
- 21 Taxes payable in installments;
- 22 Lease liabilities;
- 23 Provision for litigation;
- 24 Retirement benefit obligations;
- 25 Equity;
- 31 Transactions with related parties.

3.2 Parent and consolidated interim accounting information

The parent and consolidated interim accounting information presented herein has been prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting, International Accounting Standard (IAS) 34 - Interim Financial Reporting, as well as with the rules of the Brazilian Securities Commission (CVM). Accordingly, this interim accounting information discloses all relevant information, which is consistent with that used by management in the performance of its duties.

3.3 Standards, amendments to and interpretations of standards

The following new standards, amendments and interpretations of standards became effective as of January 1, 2023:

Amendments to CPC 50 / IFRS 17	Insurance Contracts
Amendments to CPC 32/IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to CPC 26/IAS 1	Classification of Liabilities as Current or Non-current
Amendments to CPC 26/ IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to CPC 23/IAS 8	Definition of Accounting Estimates

No significant impacts from the adoption of these new standards, amendments and interpretations of standards were identified for the six-month period ended June 30, 2023.

3.4 Functional and presentation currency

The items included in the individual and consolidated interim accounting information are measured in Brazilian reais (R\$), which is the currency of the primary economic environment in which the Company operates ("the functional currency"). Accordingly, this interim accounting information is presented in thousands of reais, unless otherwise stated.

4 Financial risk management objectives and policy

At June 30, 2023, there were no significant changes in policies and management of financial risks in relation to those disclosed in the Company's financial statements at December 31, 2022.

4.1 Foreign exchange risk

(i) Foreign exchange exposure

Usiminas companies operates internationally and is exposed to foreign exchange risks stemming from transactions in foreign currency, particularly in relation to the US Dollar and, to a lesser extent, the Yen and the Euro. Foreign exchange risk arises from recognized assets and liabilities and net investments in foreign operations, as described below.

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Assets in foreign currency				
Cash and cash equivalents	529,115	492,530	1,025,113	869,979
Marketable securities	-	-	24,020	25,319
Trade receivables	182,420	552,004	624,390	911,231
	<u>711,535</u>	<u>1,044,534</u>	<u>1,673,523</u>	<u>1,806,529</u>
Liabilities in foreign currency				
Borrowings	(3,681,658)	(3,983,198)	(3,681,658)	(3,983,198)
Trade payables, contractors, and freight charges	<u>(968,807)</u>	<u>(1,133,939)</u>	<u>(989,108)</u>	<u>(1,139,247)</u>
	<u>(4,650,465)</u>	<u>(5,117,137)</u>	<u>(4,670,766)</u>	<u>(5,122,445)</u>
Currency exposure	<u>(3,938,930)</u>	<u>(4,072,603)</u>	<u>(2,997,243)</u>	<u>(3,315,916)</u>
USD	(3,920,065)	(4,052,188)	(2,977,902)	(3,293,871)
EUR	(14,096)	(14,071)	(14,572)	(15,697)
JPY	<u>(4,769)</u>	<u>(6,344)</u>	<u>(4,769)</u>	<u>(6,348)</u>
	<u>(3,938,930)</u>	<u>(4,072,603)</u>	<u>(2,997,243)</u>	<u>(3,315,916)</u>

(ii) Sensitivity analysis - foreign exchange risk arising from assets and liabilities denominated in foreign currency

The Company prepared a sensitivity analysis of assets and liabilities contracted in foreign currency at the end of the period, considering the foreign exchange rate at June 30, 2023. The data released by the Brazilian Central Bank's Focus Report on foreign currency exchange rates is used as a reference for the exchange rates included in the sensitivity analysis. Accordingly, scenario I considered a 5% devaluation of the Brazilian currency over the current scenario. Additionally, the exchange rate at June 30, 2023 was stressed by 25% and 50% to calculate scenarios II and III, respectively.

The currencies used in the sensitivity analysis and their related scenarios are shown below:

Currency	06/30/2023			
	Foreign exchange rate at the end of the period	Scenario I	Scenario II	Scenario III
USD	4.8192	5.0602	6.0240	7.2288
EUR	5.2626	5.5257	6.5783	7.8939
JPY	0.0334	0.0350	0.0418	0.0500

Gains (losses) in Finance result, considering scenarios I, II and III, are shown below:

Currency	Parent			Consolidated		
	06/30/2023			06/30/2023		
	Scenario I	Scenario II	Scenario III	Scenario I	Scenario II	Scenario III
USD	(196,003)	(980,016)	(1,960,033)	(148,895)	(744,476)	(1,488,951)
EUR	(705)	(3,524)	(7,048)	(729)	(3,643)	(7,286)
JPY	(238)	(1,192)	(2,385)	(238)	(1,192)	(2,385)

4.2 Cash flow or fair value interest rate risk

Usiminas companies is exposed to interest rate risk arising from changes in the interest rates applied to financial investments, marketable securities, borrowings and debentures.

(i) Breakdown of assets linked to variable interest rate (CDI rate)

The current assets indexed to the Interbank Deposit Certificate (CDI) rate are shown below:

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Cash and cash equivalents	1,913,996	1,325,802	2,668,900	1,958,198
Marketable securities	450,920	246,349	1,166,347	2,130,995
	<u>2,364,916</u>	<u>1,572,151</u>	<u>3,835,247</u>	<u>4,089,193</u>

(ii) Breakdown of borrowings and debentures by type of interest rate

The borrowings and debentures contracted, by type of interest rate and classified as current and non-current liabilities, are presented below:

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Borrowings				
Fixed rate	3,684,695	3,987,882	3,684,707	3,987,902
Debentures				
CDI rate	<u>2,215,917</u>	<u>2,209,655</u>	<u>2,215,917</u>	<u>2,209,655</u>
	<u>5,900,612</u>	<u>6,197,537</u>	<u>5,900,624</u>	<u>6,197,557</u>

(iii) Sensitivity analysis of changes in interest rates

The Company's management prepared a sensitivity analysis of assets and liabilities indexed to interest rates that are outstanding at the end of the period, considering the rate prevailing on June 30, 2023 for the probable scenario. The data released by the Brazilian Central Bank's Focus Report on the SELIC rate is used as benchmark for the rates included in the sensitivity analysis. Scenario I considered a 5% increase on the average interest rate applicable to the floating portion of the Company's current debt. Additionally, the rate at June 30, 2023 was stressed by 25% and 50% to calculate scenarios II and III, respectively.

The composition of net assets and liabilities subject to interest rate variation is as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>06/30/2023</u>	<u>12/31/2022</u>	<u>06/30/2023</u>	<u>12/31/2022</u>
CDI rate	148,999	(637,504)	1,619,330	1,879,538

The rates used and related scenarios at June 30, 2023 are shown below:

<u>Index</u>	<u>006/30/2023</u>			
	<u>Rates at the end of the period (i)</u>	<u>Scenario I</u>	<u>Scenario II</u>	<u>Scenario III</u>
CDI	13.7%	14.3%	17.1%	20.5%

(i) Annualized rate.

Gains (losses) in Finance result, considering scenarios I, II and III, are shown below:

<u>Index</u>	<u>Parent</u>			<u>Consolidated</u>		
	<u>06/30/2023</u>			<u>06/30/2023</u>		
	<u>Scenario I</u>	<u>Scenario II</u>	<u>Scenario III</u>	<u>Scenario I</u>	<u>Scenario II</u>	<u>Scenario III</u>
CDI	(2,061)	(10,303)	(20,606)	6,051	30,256	60,511

The Company's debentures are exposed to fluctuations in the Interbank Deposit Certificate (CDI) rate, as disclosed in Note 21 to the financial statements for the year ended December 31, 2022, and Note 19 to this interim accounting information.

The Company does not perform sensitivity analysis of its assets and liabilities indexed to fixed rates.

4.3 Capital management

The objectives of Usiminas companies when managing capital are to safeguard the ability to continue as a going concern, by fulfilling its commitments and improving earnings in order to provide returns for shareholders and benefits for other stakeholders.

Presented below is the gearing ratio calculated considering the net debt as a percentage of total capitalization.

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Total borrowings, debentures and taxes payable in installments	5,905,477	6,202,257	5,905,489	6,202,279
Cash and cash equivalents and marketable securities	(2,925,495)	(2,068,540)	(4,940,641)	(5,072,361)
Net debt	<u>2,979,982</u>	<u>4,133,717</u>	<u>964,848</u>	<u>1,129,918</u>
Total equity	23,709,818	23,155,025	26,299,647	25,887,750
Total capitalization	<u>26,689,800</u>	<u>27,288,742</u>	<u>27,264,495</u>	<u>27,017,668</u>
Gearing ratio (net debt/total capitalization)	<u>11%</u>	<u>15%</u>	<u>4%</u>	<u>4%</u>

5 Derivative financial instruments

Usiminas companies enters into hedge transactions to hedge and manage price risks, thereby reducing the effects of volatility on the prices of its commodities. Financial instruments are not used for speculative purposes. In accordance with its policy, Usiminas companies does not settle transactions before their original maturity date and does not prepay its derivatives.

(a) Consolidated

At June 30, 2023 and December 31, 2022, the transactions with derivative financial instruments entered into by the subsidiary Mineração Usiminas were as follows:

Hedged item	Maturity groups month/year	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Gain/loss for the period
				6/30/2023		12/31/2022		6/30/2023	12/31/2022	6/30/2023
		Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset (liability) position	Asset (liability) position	Gain (loss)
HEDGE OF COMMODITIES' PRICE										
Iron ore (CFR China 62% Fe)	01/23	Ore FWD USD 111.85	Ore_Fut_SCO22	-	-	R\$ 56,987	R\$ 56,987	-	284	-
Iron ore (CFR China 62% Fe)	01/23	Ore FWD USD 114.54	Ore_Fut_SCO22	-	-	R\$ 29,119	R\$ 29,119	-	832	-
Iron ore (CFR China 62% Fe)	01/23	Ore FWD USD 90.23	Ore_Fut_SCO22	-	-	R\$ 69,424	R\$ 69,424	-	(16,142)	-
Iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 86.30	Ore_Fut_SCOF3	-	-	R\$ 48,306	R\$ 48,306	-	(17,853)	(20,704)
Iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 86.30	Ore_Fut_SCOF3	-	-	R\$ 15,629	R\$ 15,629	-	(5,680)	(6,588)
Iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 90.47	Ore_Fut_SCOF3	-	-	R\$ 69,613	R\$ 69,613	-	(20,350)	(24,219)
Iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 97.30	Ore_Fut_SCOF3	-	-	R\$ 77,110	R\$ 77,110	-	(15,142)	(19,193)
Iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 106.33	Ore_Fut_SCOF3	-	-	R\$ 80,135	R\$ 80,135	-	(8,251)	(12,543)
Iron ore (CFR China 62% Fe)	04/23	Ore FWD USD 107.04	Ore_Fut_SCOH3	-	-	-	-	-	(6,224)	(14,719)
Iron ore (CFR China 62% Fe)	05/23	Ore FWD USD 106.45	Ore_Fut_SCOJ3	-	-	-	-	-	(6,129)	(7,003)
Iron ore (CFR China 62% Fe)	06/23	Ore FWD USD 105.82	Ore_Fut_SCOK3	-	-	-	-	-	(6,023)	552
Iron ore (CFR China 62% Fe)	07/23	Ore FWD USD 124.50	Ore_Fut_SCOM3	R\$ 92,766	R\$ 92,766	-	-	8,283	-	8,283
Iron ore (CFR China 62% Fe)	07/23	Ore FWD USD 104.40	Ore_Fut_SCOM3	R\$ 25,941	R\$ 25,941	-	-	(1,956)	-	(1,956)
Iron ore (CFR China 62% Fe)	07/23	Ore FWD USD 106.40	Ore_Fut_SCOM3	R\$ 78,399	R\$ 78,399	-	-	(4,432)	-	(4,432)
Iron ore (CFR China 62% Fe)	08/23	Ore FWD USD 100.30	Minério_Fut_SCON3	R\$ 74,073	R\$ 74,073	-	-	(7,557)	-	-
Iron ore (CFR China 62% Fe)	08/23	Ore FWD USD 103.40	Minério_Fut_SCON3	R\$ 13,015	R\$ 13,015	-	-	(891)	-	-
Iron ore (CFR China 62% Fe)	08/23	Ore FWD USD 103.45	Minério_Fut_SCON3	R\$ 25,634	R\$ 25,634	-	-	(1,749)	-	-
Iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 100.20	Minério_Fut_SCOO3	R\$ 36,901	R\$ 36,901	-	-	(3,150)	-	-
Iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 100.20	Minério_Fut_SCOO3	R\$ 36,915	R\$ 36,915	-	-	(3,150)	-	-
Iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 100.32	Minério_Fut_SCOO3	R\$ 75,763	R\$ 75,763	-	-	(6,218)	-	-
Iron ore (CFR China 62% Fe)	10/23	Ore FWD USD 103.95	Minério_Fut_SCOU3	R\$ 76,585	R\$ 76,585	-	-	(2,363)	-	-
Iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 108.55	Ore_Fut_SGX	R\$ 79,978	R\$ 79,978	-	-	(375)	-	-
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	R\$ 5,225	R\$ 5,225	-	-	122	-	-
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	R\$ 5,232	R\$ 5,232	-	-	122	-	-
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	R\$ 5,168	R\$ 5,168	-	-	122	-	-
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	R\$ 20,763	R\$ 20,763	-	-	490	-	-
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	R\$ 5,262	R\$ 5,262	-	-	122	-	-

Gain (loss) on export revenue for the period (102,522)

Book balance (asset position net of the liability position) (22,600) (100,678)

Book balances of the derivative financial instruments:

	Consolidated	
	06/30/2023	12/31/2022
Current liabilities	22,600	100,678

	Consolidated	
	06/30/2023	6/30/2022
In gross revenue - foreign market (i)	(102,522)	(82,974)

(i) Relates to derivatives contracted by the subsidiary Mineração Usiminas S.A. to hedge iron ore prices.

(b) Hedging activities – cash flow hedge (hedge accounting)

At June 30, 2023 and December 31, 2022, the subsidiary Mineração Usiminas S.A.:

- Entered into some hedging transactions to manage the risk of fluctuations in ore prices, which affect its sales in the foreign market.
- Designated as hedge accounting some transactions with derivatives. Hedge accounting involves the recognition, in the statement of profit or loss, of net gains/losses arising from changes in the fair value of the hedging instrument and the item being hedged at the same time.
- Conducted retrospective and prospective effectiveness tests in accordance with IAS 39/CPC 38, which showed 100% effectiveness for transactions with derivative financial instruments designated as hedge instruments, as well as for exports designated as hedged items.

The commodity (iron ore) price hedge transactions designated as hedging instruments at June 30, 2023 are shown below:

Hedged item	Maturity (year/month)	Index		Notional amount (amount contracted)	Consolidated
		Asset position	Liability position		Gain (loss)
Iron ore (CFR China 62% Fe)	07/23	Ore FWD USD 124.50	Ore_Fut_SCON3	92,766	8,283
Iron ore (CFR China 62% Fe)	07/23	Ore FWD USD 104.40	Ore_Fut_SCON3	25,941	(1,956)
Iron ore (CFR China 62% Fe)	07/23	Ore FWD USD 106.40	Ore_Fut_SCON3	78,399	(4,432)
Iron ore (CFR China 62% Fe)	08/23	Ore FWD USD 100.30	Ore_Fut_SCON3	74,073	(7,557)
Iron ore (CFR China 62% Fe)	08/23	Ore FWD USD 103.40	Ore_Fut_SCON3	13,015	(891)
Iron ore (CFR China 62% Fe)	08/23	Ore FWD USD 103.45	Ore_Fut_SCON3	25,634	(1,769)
Iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 100.20	Ore_Fut_SCON3	36,901	(3,150)
Iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 100.20	Ore_Fut_SCON3	36,915	(3,150)
Iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 100.32	Ore_Fut_SCON3	75,763	(6,218)
Iron ore (CFR China 62% Fe)	10/23	Ore FWD USD 103.95	Ore_Fut_SCON3	76,585	(2,363)
Iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 108.55	Ore_Fut_SGX	79,978	(375)
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	5,225	122
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	5,232	122
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	5,168	122
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	20,763	490
Iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	5,262	122
				-	(22,600)

Hedge accounting recognized in equity is shown below:

	Consolidated
	06/30/2023
Opening balance at December 31, 2022, recognized in equity	(16,099)
Gain (loss) recognized as hedging instrument in the period	61,157
Gain (loss) recognized as hedged item in the period	(38,313)
Net gain recognized for the period	22,844
Balance before deferred taxes on gain (loss)	6,745
Deferred taxes on profit (34%)	(7,767)
Closing balance at June 30, 2023, recognized in equity	(1,022)
Gain (loss) recycled from equity to export revenues (redemptions)	(102,522)

6 Cash and cash equivalents

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Banks - current accounts	31,464	3,859	56,261	87,870
Banks - current accounts abroad	529,115	492,530	1,025,113	869,979
Bank Deposit Certificates (CDB) and repurchase commitments	1,913,996	1,325,802	2,668,900	1,958,198
	<u>2,474,575</u>	<u>1,822,191</u>	<u>3,750,274</u>	<u>2,916,047</u>

At June 30, 2023, financial investments in Bank Deposit Certificates (CDBs) and repurchase commitments had immediate liquidity, and earned on average 103.47% (102.30% at December 31, 2022) of the CDI rate in the Parent, and 103.83% (103.44% at December 31, 2022) of the CDI rate in the Consolidated.

At June 30, 2023 and December 31, 2022, Usiminas companies did not have overdraft accounts.

At June 30, 2023 and December 31, 2022, of the total cash and cash equivalents presented, Parent and Consolidated, the amount of R\$40,000 was given as guarantee for lawsuits in which the Company is a party (Note 33).

7 Marketable securities

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Bank Deposit Certificate (CDB)	190,753	-	433,627	1,341,912
Financial investments abroad	-	-	24,020	25,319
Investment funds	260,167	246,349	732,720	789,083
	<u>450,920</u>	<u>246,349</u>	<u>1,190,367</u>	<u>2,156,314</u>

At June 30, 2023, financial investments in CDB earned on average 103.47% (102.30% at December 31, 2022) of the CDI rate in the Parent, and 103.83% (103.44% at December 31, 2022) of the CDI rate in the Consolidated.

At June 30, 2023, the amounts in investment funds comprised mainly federal government bonds, financial bills and CDBs, with earnings corresponding to 102.17% of the CDI rate in the Parent and in the Consolidated (103.17% in the Consolidated, at December 31, 2022). As these investment funds are exclusive to Usiminas companies, there are no obligations to third parties to be disclosed.

None of these financial assets is either past due or impaired.

Financial investments mainly comprise Bank Deposit Certificates (CDBs) and investment funds held with first-rate financial institutions.

8 Trade receivables

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Trade receivables:				
In local currency	2,088,929	1,826,202	3,002,483	2,677,831
In foreign currency	37,327	339,344	479,297	698,571
Expected credit losses (ECL) (i)	<u>(133,847)</u>	<u>(134,108)</u>	<u>(182,950)</u>	<u>(193,689)</u>
Trade receivables, net	<u>1,992,409</u>	<u>2,031,438</u>	<u>3,298,830</u>	<u>3,182,713</u>
Receivables from related parties				
In local currency	1,161,771	1,364,706	14,363	197,345
In foreign currency	<u>148,982</u>	<u>216,870</u>	<u>148,982</u>	<u>216,870</u>
Receivables from related parties	<u>1,310,753</u>	<u>1,581,576</u>	<u>163,345</u>	<u>414,215</u>
	<u>3,303,162</u>	<u>3,613,014</u>	<u>3,462,175</u>	<u>3,596,928</u>
Current assets	3,269,445	3,579,107	3,416,772	3,547,946
Non-current assets	<u>33,717</u>	<u>33,907</u>	<u>45,403</u>	<u>48,982</u>

(i) Of the total provision for expected credit losses in the Parent and Consolidated accounts, R\$3,889 (R\$4,210 at December 31, 2022) relates to trade receivables in foreign currency.

The Company's balance of trade receivables is presented net of the adjustment to present value, which is calculated at the reporting date, on a *pro rata temporis* basis. The index adopted to calculate the adjustment to present value, the CDI rate, was 13.65% p.a. at June 30, 2023 and December 31, 2022. At June 30, 2023, the adjustment to present value totaled R\$25,616 in the Parent and Consolidated (R\$23,169 in the Parent and Consolidated at December 31, 2022). At June 30, 2023, the effects of present value adjustment on profit or loss for the period totaled R\$196,835 in the Parent and Consolidated (R\$164,391 in the Parent and Consolidated at June 30, 2022) (Note 29).

Ageing analysis of trade receivables:

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Amounts not yet due	3,133,699	2,987,021	3,417,925	3,408,974
Overdue:				
Up to 30 days	197,874	240,245	62,694	81,489
From 31 to 60 days	6,509	123,600	8,071	118,773
From 61 to 90 days	1,687	204,075	6,658	19,062
From 91 to 180 days	1,000	96,045	2,604	7,567
Over 181 days	96,240	96,136	147,173	154,752
(-) Expected credit losses (ECL)	(133,847)	(134,108)	(182,950)	(193,689)
	<u>3,303,162</u>	<u>3,613,014</u>	<u>3,462,175</u>	<u>3,596,928</u>

At June 30, 2023, trade receivables amounting to R\$ 169,463 in the Parent and R\$44,250 in the Consolidated were past due but not impaired (R\$625,993 and R\$187,954, respectively, at December 31, 2022). These receivables relate to customers who have no recent history of default, or whose outstanding balances are backed by collateral.

The Company does not set up a provision for impairment of trade receivables solely on the basis of the amounts overdue. The delinquent amounts are analyzed individually, on a customer-by-customer basis. Accordingly, a provision for impairment is recognized based on the actual risk involved. Any payment delays are managed by the commercial and financial departments, which determine the need for setting up a provision for impairment, where applicable. Typically, the Company's customers demonstrate consistently good payment behavior over a period of time before the credit risk is considered to have increased.

Changes in the provision for impairment of trade receivables were as follows:

	<u>Parent</u>	<u>Consolidated</u>
At December 31, 2022	<u>(134,108)</u>	<u>(193,689)</u>
Additions	(234)	(4,344)
Reversals	174	13,814
Write-offs against trade receivables	-	947
Foreign exchange gains	<u>321</u>	<u>322</u>
At June 30, 2023	<u>(133,847)</u>	<u>(182,950)</u>

Trade receivables, net of the provision for impairment, are denominated in the following currencies:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>06/30/2023</u>	<u>12/31/2022</u>	<u>06/30/2023</u>	<u>12/31/2022</u>
Brazilian Real	3,120,742	3,061,010	2,837,785	2,685,697
U.S. Dollar	182,257	551,841	624,227	911,068
Euro	<u>163</u>	<u>163</u>	<u>163</u>	<u>163</u>
	<u>3,303,162</u>	<u>3,613,014</u>	<u>3,462,175</u>	<u>3,596,928</u>

On June 30, 2023, additions to and reversals of the provision for impairment of trade receivables were included in "Selling expenses" in the statement of profit or loss. Usiminas companies does not hold any collateral for trade receivables.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable disclosed. Usiminas companies does not hold any collateral for accounts receivable.

9 Inventories

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Current assets				
Finished products	1,406,055	1,719,799	1,786,445	2,157,792
Work in progress	3,095,394	2,480,661	3,131,918	2,508,762
Raw materials	2,283,477	3,310,698	3,138,099	4,114,424
Supplies and spare parts	744,800	679,025	845,405	775,963
Imports in transit	392,115	405,838	392,419	406,312
Provision for losses	(235,565)	(320,574)	(237,945)	(325,708)
Others	570,758	327,627	570,758	327,627
	<u>8,257,034</u>	<u>8,603,074</u>	<u>9,627,099</u>	<u>9,965,172</u>

At June 30, 2023, changes in the provision for inventory losses were as follows:

	Parent	Consolidated
At December 31, 2022	<u>(320,574)</u>	<u>(325,708)</u>
Provision for adjustment of inventories to net realizable value	(62,491)	(59,737)
Reversal of adjustment of inventories to net realizable value	<u>147,500</u>	<u>147,500</u>
At June 30, 2023	<u>(235,565)</u>	<u>(237,945)</u>

At June 30, 2023, the Company's inventories of coal amounted to R\$211,809 (R\$253,276 at December 31, 2022) recorded under Raw materials, in the Parent and Consolidated accounts. Due to the loss of quality of a portion of this input, caused by storage time, a provision for loss in the amount of R\$17,106 (R\$52,392 at December 31, 2022) was constituted in the Parent and Consolidated, with a corresponding entry to the statement of profit or loss under "Cost of goods and/or services sold".

At June 30, 2023, the provision for inventories of plates and flat-rolled products at market value was R\$100,225 (R\$84,242 at December 31, 2022). On June 30, 2023, in view of the increase in the volume of these inventories, a provision in the amount of R\$15,983 was recorded in the Parent and Consolidated, with a corresponding entry to the statement of profit or loss, under "Cost of goods and/or services sold".

At June 30, 2023, certain inventories items was given as guarantee for lawsuits (Note 33).

10 Taxes recoverable

	06/30/2023		Parent 12/31/2022	
	Current	Non-current	Current	Non-current
Social Integration Program (PIS) (i) (ii)	44,191	112,159	50,632	121,649
Social Contribution on Revenues (COFINS) (i) (ii)	203,536	511,044	379,071	555,509
State Value-Added Tax (ICMS)	96,161	338,407	77,692	273,712
Excise Tax (IPI)	10,178	-	23,058	-
Export credit - Reintegra	2,649	-	7,289	-
Others	-	3,858	16	-
	<u>356,715</u>	<u>965,468</u>	<u>537,758</u>	<u>950,870</u>

(i) At December 31, 2022, the amount of R\$117,316 in current assets relates to credits arising from the exclusion of ICMS from the PIS/COFINS tax base (Note 25 (c) to the financial statements at December 31, 2022). At June 30, 2023, this amount was fully offset against the determination and payment of federal taxes.

(ii) At June 30, 2023, the amount of R\$623,203 in non-current assets, (R\$677,158 at December 31, 2022), relates to PIS/COFINS credits arising from depreciation of property, plant, and equipment items acquired up to April 30, 2004 (Note 25 (c) to the financial statement at December 31, 2022).

	06/30/2023		Consolidated 12/31/2022	
	Current	Non-current	Current	Non-current
Social Integration Program (PIS) (i) (ii)	53,530	182,171	63,484	194,435
Social Contribution on Revenues (COFINS) (i) (ii)	278,045	778,607	451,630	822,339
State Value-Added Tax (ICMS)	130,500	339,506	103,951	274,812
Excise Tax (IPI)	108,916	98,934	109,687	88,526
Export credit - Reintegra	2,649	-	7,289	-
National Institute of Social Security (INSS)	8,250	-	8,538	-
Service Tax (ISS)	2,310	-	2,301	-
Others	4,294	6,731	2,103	18,800
	<u>588,494</u>	<u>1,405,949</u>	<u>748,983</u>	<u>1,398,912</u>

(i) At June 30, 2023, the amount of R\$77,635 (R\$184,075 at December 31, 2022) in current assets relates to credits arising from the exclusion of ICMS from the PIS/COFINS tax base (Note 25 (c) to the financial statements at December 31, 2022).

(ii) At June 30, 2023, the amount of R\$623,203 in non-current assets, (R\$677,158 at December 31, 2022), relates to PIS/COFINS credits arising from depreciation of property, plant, and equipment items acquired up to April 30, 2004, in addition to R\$151,955 (R\$110,547 at December 31, 2022) referring to credits resulting from the exclusion of ICMS from the PIS/COFINS tax base (Note 25 (c) to the financial statements for the year ended December 31, 2022).

11 Income tax and social contribution**(a) Taxes on profit**

Income tax and social contribution were calculated as follows:

	Parent		Consolidated	
	06/30/2023	6/30/2022	06/30/2023	6/30/2022
Profit before income tax and social contribution	896,651	2,737,522	1,069,820	3,300,761
Statutory rates	34%	34%	34%	34%
Income tax at nominal rates	<u>(304,861)</u>	<u>(930,757)</u>	<u>(363,739)</u>	<u>(1,122,259)</u>
Adjustments to determine taxable profit:				
Equity in the results of investees (i)	103,088	209,696	36,442	30,953
Permanent exclusions (additions)	31,704	58,640	69,401	105,010
Recognized (unrecognized) deferred tax losses	-	-	17,176	1,858
Tax incentives	1,769	5,581	3,312	7,640
Non-taxable income and rate differences of foreign subsidiaries	<u>-</u>	<u>-</u>	<u>(979)</u>	<u>(864)</u>
Taxes on profit computed	<u>(168,300)</u>	<u>(656,840)</u>	<u>(238,387)</u>	<u>(977,662)</u>
Current	(98,292)	(310,405)	(229,468)	(626,254)
Deferred	<u>(70,008)</u>	<u>(346,435)</u>	<u>(8,919)</u>	<u>(351,408)</u>
Tax (expense) credit in the statement of profit or loss	<u>(168,300)</u>	<u>(656,840)</u>	<u>(238,387)</u>	<u>(977,662)</u>
Income tax	(123,278)	(481,491)	(174,374)	(716,827)
Social contribution	<u>(45,022)</u>	<u>(175,349)</u>	<u>(64,013)</u>	<u>(260,835)</u>
Effective rates	<u>19%</u>	<u>24%</u>	<u>22%</u>	<u>30%</u>

(i) Net of unrealized inventory profit.

As shown above, the effective rates obtained in the calculation of these taxes differ from the nominal rates.

(b) Deferred income tax and social contribution

Changes in deferred income tax and social contribution, net, for the six-month period ended June 30, 2023, were as follows:

	Assets	
	Parent	Consolidated
At December 31, 2022	1,747,016	2,410,456
Recognition (derecognition) of deferred taxes, net, in the statement of profit or loss	(70,008)	(26,095)
Recognized (unrecognized) deferred tax losses	-	17,176
Others	(16,353)	(24,120)
At June 30, 2023	1,660,655	2,377,417

The composition of deferred income tax and social contribution assets and liabilities is shown below:

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Deferred tax assets arising from income tax and social contribution losses	2,357,457	2,416,697	2,524,708	2,554,301
Deferred tax assets arising from temporary differences	1,397,951	1,450,913	2,163,987	2,209,534
Deferred tax liabilities arising from temporary differences	(1,296,997)	(1,322,838)	(1,340,781)	(1,365,706)
Unrecognized deferred income tax and social contribution	(797,756)	(797,756)	(970,497)	(987,673)
	1,660,655	1,747,016	2,377,417	2,410,456

In the six-month period ended June 30, 2023, the Company's management reversed a provision for tax credit losses of R\$17,176 in the Consolidated. Unrecognized deferred tax credits (income tax and social contribution losses) totaled R\$797,756 in the Parent, and R\$970,497 in the Consolidated (R\$797,756 and R\$987,673 at December 31, 2022, respectively). The Company's management will continue monitoring these unrecognized amounts, which may be accounted for as soon as their use becomes probable.

Deferred liabilities arising from temporary differences comprise mainly from the adoption of accelerated tax depreciation, which at June 30, 2023 amounted to R\$1,198,641 in the Parent and R\$1,210,775 in the Consolidated (R\$1,226,564 in the Parent and R\$1,239,667 in the Consolidated at December 31, 2022).

Based on projections approved by management and on the balance of deferred income tax assets (tax losses and temporary differences) at June 30, 2023, deferred taxes are expected to be realized as follows:

	<u>Parent</u>	<u>Consolidated</u>
2023	-	120,068
2024	731,890	770,956
2025	185,284	224,459
2026	195,232	234,523
2027 to 2029	793,098	929,139
2030 to 2032	983,224	1,131,593
2033 to 2035	68,924	122,463
After 2036 (i)	-	184,997
	<u>2,957,652</u>	<u>3,718,198</u>
Assets		
	<u>(1,296,997)</u>	<u>(1,340,781)</u>
Liabilities		
	<u>1,660,655</u>	<u>2,377,417</u>
Net position		

(i) In the Consolidated, the amounts relate mainly to tax credits arising from goodwill on Mineração Usiminas S.A. downstream merger. These tax credits are being used according to the expected useful lives of the mines, the full depletion of which has been estimated for 2053.

The recognition of tax assets is based on a study of expected future taxable profit, reviewed annually by the Company's Statutory Audit Board and approved by the Board of Directors. The study to determine the expected future taxable profit is based on the same data and assumptions as those adopted in the impairment testing of assets (Note 17 to the financial statements at December 31, 2022). Additionally, the Company assesses the need for recognizing or reversing deferred tax credits monitors, by monitoring, throughout the year, the performance of the main assumptions adopted in the impairment tests and respective results.

As the income tax and social contribution taxable bases arise not only from the projected taxable profit, but also from non-taxable income, non-deductible expenses, tax incentives and other variables, there is no direct correlation between the Company's profit and the income tax and social contribution expense. Accordingly, the projected utilization of tax credits should not be taken as the only indicator of Usiminas companies' future results.

(c) Recoverable Income Tax and Social Contribution

At June 30, 2023, the balance Company recorded in non-current assets, within "Recoverable Income Tax and Social Contribution", the amount of R\$284,397 in the Parent Company and R\$331,696 in the Consolidated (R\$269,620 and R\$314,416 at December 31, 2022, respectively) that refer to STF decision that ruled out the levy of IRPJ and CSLL on late payment interest (SELIC) received by taxpayers as refund of tax overpayment. Once a final decision is issued on the lawsuits filed by Usiminas companies, the corresponding amounts will be considered in the tax calculations, pursuant to the rules of the Brazilian Federal Revenue Service.

12 Judicial deposits

At June 30, 2023, changes in judicial deposits were as follows:

	<u>Parent</u>	<u>Consolidated</u>
At December 31, 2022 (i)	<u>468,313</u>	<u>710,669</u>
Additions	7,423	24,150
Interest/inflation indexation	2,927	13,413
Reversals	(3,679)	(6,192)
Payments	<u>(12,429)</u>	<u>(12,632)</u>
Sub-total	<u>462,555</u>	<u>729,408</u>
(-) Offset against taxes payable in installments	<u>(196,892)</u>	<u>(196,892)</u>
At June 30, 2023	<u>265,663</u>	<u>532,516</u>

(i) The total amount of judicial deposits must be decreased by R\$196,892, corresponding to taxes payable in installments, which have the same amount, settlement term, and nature of those deposits.

At June 30, 2023, additions in the Parent relate to tax proceedings of R\$4,352, and civil and labor claims amounting to R\$3,071. Additions in the Consolidated, besides the events considered in the Parent, relate mainly to the Financial Compensation for Mineral Resources Exploration (CFEM) at Mineração Usiminas S.A., which amounted to R\$14,506.

At June 30, 2023, payments the Parent and Consolidated related mainly to labor claims amounting to R\$12,406.

13 Investments**(a) Changes in investments****(i) Parent**

	<u>12/31/2022</u>	<u>Equity in the results of investees</u>	<u>Dividends and interest on capital</u>	<u>Unrealized inventory profit</u>	<u>Others</u>	<u>06/30/2023</u>
Subsidiaries						
Mineração Usiminas S.A.	5,008,275	179,116	(584,503)	-	10,554	4,613,442
Soluções Usiminas S.A.	912,599	42,494	-	83,834	-	1,038,927
Usiminas International S.A.R.L	52,109	(2,878)	-	-	-	49,231
Usiminas Mecânica S.A.	167,555	24,232	-	-	-	191,787
Usiminas Participações e Logística S.A. (UPL)	104,314	8,235	(1,695)	-	1	110,855
Goodwill on subsidiaries	93,995	-	-	-	(874)	93,121
	<u>6,338,847</u>	<u>251,199</u>	<u>(586,198)</u>	<u>83,834</u>	<u>9,681</u>	<u>6,097,363</u>
Jointly-controlled subsidiaries						
Unigal Ltda.	504,407	41,179	-	-	-	545,586
Usiroll Ltda.	14,834	1,000	-	-	-	15,834
	<u>519,241</u>	<u>42,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>561,420</u>
Associates						
Codeme Ltda.	39,607	8,883	-	-	-	48,490
MRS S.A.	15,406	1,227	-	-	-	16,633
	<u>55,013</u>	<u>10,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,123</u>
	<u>6,913,101</u>	<u>303,488</u>	<u>(586,198)</u>	<u>83,834</u>	<u>9,681</u>	<u>6,723,906</u>

At June 30, 2023, equity in the results of investees in the Parent, presented under Changes in investments, is reconciled as follows:

	<u>Parent</u>
Equity in results of investees presented in the statements of profit or loss and cash flows	<u>387,033</u>
Net capital deficiency of the subsidiary Rios Unidos Ltda.	289
Unrealized inventory profit determined at the subsidiary Soluções Usiminas S.A.	<u>(83,834)</u>
Equity in results of investees presented as changes in investments	<u><u>303,488</u></u>

(ii) Consolidated

	<u>12/31/2022</u>	<u>Equity in the results of investees</u>	<u>Interest on capital and dividends</u>	<u>Actuarial liability</u>	<u>06/30/2023</u>
Jointly-controlled subsidiaries					
Investments in jointly-controlled subsidiaries	521,697	43,947	(1,940)	-	563,704
Goodwill on jointly-controlled subsidiaries	<u>4,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,668</u>
	<u>526,365</u>	<u>43,947</u>	<u>(1,940)</u>	<u>-</u>	<u>568,372</u>
Associates					
Investments in associates	677,772	63,238	(5,287)	1	735,724
Goodwill on associates	<u>7,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,200</u>
	<u>684,972</u>	<u>63,238</u>	<u>(5,287)</u>	<u>1</u>	<u>742,924</u>
	<u><u>1,211,337</u></u>	<u><u>107,185</u></u>	<u><u>(7,227)</u></u>	<u><u>1</u></u>	<u><u>1,311,296</u></u>

14 Property, plant and equipment

Changes in property, plant and equipment were as follows:

	<u>Parent</u>	<u>Consolidated</u>
At December 31, 2022	9,152,916	10,820,571
Additions	1,342,262	1,447,302
Write-offs	(672)	(4,442)
Depreciation (i)	(331,623)	(481,512)
Interest and monetary/foreign exchange variations capitalized (ii)	27,794	27,794
Transfers to intangible assets	(7,718)	(1,716)
Addition/remeasurement of right-of-use assets – (IFRS 16) (CPC 06 (R2))	609	15,441
Others	(300)	2,101
At June 30, 2023	<u>10,183,268</u>	<u>11,825,539</u>

(i) Includes right-of-use depreciation (IFRS 16/CPC 06 (R2)) of R\$4,760 in the Parent, and R\$17,351 in the Consolidated.

(ii) These charges were capitalized at the contracted rates described in Note 20 to the financial statements for the year ended December 31, 2022.

The nature and composition of property, plant and equipment are presented in Note 16 to the financial statements at December 31, 2022.

At June 30, 2023, additions to property, plant and equipment relate to expenses incurred to maintain the production capacity. Of this total of R\$1,342,262, the amount of R\$585,428 refers to the renovation of Blast Furnace nº 3, R\$267,870 refers to the renovation of Melt Shop 2, R\$159,703 refers to emergency actions at Coke Plants 2 and 3 and R\$100,661 refers to the overhaul of Turbo Blower nº6.

At June 30, 2023, depreciation in the Parent was recognized in “Cost of sales”, “Other operating income (expenses)”, “Selling expenses” and “General and administrative expenses”, in the amounts of R\$285,773, R\$30,788, R\$1,361 and R\$13,701, respectively (R\$274,196, R\$34,238, R\$1,556 and R\$8,872 at June 30, 2022, respectively). On the same date, in the Consolidated, depreciation was recognized in “Cost of sales”, “Other operating income (expenses)”, “Selling expenses” and “General and administrative expenses” in the amounts of R\$426,067, R\$37,229, R\$2,191 and R\$16,025 respectively (R\$359,751, R\$51,604, R\$2,300 and R\$10,746, at June 30, 2022, respectively).

At June 30, 2023, certain property, plant and equipment items have been pledged as collateral for borrowings and lawsuits (Note 33).

15 Impairment of non-financial assets

The recoverable amount of each business segment is calculated using the discounted cash flow method based on economic and financial projections for each segment, which consider changes observed in the economic scenario of the markets in which Usiminas companies operates, as well as each segment's assumptions of expected results and history of profitability.

During the six-month period ended June 30, 2023, management monitored the reasonableness of the main assumptions adopted in the impairment tests carried out at December 31, 2022 (as described in Note 17 to the financial statements at December 31, 2022), as well as the macroeconomic context of each business segment. The assumptions and scenarios used were based on the expected improvement of the macroeconomic environment. However, these projections are contingent on market factors and conditions, and may therefore differ from actual figures and results.

The aforementioned monitoring did not identify any impairment losses, or the need to change the assumptions used in the preparation of impairment tests for the period ended June 30, 2023.

Management will continue monitoring the key assumptions of each business segment, as well as the profit or loss for 2023, which will indicate whether the projections used are reasonable.

16 Intangible assets

Changes in intangible assets during the period ended June 30, 2023 were as follows:

	<u>Parent</u>	<u>Consolidated</u>
At December 31, 2022	<u>138,118</u>	<u>1,975,940</u>
Additions	8,075	12,049
Amortization	(12,178)	(29,097)
Transfers from property, plant and equipment	7,718	1,716
Others	<u>-</u>	<u>1</u>
At June 30, 2023	<u>141,733</u>	<u>1,960,609</u>

The nature and composition of intangible assets are presented in Note 18 to the financial statements at December 31, 2022.

17 Trade payables, contractors and freight charges**17.1 Breakdown**

The composition of trade payables, contractors and freight charges were as follows:

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
In Brazil	1,818,747	1,635,808	2,145,574	2,020,814
Abroad	110,774	526,436	131,075	531,744
Payables to related companies	571,887	682,587	176,470	299,186
	<u>2,501,408</u>	<u>2,844,831</u>	<u>2,453,119</u>	<u>2,851,744</u>
Adjustment to present value (i)	<u>(17,116)</u>	<u>(23,213)</u>	<u>(6,522)</u>	<u>(13,113)</u>
	<u>2,484,292</u>	<u>2,821,618</u>	<u>2,446,597</u>	<u>2,838,631</u>

(i) The adjustment of present value related to payables to related companies is eliminated on consolidation.

At June 30, 2023, the payment terms of trade payables ranged from 30 to 180 days.

The Company's balance of trade receivables is presented net of present value adjustment, which is calculated at the reporting date, on a *pro rata temporis* basis. The adjustment to present value was based on the CDI rate, which was at 13.65% p.a. at June 30, 2023 and December 31, 2022.

The balances resulting from the adjustment to present value are allocated to finance result based on the period elapsed between the issue date and the due date of the supplier invoice (Note 29).

17.2 Forfeiting transactions

The Company carries out forfeiting and credit assignment transactions with domestic and foreign suppliers of raw materials. These transactions were recorded in current liabilities, under Accounts payable - forfeiting, and were as follows at June 30, 2023 and December 31, 2022:

	Parent and Consolidated	
	06/30/2023	12/31/2022
In Brazil	382,512	337,247
Abroad	<u>858,059</u>	<u>607,492</u>
	<u>1,240,571</u>	<u>944,739</u>
Adjustment to present value	<u>(24,713)</u>	<u>(9,364)</u>
	<u>1,215,858</u>	<u>935,375</u>

The Company discloses its forfeiting transactions in a specific line item because the nature and function of these financial liabilities remain the same as those of trade payables, and payments to the bank are included in operating cash flows, since they continue to form part of the Company's operating cycle and therefore, maintain their primary nature of purchase of materials and services.

The payment terms of the contracts negotiated, mainly those related to the acquisition of steel plates for rolling, and coal and coke, vary between 180 and 360 days.

The balance of forfeiting transactions is shown net of the present value adjustment, which is calculated and allocated as disclosed in Note 17.1.

At June 30, 2023, some of the Company's suppliers contracted, on their own initiative, forfeiting and credit assignment transactions with banks, in the amount of R\$149,144 (R\$107,270 at December 31, 2022). These transactions did not change the balance sheet balances, as no financial charges were imputed to the Company.

17.3 Advances to suppliers

At June 30, 2023, advances to suppliers totaled R\$3,569 in the Parent and R\$4,957 in the Consolidated. At December 31, 2022, these transactions totaled R\$622,004 in the Parent and R\$623,381 in the Consolidated, and were carried out with domestic suppliers, mainly for the acquisition of steel slabs for rolling to supply the demand during the shutdown of Blast Furnace 3.

18 Borrowings

Changes in borrowings were as follows:

	<u>Parent</u>	<u>Consolidated</u>
At December 31, 2022	<u>3,987,882</u>	<u>3,987,902</u>
Accrued charges	112,854	112,868
Foreign exchange gains (losses)	(298,875)	(298,875)
Amortization of charges	(121,269)	(121,283)
Repayment of principal amount	(1,645)	(1,653)
Deferral of commissions	<u>5,748</u>	<u>5,748</u>
At June 30, 2023	<u>3,684,695</u>	<u>3,684,707</u>
Current liabilities	104,086	104,098
Non-current liabilities	<u>3,580,609</u>	<u>3,580,609</u>

Long-term liabilities fall due as follows:

	<u>Parent and Consolidated</u>
	<u>06/30/2023</u>
2024	690
2026	<u>3,579,919</u>
	<u>3,580,609</u>

19 Debentures

At June 30, 2023, changes in debentures were as follows:

	Parent and Consolidated
	06/30/2023
At December 31, 2022	<u>2,209,655</u>
Accrued charges	94,672
Indexation accruals	73,369
Amortization of charges	<u>(161,779)</u>
At June 30, 2023 (i)	<u><u>2,215,917</u></u>
Current liabilities	23,891
Non-current liabilities	<u>2,192,026</u>

(i) Net balance, after the deduction of R\$7,974 (R\$8,165 at December 31, 2022) relating to the deferral of transaction costs, in accordance with Technical Pronouncement CPC 08 (IAS32) – Transaction Costs and Premiums on the Issue of Securities.

At June 30, 2023, charges on debentures amounting to R\$23,891 were recorded in current liabilities (R\$17,820 at December 31, 2022).

Long-term liabilities fall due as follows:

	Parent and Consolidated
	06/30/2023
2027	458,438
2028	681,278
2029	681,278
2030	123,677
2031	123,677
2032	<u>123,678</u>
	<u><u>2,192,026</u></u>

Covenants

The Company is required to comply with the following financial ratio, calculated on a consolidated basis:

Net debt / adjusted EBITDA: less than 3.5 times in the quarterly measurements for borrowings (bonds), and half-yearly measurements (December and June) for debentures.

According to the measurement carried out at June 30, 2023, the mentioned ratio was fully complied with.

With respect to non-financial covenants, the Company has monitoring controls and no covenant was breached in the six-month period ended June 30, 2023.

20 Taxes payable

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
State Value-Added Tax (ICMS)	98,358	43,908	121,631	60,993
Excise Tax (IPI)	22,575	14,581	25,320	17,448
Income Tax Withheld at Source (IRRF)	6,612	12,380	10,893	15,483
Service Tax (ISS)	21,822	15,925	28,018	21,763
Social Integration Program (PIS)/ Social Contribution on Revenues (COFINS)	46,900	3,791	38,251	5,217
Financial Compensation for Mineral Exploration (CFEM)	-	-	17,199	17,143
Others	4,527	2,083	8,188	5,264
	200,794	92,668	249,500	143,311

21 Taxes payable in installments

Changes in the balance of taxes payable in installments are shown below:

	Parent and Consolidated
At December 31, 2022 (i) (ii)	201,612
Provision (reversal of provision) for interest	145
Sub-total	201,757
(-) Offset against judicial deposits	(196,892)
At June 30, 2023 (ii)	4,865

(i) The total amount of taxes payable in installments must be decreased by R\$196,892, corresponding to the offset against judicial deposits, which have the same amount, settlement term, and nature of those taxes.

(ii) The balances in the Parent and Consolidated relate mainly to the Excise Tax (IPI).

22 Lease liabilities

At June 30, 2023, the Company and its subsidiaries estimated the discount rates based on risk-free interest rates observable in the Brazilian market for the term of their agreements. The rates used in the calculation ranged between 9.55% and 16.74% p.a. (9.55% to 16.74% p.a. at December 31, 2022).

At June 30, 2023, changes in lease liabilities were as follows:

	<u>Parent</u>	<u>Consolidated</u>
At December 31, 2022	<u>32,301</u>	<u>119,180</u>
Additions	609	15,442
Payments	(5,675)	(24,169)
Interest	<u>1,453</u>	<u>5,827</u>
At June 30, 2023	<u>28,688</u>	<u>116,280</u>
Current	8,312	33,931
Non-current	<u>20,376</u>	<u>82,349</u>

23 Provisions for litigation

	<u>Parent</u>			<u>Parent</u>		
	<u>06/30/2023</u>			<u>12/31/2022</u>		
	<u>Provisions</u>	<u>Judicial deposits</u>	<u>Net balance</u>	<u>Provisions</u>	<u>Judicial deposits</u>	<u>Net balance</u>
INSS	60,755	-	60,755	58,413	-	58,413
ICMS	242,336	-	242,336	238,766	-	238,766
Labor claims	400,243	(67,269)	332,974	387,300	(78,742)	308,558
Civil claims	<u>128,476</u>	<u>(25,277)</u>	<u>103,199</u>	<u>72,965</u>	<u>(24,475)</u>	<u>48,490</u>
	<u>831,810</u>	<u>(92,546)</u>	<u>739,264</u>	<u>757,444</u>	<u>(103,217)</u>	<u>654,227</u>
	<u>Consolidated</u>			<u>Consolidated</u>		
	<u>06/30/2023</u>			<u>12/31/2022</u>		
	<u>Provisions</u>	<u>Judicial deposits</u>	<u>Net balance</u>	<u>Provisions</u>	<u>Judicial deposits</u>	<u>Net balance</u>
INSS	71,962	(64)	71,898	69,189	(62)	69,127
ICMS	250,530	(455)	250,075	247,695	(1,310)	246,385
PIS/COFINS	3,500	-	3,500	3,411	-	3,411
Labor claims	476,234	(99,093)	377,141	468,450	(110,953)	357,497
Civil claims	150,271	(42,670)	107,601	92,112	(41,701)	50,411
Other	<u>10,030</u>	<u>(2,693)</u>	<u>7,337</u>	<u>11,300</u>	<u>(2,602)</u>	<u>8,698</u>
	<u>962,527</u>	<u>(144,975)</u>	<u>817,552</u>	<u>892,157</u>	<u>(156,628)</u>	<u>735,529</u>

The judicial deposits related to provisions for contingencies, in the Parent Company and Consolidated accounts, comprise the total balance of judicial deposits presented in Note 12.

At June 30, 2023, changes in the provisions for litigation were as follows:

	<u>Parent</u>	<u>Consolidated</u>
At December 31, 2022	<u>757,444</u>	<u>892,157</u>
Additions	104,735	131,344
Interest/inflation indexation	95,906	102,080
Repayments/reductions	(63,978)	(64,302)
Reversal of principal	(11,444)	(46,647)
Reversal of interest	(16,494)	(17,746)
Transfer to current liabilities (i)	(10,997)	(10,997)
Enrollment in the Zero Litigation program	<u>(23,362)</u>	<u>(23,362)</u>
At June 30, 2023	<u>831,810</u>	<u>962,527</u>

(i) Transfer to current liabilities arising from a court settlement for payment.

Provisions for litigation were set up to cover probable losses on administrative and judicial proceedings related to tax, labor, civil, and environmental matters. The accrued amounts were considered sufficient by management, based on the assessment and opinion of its internal and external legal advisors.

In the six-month period ended June 30, 2023, additions in the Parent company relate mainly to labor (R\$44,860) and civil claims (R\$38,659), and in the Consolidated, besides those recorded in the Parent, additions relate mainly to tax (R\$14,112), and labor claims (R\$10,371). In the six-month period ended June 30, 2023, of the mentioned balance of additions of a civil nature, we highlight the supplier's lawsuit claiming alleged non-applied contractual adjustments, payment delays and undue withholdings, whose addition totaled R\$32,681. Additionally, said lawsuit was monetarily restated in the amount of R\$46,832, totaling R\$79,513.

Repayments/reductions in the Parent and Consolidated refer, substantially, to payments made in connection with labor (R\$41,762) and civil proceedings (R\$22,174).

On June 30, 2023, the Company joined the Federal Government's Tax Litigation Reduction Program (PRLF), known as "Zero Litigation", which allowed the renegotiation of tax debts that have been under dispute at the administrative level for more than 10 years. After the reduction of fines and interest provided for in the Program, tax liabilities of R\$23,362 were settled using tax credits arising from income tax and social contribution losses, in the amounts of R\$12,025 and R\$4,329, respectively, and a down payment of R\$7,008 in cash. As a result of this negotiation, provisions of R\$18,858 and R\$1,220 were recognized in operating income (expenses), and finance income (costs), respectively.

Possible contingencies

In the six-month period ended June 30, 2023, the Company was the defendant in proceedings classified by management as involving possible risk of loss, based on the opinion of its legal counsel, which totaled R\$6,672,071 (R\$6,689,866 at December 31, 2022). These lawsuits, for which no provision was recorded, involve tax claims amounting to R\$5,253,414; labor claims amounting to R\$776,712; and civil and environmental claims amounting to R\$641,945 at June 30, 2023 (tax claims of R\$4,880,647; labor claims of R\$786,996; and civil and environmental claims of R\$1,022,223 at December 31, 2022). In the same period, in addition to the aforementioned events, Usiminas companies were defendants in lawsuits with possible likelihood of loss, which totaled R\$2,144,605 (R\$2,024,198 at December 31, 2022).

24 Retirement benefit obligations

Information on retirement benefit obligations and related amounts are shown below:

	Parent		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Obligations recorded in the balance sheet				
Pension plan benefits	556,888	394,844	557,896	394,864
Post-employment medical benefits	526,203	499,947	586,673	558,041
	<u>1,083,091</u>	<u>894,791</u>	<u>1,144,569</u>	<u>952,905</u>
	Parent		Consolidated	
	06/30/2023	6/30/2022	06/30/2023	6/30/2022
Income (expenses) recognized in the statement profit or loss				
Pension plan benefits	(19,313)	(27,864)	(19,336)	(28,422)
Post-employment medical benefits	(26,257)	(24,469)	(29,599)	(27,210)
	<u>(45,570)</u>	<u>(52,333)</u>	<u>(48,935)</u>	<u>(55,632)</u>

At June 30, 2023, changes in actuarial gains and losses recognized in other comprehensive income were as follows:

	Parent	Consolidated
Recognized actuarial (gains) losses	(19,167)	(19,167)
Actuarial (gains) losses on debts contracted	203,353	203,353
Actuarial (gains) losses of subsidiaries and jointly-controlled subsidiaries (i)	-	(1)
	<u>184,186</u>	<u>184,185</u>
Accrued actuarial (gains) losses recognized in other comprehensive income		

Changes in retirement benefit obligations

The actuarial study carried out by an independent actuary at December 31, 2022, pursuant to CPC 33 (R1) and IAS 19, presented liabilities of R\$894,791 in the Parent, and R\$952,905 in the Consolidated.

Changes in retirement benefit obligations were as follows:

	<u>Parent</u>	<u>Consolidated</u>
At December 31, 2022	894,791	952,905
Amortization	(41,456)	(41,456)
Amounts recognized in profit or loss	45,570	48,935
Actuarial (gains) losses recognized directly in other comprehensive income	184,186	184,185
At June 30, 2023	1,083,091	1,144,569

The Company has been monitoring the loss on assets in the amount of R\$271,593 recorded at December 31, 2022, which relate to withdrawals of resources from the Defined Benefit Plan made in the period from December 2019 to December 2020, by former participants of the bankrupt sponsor Companhia Ferro e Aço de Vitória (COFAVI). Given the absence of joint liability of the sponsors and benefit plans, Previdência Usiminas has been seeking all applicable legal remedies to recover the withdrawn funds in favor of COFAVI's former participants, as well as to prevent further withdrawals.

25 Equity**(a) Share capital**

At June 30, 2023, the Company's share capital was as follows:

	<u>Common shares</u>	<u>Class A Preferred shares</u>	<u>Class B Preferred shares</u>	<u>Total</u>
Total shares at June 30, 2023	<u>705,260,684</u>	<u>547,752,163</u>	<u>66,261</u>	<u>1,253,079,108</u>
Total treasury shares	<u>(2,526,656)</u>	<u>(19,609,792)</u>	<u>-</u>	<u>(22,136,448)</u>
Total shares except treasury shares	<u>702,734,028</u>	<u>528,142,371</u>	<u>66,261</u>	<u>1,230,942,660</u>

(b) Treasury shares

At June 30, 2023, the Company held in treasury 2,526,656 common shares and 19,609,792 Class A preferred shares (2,526,656 common shares and 19,609,792 Class A preferred shares at December 31, 2022).

(c) Reserves

As the nature and conditions of reserves at June 30, 2023 did not change in relation to those described in Note 28 (b) to the Company's financial statements at December 31, 2022, the disclosures have not been repeated in this interim accounting information.

d) Dividends

At June 30, 2023, changes in dividends payable were as follows:

<u>Nature</u>	<u>Parent 06/30/2023</u>	<u>Consolidated 06/30/2023</u>
Dividends payable at the beginning of the period	<u>387,317</u>	<u>470,599</u>
Proposed dividends	-	250,502
Payment of dividends	(383,135)	(651,217)
Prescribed dividends	<u>(74)</u>	<u>(74)</u>
Total net dividends payable at the end of the the period	<u>4,108</u>	<u>69,810</u>

Dividends not claimed within three years are forfeited in favor of the Company.

26 Segment reporting

The following is a summary of the main operations of each reportable segments of Usiminas companies:

<u>Reportable segments</u>	<u>Operations</u>
Mining and Logistics	Extraction and processing of iron ore as pellet feed, sinter feed and granulated iron ore. Storage, handling, transport of cargo and operation of highway and railway cargo terminals. The sales of iron ore are mainly intended for the Steel metallurgy segment.
Steel Metallurgy	Manufacture and sale of steel products. A portion of the sales is intended for the Steel transformation segment.
Steel Transformation	Transformation and distribution of steel products.

Management reviews periodically the internal managerial reports on each segment.

Information on operating income (loss), assets and liabilities by reportable segment

	06/30/2023					
	Mining and Logistics	Steel Metallurgy	Steel Transformation	Sub-total	Eliminations and adjustments	Total
Gross sales revenue from products and services	1,775,272	14,768,761	5,191,411	21,735,444	(4,899,673)	16,835,771
Sales of products	1,775,272	14,767,245	5,165,354	21,707,871	(4,900,396)	16,807,475
Sales of services	-	1,516	26,057	27,573	723	28,296
Deductions	(87,041)	(2,402,134)	(957,730)	(3,446,905)	753,779	(2,693,126)
Net revenue	1,688,231	12,366,627	4,233,681	18,288,539	(4,145,894)	14,142,645
Cost of sales	(1,178,026)	(11,525,987)	(4,123,718)	(16,827,731)	4,152,339	(12,675,392)
Gross profit (loss)	510,205	840,640	109,963	1,460,808	6,445	1,467,253
Operating income (expenses)	(202,303)	(253,735)	(63,309)	(519,347)	(277,002)	(796,349)
Selling expenses	(180,034)	(67,882)	(16,927)	(264,843)	726	(264,117)
General and administrative expenses	(24,432)	(233,730)	(38,988)	(297,150)	9,219	(287,931)
Other income (expenses)	(52,742)	(276,904)	(7,394)	(337,040)	(14,446)	(351,486)
Share of results of subsidiaries, jointly-controlled subsidiaries and associates	54,905	324,781	-	379,686	(272,501)	107,185
Operating profit (loss)	307,902	586,905	46,654	941,461	(270,557)	670,904
Finance income (costs)	100,607	335,254	(31,205)	404,656	(5,740)	398,916
Profit (loss) before income tax and social contribution	408,509	922,159	15,449	1,346,117	(276,297)	1,069,820
Income tax and social contribution	(120,672)	(162,222)	46,246	(236,648)	(1,739)	(238,387)
Profit (loss) for the period	287,837	759,937	61,695	1,109,469	(278,036)	831,433
Attributable to Owners of the parent	203,957	759,936	42,494	1,006,387	(278,036)	728,351
Non-controlling interests	83,880	1	19,201	103,082	-	103,082
Assets	7,677,211	36,503,410	3,641,559	47,822,180	(8,083,454)	39,738,726
Total assets include:						
Investments in associates (except goodwill and investment properties)	668,456	67,268	-	735,724	-	735,724
Additions to non-current assets (except financial instruments and deferred tax assets)	111,847	1,360,755	12,827	1,485,429	(1,442,573)	42,856
Current and non-current liabilities	903,543	12,705,951	1,742,650	15,352,144	(1,913,065)	13,439,079

	06/30/2022					
	Mining and Logistics	Steel Metallurgy	Steel Transformation	Sub-total	Eliminations and adjustments	Total
Gross sales revenue from products and services	2,107,471	17,586,008	5,597,575	25,291,054	(5,779,100)	19,511,954
Sales of products	2,107,471	17,582,384	5,573,159	25,263,014	(5,780,681)	19,482,333
Sales of services	-	3,624	24,416	28,040	1,581	29,621
Deductions	(135,093)	(2,910,792)	(1,045,137)	(4,091,022)	955,176	(3,135,846)
Net revenue	1,972,378	14,675,216	4,552,438	21,200,032	(4,823,924)	16,376,108
Cost of sales	(1,062,449)	(11,963,529)	(4,152,599)	(17,178,577)	4,705,026	(12,473,551)
Gross profit (loss)	909,929	2,711,687	399,839	4,021,455	(118,898)	3,902,557
Operating income (expenses)	(244,265)	(70,618)	(77,444)	(392,327)	(463,111)	(855,438)
Selling expenses	(200,447)	(133,754)	(29,994)	(364,195)	-	(364,195)
General and administrative expenses	(20,799)	(230,045)	(35,667)	(286,511)	8,902	(277,609)
Other income (expenses)	(62,879)	(227,992)	(11,783)	(302,654)	(2,021)	(304,675)
Share of results of subsidiaries, jointly-controlled subsidiaries and associates	39,860	521,173	-	561,033	(469,992)	91,041
Operating profit (loss)	665,664	2,641,069	322,395	3,629,128	(582,009)	3,047,119
Finance income (costs)	129,265	122,009	7,614	258,888	(5,246)	253,642
Profit (loss) before income tax and social contribution	794,929	2,763,078	330,009	3,888,016	(587,255)	3,300,761
Income tax and social contribution	(257,072)	(696,282)	(64,170)	(1,017,524)	39,862	(977,662)
Profit (loss) for the period	537,857	2,066,796	265,839	2,870,492	(547,393)	2,323,099
Attributable to Owners of the parent	378,175	2,066,796	183,104	2,628,075	(547,393)	2,080,682
Non-controlling interests	159,682	-	82,735	242,417	-	242,417
						12/31/2022
Assets	8,456,109	36,396,569	3,615,526	48,468,204	(8,467,753)	40,000,451
Total assets include:						
Investments in associates (except goodwill and investment properties)	620,604	57,168	-	677,772	-	677,772
Additions to non-current assets (except financial instruments and deferred tax assets)	403,145	1,824,369	31,564	2,259,078	(2,083,266)	175,812
Current and non-current liabilities	1,148,658	13,140,395	1,778,312	16,067,365	(1,954,664)	14,112,701

Intersegment sales were carried out on an arm's length basis.

Billings are broadly dispersed, and the Company and its subsidiaries do not have any third-party customer that individually accounts for more than 10% of their sales.

27 Revenue

The reconciliation between gross sales and net revenue is as follows:

	Parent		Consolidated	
	<u>06/30/2023</u>	<u>6/30/2022</u>	<u>06/30/2023</u>	<u>6/30/2022</u>
Sales of products				
Domestic market	13,656,636	15,320,577	14,309,360	15,742,433
Foreign market	<u>1,110,608</u>	<u>2,260,405</u>	<u>2,498,115</u>	<u>3,739,900</u>
	<u>14,767,244</u>	<u>17,580,982</u>	<u>16,807,475</u>	<u>19,482,333</u>
Sales of services				
Domestic market	1,198	455	28,296	28,356
Foreign market	<u>-</u>	<u>1,265</u>	<u>-</u>	<u>1,265</u>
	<u>1,198</u>	<u>1,720</u>	<u>28,296</u>	<u>29,621</u>
Gross revenue	<u>14,768,442</u>	<u>17,582,702</u>	<u>16,835,771</u>	<u>19,511,954</u>
Deductions from gross revenue				
Taxes	(2,365,821)	(2,780,929)	(2,591,567)	(2,943,140)
Other deductions	<u>(36,146)</u>	<u>(129,400)</u>	<u>(101,559)</u>	<u>(192,706)</u>
	<u>(2,401,967)</u>	<u>(2,910,329)</u>	<u>(2,693,126)</u>	<u>(3,135,846)</u>
Net revenue	<u>12,366,475</u>	<u>14,672,373</u>	<u>14,142,645</u>	<u>16,376,108</u>

28 Expenses by nature

	Parent		Consolidated	
	06/30/2023	6/30/2022	06/30/2023	6/30/2022
Depreciation, amortization and depletion	(344,176)	(326,201)	(510,984)	(443,232)
Employee benefit expenses	(534,026)	(571,264)	(941,020)	(836,724)
Raw materials and consumables	(9,475,575)	(9,627,633)	(9,253,779)	(9,013,598)
Scheduled maintenance	(225,719)	(229,098)	(230,827)	(221,601)
Freight charges and insurance	(284,721)	(468,198)	(684,165)	(860,167)
Distribution costs	(33,737)	(97,477)	(212,631)	(301,458)
Third-party services	(707,203)	(573,378)	(957,875)	(777,611)
Judicial charges	(15,214)	(7,263)	(27,012)	(12,154)
Litigation income (expenses), net	(91,263)	(28,462)	(82,689)	(28,254)
Gain on sale of excess electricity	(1,773)	(605)	(2,077)	(3,756)
Gain on sale/write-off of property, plant and equipment				
intangible assets and investments	4,843	38,940	3,782	39,660
Reversal of impairment in subsidiary	-	-	6,214	-
PIS/COFINS credits	-	-	16	996
(Provision) reversal of provision for inventory				
losses/adjustments	9,137	(177,884)	41,151	(177,884)
(Provision) reversal of provision for tax losses	-	-	(28,397)	(27,460)
(Provision) reversal of provision for expected credit				
losses	(60)	(1,326)	9,470	(914)
Other	(480,654)	(551,819)	(708,103)	(755,873)
	<u>(12,180,141)</u>	<u>(12,621,668)</u>	<u>(13,578,926)</u>	<u>(13,420,030)</u>
Cost of sales	(11,620,596)	(12,049,335)	(12,675,392)	(12,473,551)
Selling expenses	(66,710)	(132,742)	(264,117)	(364,195)
General and administrative expenses	(218,814)	(215,937)	(287,931)	(277,609)
Other operating income (expenses), net	<u>(274,021)</u>	<u>(223,654)</u>	<u>(351,486)</u>	<u>(304,675)</u>
	<u>(12,180,141)</u>	<u>(12,621,668)</u>	<u>(13,578,926)</u>	<u>(13,420,030)</u>

29 Finance income (costs)

	Parent		Consolidated	
	06/30/2023	6/30/2022	06/30/2023	6/30/2022
Finance income				
Interest from customers	9,209	13,937	14,641	20,018
Interest on financial investments	158,252	89,272	320,312	272,748
Inflation indexation on judicial deposits	2,927	3,621	13,413	10,356
Interest on tax credits	24,170	14,588	26,631	15,016
Accretion of present value adjustment of trade receivables	196,835	164,391	196,835	164,391
Reversal of interest on lawsuits	16,494	18,685	17,746	18,684
Inclusion of ICMS in the PIS/COFINS tax base	1,107	19,192	7,646	28,186
Other finance income	21,871	108	227	514
	<u>430,865</u>	<u>323,794</u>	<u>597,451</u>	<u>529,913</u>
Finance costs				
Interest on borrowings (i)	(151,655)	(134,343)	(151,430)	(132,586)
Inflation adjustments on borrowings	(61,278)	(81,164)	(61,278)	(81,163)
PIS/COFINS on other finance income	(10,171)	(13,599)	(18,113)	(25,571)
Interest, commissions and late payment expenses	(3,335)	(279)	(20,093)	(24,144)
Interest on contingent liabilities	(95,906)	(37,170)	(102,080)	(40,111)
Accretion of present value adjustment of trade payables and forfeiting transactions	(76,815)	(43,832)	(66,801)	(40,554)
Commissions and other borrowing costs	(11,485)	(19,486)	(11,485)	(21,100)
Other finance costs	(7,111)	(23,512)	(19,689)	(38,067)
	<u>(417,756)</u>	<u>(353,385)</u>	<u>(450,969)</u>	<u>(403,296)</u>
Foreign exchange gains (losses), net	<u>310,175</u>	<u>140,493</u>	<u>252,434</u>	<u>127,025</u>
	<u>323,284</u>	<u>110,902</u>	<u>398,916</u>	<u>253,642</u>

(i) In the Parent and Consolidated, interest on borrowings is presented net of the amount of R\$27,794, which was capitalized to construction in progress, under the heading Interest and monetary/foreign exchange variations capitalized (Note 14).

The Company segregates the Extended Consumer Price Index (IPCA) from borrowings and financial investments linked to the CDI rate. Accordingly, the portion related to the IPCA is segregated from interest on borrowings and income from financial investments, and included in "Inflation adjustments".

30 Earnings per share**Basic and diluted**

Basic and diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to the Company's stockholders by the weighted average number of common and preferred shares issued during the period, excluding common shares acquired by the Company and held in treasury (Note 25).

	06/30/2023			Parent 06/30/2022		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Basic and diluted numerator						
Profit attributable to owners of the parent	398,701	329,650	728,351	1,138,968	941,714	2,080,682
Basic and diluted denominator						
Weighted average number of shares, excluding treasury shares	702,734,028	528,208,632	1,230,942,660	702,734,028	528,208,632	1,230,942,660
Basic and diluted earnings per share - R\$	0.57	0.62	-	1.62	1.78	-

31 Transactions with related parties

Main balances and transactions with related parties:

(a) Assets

	06/30/2023			12/31/2022		
	Parent					
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	9,703	-	23	196,297	-	2,414
Subsidiaries	1,147,424	150,959	48,698	1,167,919	190,285	100,269
Jointly-controlled subsidiaries	90	-	3	682	-	-
Associates	1,189	580	-	5,760	580	-
Other related parties (i)	152,347	-	8,500	210,918	-	-
Total	1,310,753	151,539	57,224	1,581,576	190,865	102,683
Current	1,310,753	151,539	33,421	1,581,576	190,865	76,556
Non-current	-	-	23,803	-	-	26,127
Total	1,310,753	151,539	57,224	1,581,576	190,865	102,683

(i) At June 30, 2023, the balance of receivables from related parties comprised mainly the sale of Usiminas products to the Ternium Group in the amount of R\$137,936 (R\$205,995 at December 31, 2022, also related mainly to sales to the Ternium Group).

	06/30/2023			12/31/2022		
	Consolidated					
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	9,703	-	10	196,297	-	2,401
Jointly-controlled subsidiaries	106	-	3	729	-	-
Associates	1,189	22,729	-	5,760	22,729	-
Other related parties (i)	152,347	-	8,500	211,429	-	-
Total	163,345	22,729	8,513	414,215	22,729	2,401
Current	163,345	22,729	8,513	414,215	22,729	16
Non-current	-	-	-	-	-	2,385
Total	163,345	22,729	8,513	414,215	22,729	2,401

(i) At June 30, 2023, the balance of receivables from related parties comprised mainly the sale of Usiminas products to the Ternium Group in the amount of R\$137,936 (R\$205,995 at December 31, 2022, also related mainly to sales to the Ternium Group).

Related-party transactions are carried out under competitive and transparent conditions, in accordance with the Company's applicable policies and practices. These transactions are previously approved by the Executive Board and reported to the Board of Directors by means of the required information and supporting documents.

(b) Liabilities

	Parent					
	06/30/2023			12/31/2022		
	Suppliers	Other payables	Borrowings	Suppliers	Other payables	Borrowings
Controlling interests	3,574	2,079	-	20,617	1,731	-
Subsidiaries	429,250	13,188	3,723,353	390,739	40,533	4,015,010
Jointly-controlled subsidiaries	70,750	-	-	59,008	-	-
Associates	1,393	-	-	2,379	-	-
Other related parties (i)	51,259	-	-	168,659	221	-
Total	556,226	15,267	3,723,353	641,402	42,485	4,015,010
Current	556,226	5,067	101,739	641,402	31,085	110,151
Non-current assets	-	10,200	3,621,614	-	11,400	3,904,859
Total	556,226	15,267	3,723,353	641,402	42,485	4,015,010

	Consolidated			
	06/30/2023		12/31/2022	
	Suppliers	Other payables	Suppliers	Other payables
Controlling interests	3,574	2,079	20,617	1,731
Non-controlling interests	248	2,923	238	20,616
Jointly-controlled subsidiaries	71,740	-	60,033	-
Associates	11,704	81,386	42,563	74,581
Other related parties (i)	51,259	42,222	168,659	42,883
Total	138,525	128,610	292,110	139,811
Current	138,525	80,167	292,110	66,878
Non-current	-	48,443	-	72,933
Total	138,525	128,610	292,110	139,811

(i) At June 30, 2023, the balance of payables to related parties comprised mainly the purchase of products from Ternium Brasil Ltda. in the amount of R\$45,060 (R\$168,655 at December 31, 2022) in the Parent and Consolidated.

(c) Results

	Parent			Consolidated		
	06/30/2023			06/30/2022		
	Sales	Purchases	Finance and operating result	Sales	Purchases	Finance and operating result
Controlling interests	517,039	2,195	(6,653)	111,638	1,924	(3,406)
Subsidiaries	4,565,825	605,595	194,900	5,211,026	678,301	124,174
Jointly-controlled subsidiaries	-	195,106	(444)	-	212,301	(1,657)
Associates	1,688	64,199	-	10,809	67,234	-
Other related parties (i) (ii)	412,059	681,022	3,841	368,323	2,392,639	5,265
Total	5,496,611	1,548,117	191,644	5,701,796	3,352,399	124,376

	Consolidated			Consolidated		
	06/30/2023			06/30/2022		
	Sales	Purchases	Finance and operating result	Sales	Purchases	Finance and operating result
Controlling interests	517,039	2,195	(6,653)	111,638	1,924	(3,320)
Non-controlling interests	-	271,415	-	-	8,496	-
Jointly-controlled subsidiaries	2,073	198,448	(444)	3,426	215,536	(1,657)
Associates	1,688	225,600	-	10,809	186,072	-
Other related parties (i) (ii)	412,059	681,022	2,466	368,323	2,393,589	6,027
Total	932,859	1,378,680	(4,631)	494,196	2,805,617	1,050

(i) At June 30, 2023, part of sales to other related parties referred mainly to sales of Usiminas products to the Ternium Group, amounting to R\$374,179 in the Parent and Consolidated (R\$307,848 in the Parent and Consolidated at June 30, 2022).

(ii) At June 30, 2023, part of purchases from other related parties referred mainly to the purchase of products from Ternium Brasil Ltda. in the amount of R\$571,812 (R\$1,780,614 in the Parent and Consolidated at June 30, 2022).

The nature of the most significant related-party transactions is described in Note 37(e) to the financial statements for the year ended December 31, 2022. No new transactions were carried out during the reporting period.

Finance result with related parties refers mainly to charges on borrowings, as disclosed in item (b) above.

(d) Key management compensation

The compensation paid or payable to key management personnel, which includes the Executive Board, the Board of Directors, and the Statutory Audit Board of the Company, is shown below. Senior Management is shared by the Parent Company and its Subsidiaries.

		Parent
	06/30/2023	06/30/2022
Fees	(9,478)	(18,985)
Social charges	(2,036)	(5,270)
Retirement plans	(104)	(313)
Provision for variable compensation	(5,240)	(6,653)
	<u>(16,858)</u>	<u>(31,221)</u>

32 Insurance

The insurance policies in force at June 30, 2023 provide Usiminas companies with coverage considered sufficient by management.

At June 30, 2023 and December 31, 2022, the Company had insurance contracted for buildings, goods and raw materials, equipment, machinery, furniture, fixtures, and facilities that form the insured establishments and the respective premises of the Company, for a value at risk of US\$9,907,644 (US\$11,076,532 at December 31, 2022), in addition to an operational risk insurance policy (All Risks) with a limit of indemnity of US\$600,000 per claim. At June 30, 2023 and December 31, 2022, the maximum deductible for property damage was US\$10,000, and the maximum waiting period for loss of income, 45 days. This insurance coverage expires on May 30, 2024.

At June 30, 2023, the Company had insurance indemnity receivable related to an accident occurred on August 10, 2018 in one of the four gasometers of the Ipatinga plant. The indemnity for property damage and additional operating expenses, which totaled R\$356,119 (R\$352,661 at December 31, 2022), was recorded in non-current assets. At June 30, 2023, the Company had received R\$271,051 as an advance payment of the insurance indemnity (R\$271,051 at December 31, 2022). The remaining balance of R\$85,068 is expected to be received as the supporting documentation is provided to the insurance companies, in accordance with the contract.

In the six-month period ended June 30, 2023, the Company reviewed the possible effects of the adoption of Pronunciamento Técnico CPC 50 (IFRS 17), Insurance Contracts, and concluded that there is no impact on the Parent and Consolidated interim accounting information.

33 Collateral

The following assets were pledged as collateral:

<u>Assets pledged as collateral</u>	<u>Liabilities secured</u>	<u>Parent</u>		<u>Consolidated</u>	
		<u>06/30/2023</u>	<u>12/31/2022</u>	<u>06/30/2023</u>	<u>12/31/2022</u>
Cash and cash equivalents	Litigation	40,000	40,000	40,000	40,000
Inventories	Litigation	1,520	1,373	1,520	1,373
Property, plant and equipment	Litigation	116,870	121,477	137,186	143,453
Property, plant and equipment	Borrowings	-	-	11,003	11,351
Property, plant and equipment	Actuarial liability	<u>1,331,339</u>	<u>1,331,339</u>	<u>1,331,339</u>	<u>1,331,339</u>
		<u>1,489,729</u>	<u>1,494,189</u>	<u>1,521,048</u>	<u>1,527,516</u>

The Company's debt with the Defined Benefit Plan (Note 24) is secured by assets with a market value of R\$1,331,339, based on an appraisal report issued on the date the collateral was granted, intended to cover the Plan's actuarial deficit.

34 Explanatory notes presented in the annual financial statements that are not presented in this interim accounting information

Pursuant to CVM/SNC/SEP Circular Letter 003/2011, the Company disclosed notes considered material under the provisions of CPC 00 - "Conceptual Framework for Financial Reporting". All information that if omitted or misstated could affect the economic decisions of users was properly disclosed in this interim accounting information, which should be read together with the financial statements for the year ended December 31, 2022.

Below is a list of Notes for which information has not been repeated in this interim accounting information, considering that there have been no material changes in their nature and conditions in relation to those disclosed in the Company's financial statements for the year ended December 31, 2022:

Note 04 - Significant accounting judgments, estimates and assumptions;
 Note 07 - Financial instruments by category;
 Note 26 - Provision for environmental recovery;
 Note 32 - Employee benefits and expenses;
 Note 33 - Operating income (expenses);
 Note 36- Commitments.

35 Non-cash transactions

In the six-month period ended June 30, 2023, investment and funding transactions with no cash effect were carried out, as shown below:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>06/30/2023</u>	<u>06/30/2022</u>	<u>06/30/2023</u>	<u>06/30/2022</u>
Addition to property, plant and equipment through capitalization of interest	27,794	47,497	27,794	47,497
Remeasurement and addition to right-of-use assets	609	13,612	15,441	51,748
Offset of judicial deposits against provisions	(12,429)	(12,386)	(12,632)	(12,421)
Offset of tax credits against taxes payable	(118,423)	(237,989)	(156,078)	(272,914)
	<u>(102,449)</u>	<u>(189,266)</u>	<u>(125,475)</u>	<u>(186,090)</u>

36 Events after the reporting period**(a) Completion of the transaction for sale and purchase of the Company's common shares between members of T/T Group and NSC Group**

On July 3, 2023, the Company announced to its shareholders and the market in general the following information:

- (i) after the fulfillment of all the conditions precedent, the transaction for the purchase and sale of common shares issued by Usiminas was completed between members of T/T Group (Ternium Investments S.à.r.l, Ternium Argentina S.A., Prosid Investments S.A. and Confab Industrial S.A.) and NSC Group (Nippon Steel Corporation, Mitsubishi Corporation and Metal One Corporation) ("Transaction"), through the effective transfer to the T/T Group of 68,667,964 (sixty-eight million, six hundred and sixty-seven thousand, nine hundred and sixty-four) Registered Shares, as defined in the Shareholders' Agreement, owned by the NSC Group, representing 14.20% of total Registered Shares and 9.74% of total common shares issued by Usiminas, at the price of R\$ 10.00 (ten Brazilian reais) per share;
- (ii) upon the closing of the Transaction, (a) the T/T Group becomes the holder of approximately 61.3% of the Registered Shares subject to the New Shareholders' Agreement (as defined in item (iii) below), while the NSC Group now hold approximately 31.7% and Previdência Usiminas ("PU") remains with 7.1%; and (b) the NSC Group now holds approximately 22.8% and the T/T Group holds approximately 49.5% of total common shares issued by Usiminas; and
- (iii) the T/T Group, the NSC Group, and PU entered into a new Shareholders' Agreement of the Company ("New Shareholders' Agreement"), which reflects the new governance structure agreed upon by its members and is considered to be consistent with the best interests of Usiminas. The main provisions of the New Shareholders' Agreement were described in the Material Fact disclosed on March 30, 2023. The New Shareholders' Agreement amends, consolidates and fully replaces the former Shareholders' Agreement and, as from the present date, governs the relations between its parties in their capacity as shareholders and members of the controlling group of Usiminas.

Following the completion of the Transaction, the new shareholding structure of the Company is presented below:

Shareholder	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Ternium Investments S.A.R.L. (i)	243,214,714	34.48	6,987,367	1.28	250,202,081	19.96
Nippon Steel Corporation (i)	156,137,035	22.14	3,138,758	0.57	159,275,793	12.71
Confab Industrial S.A. (i)	47,511,792	6.74	1,283,203	0.23	48,794,995	3.89
Prosid Investments S.C.A. (i)	38,009,435	5.39	1,026,563	0.19	39,035,998	3.12
Previdência Usiminas (i)	34,109,762	4.84	-	-	34,109,762	2.72
Ternium Argentina S.A. (i)	19,004,715	2.69	513,281	0.09	19,517,996	1.56
Mitsubishi Corporation (i)	3,724,772	0.53	-	-	3,724,772	0.30
Usiminas S.A. in treasury	2,526,656	0.36	19,609,792	3.58	22,136,448	1.77
Other stockholders	161,021,803	22.83	515,259,460	94.06	676,281,263	53.97
Total	705,260,684	100.00	547,818,424	100.00	1,253,079,108	100.00

(i) Controlling shareholders as established in the Shareholders' Agreement.

(b) Replacement of Directors

On July 3, 2023, the following members resigned from the Board of Directors: (i) Messrs. Hiroshi Ono, Ruy Roberto Hirschheimer, and Yuichi Akiyama, as well as the alternates Messrs. Yusuke Tajiri and Henrique de Rezende Vergara; and (ii) Mr. Sergio Leite de Andrade resigned from his position of Chairman of the Board of Directors (but not as a member of the Board of Directors), effective after the close of the Board of Directors' Extraordinary Meeting held on that date.

In light of this, at a meeting held on the same date, the Company's Board of Directors approved, among other matters, (i) the appointment of Messrs. Alberto Akikazu Ono, Ronald Seckelmann and Pedro Henrique Gomes Teixeira as effective members of the Board of Directors, and Ms. Cynthia Inés Graf Caride, and Mr. Diego Eduardo García as alternate members, with their terms of office extended until the next Annual Shareholders' Meeting to be held in 2024; and (ii) the appointment of Mr. Alberto Akikazu Ono as Chairman of the Board of Directors, in accordance with Article 12, paragraph 7, of the Company's Bylaws.

At the same meeting, the Board of Directors also approved the election of Mr. Marcelo Chara as Chief Executive Officer of the Company in replacement of Mr. Alberto Akikazu Ono, to serve for the remainder of the term of office up to the next Annual Shareholders' Meeting in 2024, in accordance with Article 16 of the Company's Bylaws.

In view of the above, the composition of the Company's management bodies was consolidated as follows:

1) Board of Directors:

Effective Members

Alberto Akikazu Ono – Chairman; Ronald Seckelmann; Pedro Henrique Gomes Teixeira; Sergio Leite de Andrade; Elias de Matos Brito; Oscar Montero Martinez; Roberto Luis Prosdocimi Maia; Fabrício Santos Debortoli; Edílio Ramos Veloso.

Alternate Members

Tatsuya Miyahara; Cynthia Inés Graf Caride; Diego Eduardo García; Guilherme Poggiali Almeida; Mario Giuseppe Antonio Galli; Fernando Duelo Van Deusen; Romolo Gonçalves de Paula; Patrícia Valente Stierli; Wallace Caldeira Pinto.

2) Executive Board:

Marcelo Chara: Chief Executive Officer
Thiago da Fonseca Rodrigues: Vice-President - Finance and Investor Relations
Américo Ferreira Neto: Vice-President - Industrial Area
Toshihiro Miyakoshi: Vice-President - Technology and Quality
Miguel Angel Homes Camejo: Vice-President - Commercial Area
Gino Eugenio Ritagliati: Vice-President - Corporate Planning

Board of Directors

Alberto Akikazu Ono
Chairman

Sergio Leite de Andrade
Board Member

Elias de Matos Brito
Board Member

Oscar Montero Martinez
Board Member

Roberto Luis Prosdocimi Maia
Board Member

Edílio Ramos Veloso
Board Member

Fabício Santos Debortoli
Board Member

Ronald Seckelmann
Board Member

Pedro Henrique Gomes Teixeira
Board Member

Statutory Audit Board

Paulo Frank Coelho da Rocha
Chairman

João Vicente Silva Machado
Board Member

Sérgio Carvalho Campos
Board Member

André Leal Faoro
Board Member

Wanderley Rezende de Souza
Board Member

Executive Board

Marcelo Rodolfo Chara
CEO

Américo Ferreira Neto
Vice-President - Industrial Area

Gino Ritagliati
Vice-President - Corporate Planning

Miguel Angel Homes Camejo
Vice-President - Commercial Area

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Vice-President - Finance and Investor Relations

Toshihiro Miyakoshi
Vice-President - Technology and Quality

Adriane Vieira Oliveira
Accountant
CRC MG 070.852/0