



1Q21 EARNINGS RELEASE

Public Information - Belo Horizonte, April 23, 2021. Usinas Siderurgicas de Minas Gerais SA - Usiminas (B3: USIM3, USIM5 and USIM6; OTC: USDMY and USNZY; Latibex: XUSIO and XUSI) today announces the first quarter results of fiscal year 2021 (1Q21). The Company's operating and financial information, except when otherwise stated, is presented based on consolidated numbers in Brazilian Real, in accordance with IFRS (*International Financial Reporting Standards*). The comparisons made in this release take into account the fourth quarter of 2020 (4Q20), except stated otherwise. Statements contained in this release regarding business prospects, projections of operating and financial results and references to the Company's growth potential are mere forecasts, based on Management's expectations regarding its future performance. These expectations are highly dependent on market behavior, the economic situation in Brazil, the industry and international markets, and are therefore subject to change.

Highlights

- » **Steel sales** 1.3 million tons, the highest volume since the 2Q15;
- » **Steel sales to the Domestic Market** of 1.2 million tons, the highest volume since the 2Q14;
- » **Iron ore sales** 1.9 million tons;
- » **Net Revenue** R\$7.1 billion, a quarterly record;
- » **Adjusted EBITDA** R\$2.4 billion, a Consolidated quarterly record and across all Units;
- » **Net profit** of R\$1.2 billion;
- » **Cash Position** of R\$4.6 billion.

Consolidated - R\$ million	1Q21	4Q20	Δ	1Q20	Δ
Steel Sales Volume (000 t)	1,254	1,133	11%	1,048	20%
Iron Ore Sales Volume (000 t)	1,949	2,275	-14%	2,213	-12%
Net Revenue	7,066	5,474	29%	3,808	86%
Adjusted EBITDA	2,420	1,607	51%	569	325%
Adjusted EBITDA Margin	34%	29%	+ 5 p.p.	15%	+ 19 p.p.
Net Income or Loss	1,205	1,913	-37%	(424)	-
Investments (CAPEX)	239	245	-2%	182	31%
Working Capital	4,898	2,936	67%	4,371	12%
Cash and Cash Equivalents	4,601	4,868	-5%	2,373	94%
Net Debt	1,674	1,105	52%	3,557	-53%
Net Debt/Adjusted EBITDA	0.3X	0.3X	0.0X	1.7X	-1.4X

Market Data - 03/31/21

B3	USIM5	R\$17.10/share
	USIM3	R\$17.89/share
EUA/OTC:	USNZY	US\$3.01/ADR
LATIBEX:	XUSI	€2.54/share
	XUSIO	€2.60/share

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OPERATIONAL AND ECONOMIC-FINANCIAL PERFORMANCE

CONSOLIDATED OPERATING RESULTS

R\$ thousand	1Q21	4Q20	Δ	1Q20	Δ
Net Revenues	7,065,832	5,474,270	29%	3,807,855	86%
Domestic Market	5,474,316	4,186,725	31%	2,964,909	85%
Exports	1,591,516	1,287,545	24%	842,946	89%
COGS	(4,602,450)	(3,901,465)	18%	(3,295,002)	40%
Gross Profit	2,463,382	1,572,805	57%	512,853	380%
Gross Margin	34.9%	28.7%	+ 6.1 p.p.	13.5%	+ 21.4 p.p.
Operating Income and Expenses	(337,822)	476,791	-	(237,677)	42%
Selling Expenses	(98,709)	(96,435)	2%	(99,807)	-1%
General and Administrative	(115,412)	(122,317)	-6%	(109,377)	6%
Other Operating Income and expenses	(123,701)	695,543	-	(28,493)	334%
EBIT	2,125,560	2,049,596	4%	275,176	672%
EBIT Margin	30.1%	37.4%	- 7.4 p.p.	7.2%	+ 22.9 p.p.
Equity in the results of investees	36,704	58,887	-38%	15,347	-31%
Depreciation and Amortization	248,637	252,809	-2%	248,705	-2%
EBITDA (Instruction CVM 527)	2,410,901	2,361,292	2%	539,228	347%
EBITDA Margin (Instruction CVM 527)	34.1%	43.1%	- 9.0 p.p.	14.2%	+ 19.9 p.p.
Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA	2,419,761	1,607,060	51%	568,941	325%
Adjusted EBITDA Margin	34.2%	29.4%	+ 4.9 p.p.	14.9%	+ 19.3 p.p.
Main non-recurring itens	31,530	150,579	-79%	66,000	-52%
Adjusted EBITDA Excluding Non-Recurring Itens	2,388,231	1,456,481	64%	502,941	375%
Adjusted EBITDA Excluding Non-recurring Itens Margin	33.8%	26.6%	+ 7.2 p.p.	13.2%	+ 20.6 p.p.

Net Revenue

Net revenue in 1Q21 reached R\$7.1 billion, an increase of 29.1% compared to the 4Q20 (R\$5.5 billion), representing the highest quarterly net revenue of Usiminas, since the incorporation of COSIPA in 2009, with an increase in net revenue in all business units, especially the Steel Unit (+R\$1.6 billion vs. 4Q20) and Steel Transformation Unit (+R\$364 million vs. 4Q20). The factors that led to these variations will be explained in the sections of the Business Units in this document.

Cost of Goods Sold - COGS

Cost of goods sold (COGS) in the 1Q21 totaled R\$4.6 billion, an 18.0% increase in relation to 4Q20 (R\$3.9 billion), mainly due to the higher COGS in the Steel Unit (+R\$733 million vs. 4Q20) and Steel Processing Unit (+R\$295 million vs. 4Q20). The variations will be explained in the Business Unit section of this release.

Gross profit

Gross profit was R\$2.4 billion in the 1Q21, a 56.6% increase compared to the 4Q20 (R\$1.6 billion).

Operating Income and Expenses

Selling expenses in the 1Q21 were R\$99 million, 2.4% higher than the previous quarter (4Q20: R\$96 million), with higher exports by the Steel Unit.

In the 1Q21, **General and Administrative Expenses** totaled R\$115 million, 5.6% lower than the previous quarter (4Q20: R\$122 million), mainly due to the variation in the Steel Unit.

Other operating income (expenses) totaled a negative R\$124 million, R\$819 million lower than that recorded in the 4Q20 (R\$696 million), mainly due to R\$737 million positive Impairment in the 4Q20, which had no effect on Adjusted EBITDA, and asset sales in the amount of R\$165 million, also in the previous quarter, with no recurring effect in this quarter.

Thus, the **Operating income (expenses)** were negative R\$338 million in the 1Q21 (4Q20: R\$477 million).

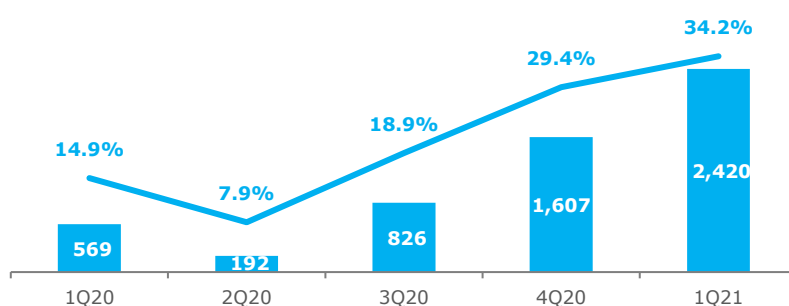
The **Main Non-Recurring Effects** in the 1Q21 totaled R\$32 million and are related to the final judgment regarding the exclusion of ICMS in the PIS and COFINS calculation base, for the Steel Processing Unit. These events were recorded in **Other Operating Income (Expenses)**. As a result, Usiminas recorded EBITDA excluding the non-recurring effects of R\$2.4 billion (4Q20: R\$1.5 billion).

Adjusted EBITDA

EBITDA Breakdown			
Consolidated (R\$ thousand)	1Q21	4Q20	1Q20
Net Income (Loss)	1,204,897	1,912,702	(423,980)
Income Tax / Social Contribution	581,626	420,193	(143,128)
Financial Result	375,741	(224,412)	857,631
Depreciation, Amortization and depletion	248,637	252,809	248,705
EBITDA - Instruction CVM - 527	2,410,901	2,361,292	539,228
(-) Equity in the Results of Associate and Jointly-controlled subsidiaries	(36,704)	(58,887)	(15,347)
(+) Jointly-controlled subsidiaries proportional EBITDA	45,564	42,060	45,060
(-) Impairment of Assets	-	(737,405)	45,060
Adjusted EBITDA	2,419,761	1,607,060	568,941
Adjusted EBITDA Margin	34.2%	29.4%	14.9%

Adjusted EBITDA is calculated based on the net profit (loss) for the year, reversing: (a) income tax and social contribution; (b) the financial result; (c) depreciation, amortization and depletion; (d) the participation in the results of jointly controlled and associated companies; (e) impairment of assets; and including a proportional EBITDA of 70% of Unigal and other jointly controlled companies.

**Consolidated Adjusted EBITDA and Adjusted EBITDA Margin
(R\$ million):**



Consolidated Financial Result

R\$ thousand	1Q21	4Q20	Δ	1Q20	Δ
Net Currency Exchange Variation	(355,325)	286,321	-	(774,658)	-
Financial Income	76,040	79,594	-4%	57,754	-4%
Interest on Financial Asset and Monetary Effects	31,706	25,823	23%	17,169	23%
Monetary Effects on ICMS tax in the base calculation of PIS and COFINS	20,183	43,558	-54%	4,395	-54%
Monetary Effects on assets	4,170	3,141	33%	6,976	33%
Reversal of interest on contingencies	4,867				
Monetary Effects on receivable from Eletrobrás	-	4,324	13%	9,564	13%
Other Financial Income	15,114	2,748	450%	19,650	450%
Financial Expenses	(96,456)	(141,503)	-32%	(140,727)	-32%
Interest and Monetary Effects over Financing and Taxes Payable in Installments	(76,445)	(73,978)	3%	(89,698)	3%
Swap Transactions	-	3	-	354	-
Monetary Effects on liabilities	(4,130)	(4,114)	0%	(4,032)	0%
Financing Commission and Others	(7,232)	(2,248)	222%	(10,018)	222%
Monetary Effects on contingencies	(2,608)	(36,205)	-93%	(15,426)	-93%
Other Financial Expenses	(6,041)	(24,961)	-76%	(21,907)	-76%
FINANCIAL RESULT	(375,741)	224,412	-	(857,631)	-
+ Appreciation / - Depreciation of Exchange Rate (R\$/US\$)	-9.6%	7.9%	- 17.5 p.p.	29.0%	- 17.5 p.p.

The financial result in the 1Q21 was a negative R\$376 million, compared to a positive result of R\$224 million in 4Q20, mainly due to net foreign exchange losses of R\$355 million, compared to a positive net exchange variation of R\$286 million in the 4Q20.

Net Profit (Loss)

R\$ thousand	1Q21	4Q20	Δ	1Q20	Δ
EBIT	2,125,560	2,049,596	4%	275,176	4%
EBIT Margin	30.1%	37.4%	- 7.4 p.p.	7.2%	- 7.4 p.p.
Financial Result	(375,741)	224,412	-	(857,631)	-
Equity in the results of investees	36,704	58,887	-38%	15,347	-38%
Operating Profit or Loss	1,786,523	2,332,895	-23%	(567,108)	-23%
Income Tax / Social Contribution	(581,626)	(420,193)	38%	143,128	38%
Net Income or Loss	1,204,897	1,912,702	-37%	(423,980)	-37.0%
Net Margin	17.1%	34.9%	- 17.9 p.p.	-11.1%	- 17.9 p.p.

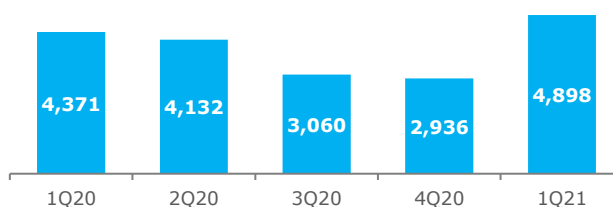
In the 1Q21, the Company recorded net income of R\$1.2 billion, 37% lower than the net profit presented in the previous quarter (4Q20: R\$1.9 billion), mainly due to R\$737 million positive Impairment in the 4Q20, which had no effect on Adjusted EBITDA in 1Q21, and net foreign exchange losses of R\$355 million, compared to a positive net exchange variation of R\$286 million in the 4Q20.

Working capital

In the 1Q21, working capital totaled R\$4.9 billion, 66.8% more than in the 4Q20 (R\$2.9 billion). The main variations are presented below:

- Increase of **Inventories** R\$960 million, due to the increase in the value of inventories of raw materials and steel.
- Increase in **Accounts Receivable** by R\$859 million, basically due to higher turnover in the period.

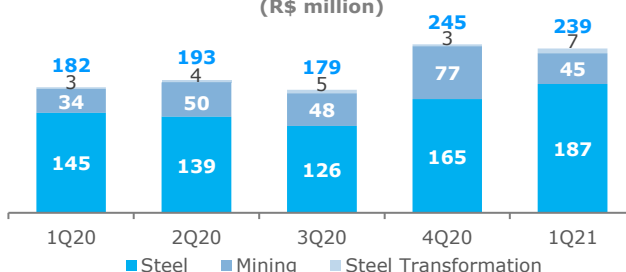
Working Capital Progression (R\$ million)



Investments (CAPEX)

CAPEX in the 1Q21 totaled R\$239 million, 2.5% compared to the 4Q20 (R\$245 million). The investments were mainly invested in sustaining CAPEX, safety and the environment, with 78.4% at the Steelmaking Unit, 18.7% at the Mining Unit, and 2.9% at the other Units.

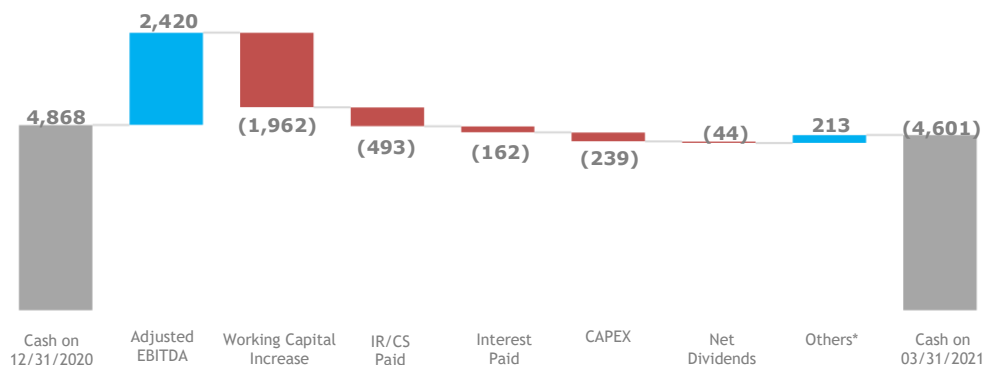
CAPEX Progression (R\$ million)



Cash and Financial Indebtedness

On 03/31/21, the Consolidated **Cash and Cash Equivalent** was R\$4.6 billion, 5.5% lower than the position on 12/30/20 (R\$4.9 billion), mainly due to the increase in Working Capital, much of which was offset by strong **EBITDA** generation.

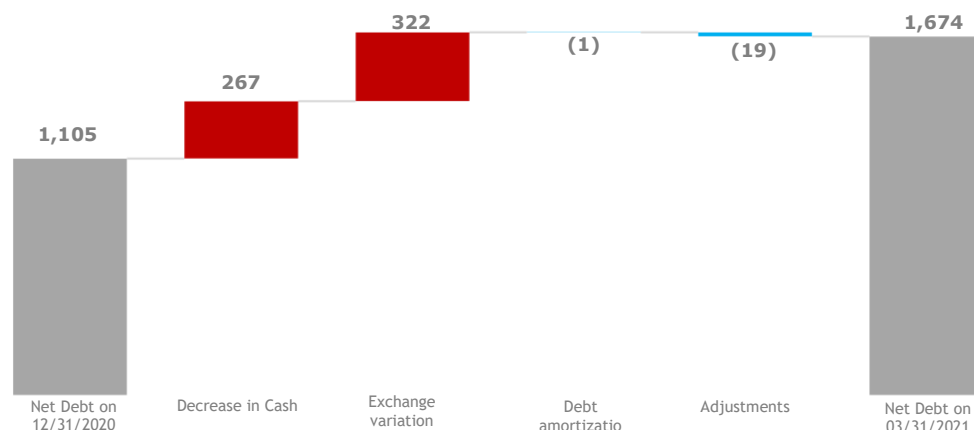
The graph below shows the evolution of cash in the quarter.



* "Others" detailed in the Cash Flow in the annexes.

On 03/31/21, the Consolidated **Gross debt** was R\$6.3 billion, 5.1% higher than the position on 12/31/20 (R\$6.0 billion), mainly due to the 9.6% depreciation of the Real against the Dollar.

Consolidated **Net debt** on 03/31/21 was R\$1.7 billion, 51.5% higher than on 12/31/20 (R\$1.1 billion). Such variation results mainly from the exchange variation in the period and the decrease in Cash and Cash Equivalents.



Debt composition by maturity on 03/31/21 was 1% in the short term and 99% in the long term, compared to 2% and 98%, respectively, on 12/31/20.

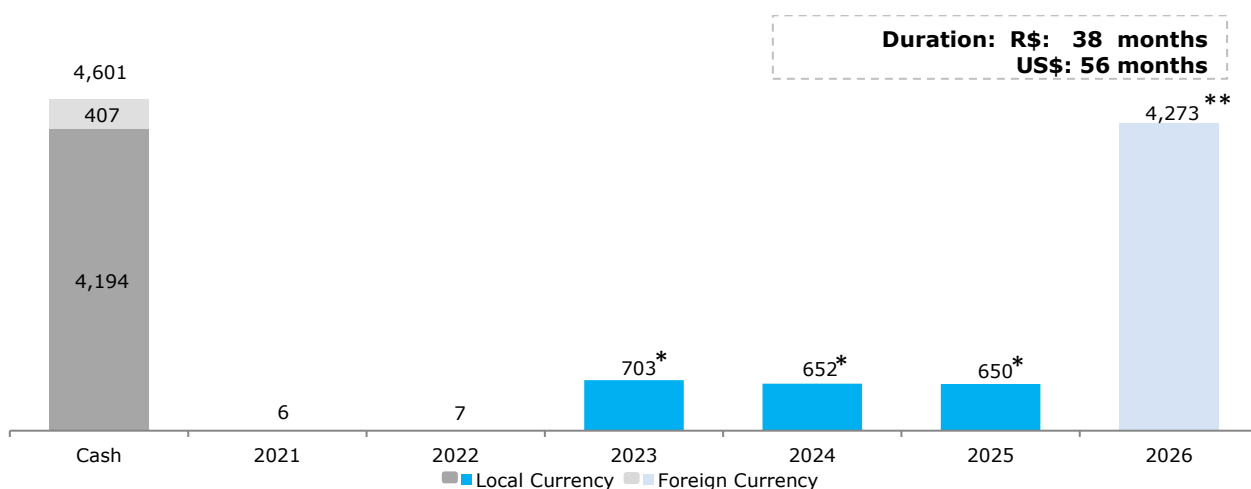
The **Net debt/EBITDA** ratio at the end of the 1Q21 was 0.3x (4Q20: 0.3X).

The following table shows consolidated debt data:

R\$ thousand	Total Indebtedness by Index - Consolidated				31-dez-20 TOTAL	Change Dez20/Set20	31-mar-20 TOTAL	Change Dez20/Dez19
	Short Term	Long Term	TOTAL					
Local Currency	11,719	1,997,334	2,009,053	32%	2,028,732	-1%	2,056,120	-2%
CDI	369	1,986,397	1,986,766	-	2,004,608	-1%	1,982,831	0%
Others	11,350	10,937	22,287	-	24,124	-8%	73,289	-70%
Foreign Currency*	53,438	4,212,633	4,266,071	68%	3,944,010	8%	3,874,452	10%
Gross Debt	65,157	6,209,967	6,275,124	100%	5,972,742	5%	5,930,572	6%
Cash and Cash Equivalents	-	-	4,601,103	-	4,868,105	-5.5%	2,373,466	94%
Net Debt	-	-	1,674,021	-	1,104,637	52%	3,557,106	-53%

(*)100% of total foreign currency is US dollars denominated in the 1Q21

The graph below shows the cash position and the debt profile (principal only) in millions of Real on 03/31/21.



*: Debentures
**: Bonds

OPERATIONAL PERFORMANCE OF THE BUSINESS UNITS

Intercompany transactions are on an arm's length basis (market prices and conditions), and sales between Business Units are carried out as sales between independent parties. With the completion of the restructuring of the Capital Goods Unit in 2020, its results of this Unit were fully allocated to the results of the Steel Unit from 1Q21 and are no longer reported separately. To maintain comparability, the results for the previous quarter were also adjusted.

Income Statement per Business Units - Non Audited - Quarterly

R\$ million	Mining		Steel*		Steel Processing		Adjustment		Consolidated	
	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20
Net Revenue	1,479	1,413	5,776	4,223	1,743	1,378	(1,932)	(1,540)	7,066	5,474
Domestic Market	225	272	5,440	4,077	1,742	1,378	(1,932)	(1,540)	5,474	4,187
Exports	1,254	1,141	336	146	1	0	-	-	1,592	1,288
COGS	(366)	(396)	(4,459)	(3,726)	(1,502)	(1,208)	1,725	1,427	(4,602)	(3,901)
Gross Profit or Loss	1,113	1,017	1,317	498	240	171	(207)	(113)	2,463	1,573
Operating Income and Expenses	(73)	537	(269)	(22)	1	(40)	4	4	(338)	477
Selling	(51)	(52)	(29)	(26)	(19)	(17)	-	-	(99)	(96)
General and Administrative	(8)	(7)	(96)	(103)	(14)	(15)	2	3	(115)	(122)
Other Operating Income and expenses, Net	(15)	596	(144)	107	34	(8)	1	0	(124)	696
EBIT	1,040	1,554	1,049	476	241	130	(204)	(109)	2,126	2,050
Depreciation and amortization	39	35	212	219	7	7	(8)	(8)	249	253
Equity in the results of investees	12	27	481	757	-	-	(456)	(726)	37	59
EBITDA (Instruction CVM 527)	1,090	1,616	1,741	1,451	248	137	(668)	(843)	2,411	2,361
EBITDA Margin	73.7%	114.4%	30.1%	34.4%	14.2%	10.0%	34.6%	54.7%	34.1%	43.1%
Adjusted EBITDA	1,079	958	1,261	589	248	137	(168)	(77)	2,420	1,607
Adj.EBITDA Margin	73.0%	67.8%	21.8%	13.9%	14.2%	10.0%	8.7%	5.0%	34.2%	29.4%

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

Business Unit - Mining

Operating and Sales Performance - Mining

In the 1Q21 **production volume** was 2.0 million tons, an 11.6% decrease compared to the 4Q20 (2.2 million tons) and 8.2% lower compared to the 1Q20 (2.2 million tons), mainly due to stoppage at one of the processing plants for equipment maintenance and higher levels of rainfall in the Southeast region.

sales volume reached 1.9 million tons in the 1Q21, following production volume in the quarter, 14.3% lower than the 4Q20 (2.3 million tons). When compared to the same period in 2020 (2.2 million tons), there was a 12.0% decrease.

The production and sales volumes are shown below:

Thousand tons	Iron Ore				
	1Q21	4Q20	Δ	1Q20	Δ
Production	1,983	2,242	-12%	2,159	-8%
Total Sales	1,949	2,275	-14%	2,213	-12%
Exports	1,530	1,576	-3%	1,436	7%
Domestic Market - Usiminas	357	587	-39%	604	-41%
Domestic Market - Third Parties	62	111	-44%	173	-64%

Exports ended the 1Q21 with 9 vessels departed, the same amount in the previous quarter.

Distribution by commercial condition in the 1Q21 was 66% of exports in the CFR modality (Cost and freight) and 34% FOB (Free On Board), compared to 76% and 24% in the 4Q20, respectively.

Comments the Results - Mining

Net income totaled R\$1.5 billion in the 1Q21, a 4.7% increase compared to the 4Q20 (R\$1.4 billion). This increase is mainly due to the increase in the price of iron ore, the appreciation of the Dollar against the Real, partially offset by the lower sales volume in the quarter.

The **cash cost total production per ton** was R\$87.5/t in the 1Q21 against R\$72.7/t in the 4Q20. Excluding expenses with temporarily idle beneficiation plants, cash cost was R\$86.2/t in the 1Q21 (R\$70.9/t in the 4Q20), a 21.6% increase between the periods, mainly due to the lower dilution of fixed costs result of the lower production volume and change in the productive configuration.

Cost of goods sold - COGS in the 1Q21 was R\$365.9 million, 7.4% lower than the previous quarter (R\$395.2 million), mainly due to the lower volume sold in the quarter, in addition to the lower share of sales in the CFR modality (cost and freight). In unit terms, COGS/t in the 1Q21 was R\$187.8/t, an 8.1% increase compared to the 4Q20 (R\$173.7/t), also impacted by the higher production costs mentioned.

Selling Expenses totaled R\$51.1 million in the 1Q21, a 4.0% decrease in relation to the previous quarter (4Q20: R\$53.2 million), due to the lower volume sold.

General and Administrative Expenses totaled R\$7.5 million, in line with the 4Q20 (R\$7.5 million).

Other Operating Income (Expenses) presented a negative result of R\$14.7 million, against the positive result of R\$597.1 million in the previous quarter, mainly due to events in the 4Q20 that were non-recurring in the 1Q21, especially the reversal of the provision for impairment mining assets in the amount of R\$631.0 million.

Adjusted EBITDA reached R\$1.1 billion in the 1Q21, with *Mineração Usiminas* reaching a new historic high in EBITDA in a quarter, representing an increase of 12.5% compared to the 4Q20 (R\$958 million). The Adjusted EBITDA margin was 72.9% in the 1Q21 (4Q20: 67.8%).

Investments (CAPEX)

CAPEX totaled R\$44.6 million in the 1Q21, compared to R\$76.9 million recorded in the 4Q20, a 42% decrease. The main investments were made in safety - highlighting the dewatering project (*dry stacking*) - and *sustaining* CAPEX.

Business Unit - Steel

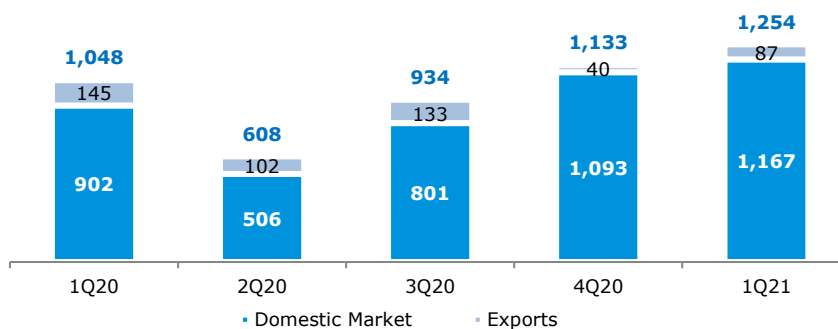
Production - Ipatinga and Cubatão Plants

Crude steel production at the Ipatinga plant was 780 thousand tons in the 1Q21, 2.6% higher than in the 4Q20 (760 thousand tons) and 1.2% higher than the 1Q20 (771 thousand tons). The finished goods production at the Ipatinga and Cubatão plants totaled 1,292 thousand tons in the 1Q21, a 13.0% increase in relation to the previous quarter (4Q20; 1,143 thousand tons), and 20.2% higher when compared to the 1Q20 (1,075 thousand tons), the quarter preceeding to the first effects of the Pandemic on the Company, reflecting the efforts made by Usiminas to meet the domestic demand. In the 1Q21, 670 thousand tons of purchased slabs were processed (4Q20: 521 thousand tons).

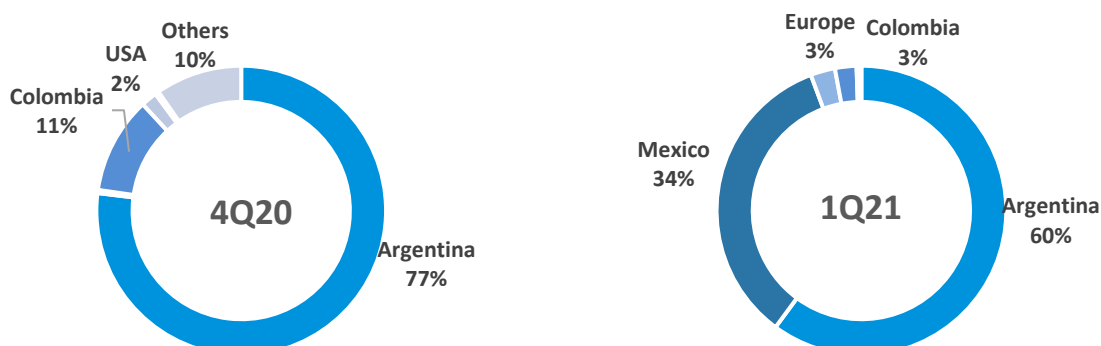
	Production of Crude and Rolled Steel				
Thousand tons	1Q21	4Q20	Δ	1Q20	Δ
Total Crude Steel	780	760	2.6%	771	1.2%
Purchased Slab Processed	670	521	28.4%	368	82.1%
Total Rolled Steel	1,292	1,143	13.0%	1,075	20.2%

Sales

In the 1Q21, total sales amounted to 1,254 thousand tons of steel, a 10.6% increase over the the 4Q20 (1,133 thousand tons), representing the highest quarterly sales volume of the Steel Unit since the 2Q15, with sales growth in all its segments, especially sales growth to the automotive industry. In the domestic market, sales were 1,167 thousand tons in the 1Q21, the highest quarterly volume since the 2Q14, a 6.7% increase in relation to the 4Q20 (1,093 thousand tons). Sales to the export market in the 1Q21 were 87 thousand tons, 117.5% higher than in the 4Q20 (40 thousand tons), with majority of this volume destined for clients with production sites both in Brazil and abroad. Sales volume was 93% destined for the domestic market and 7% for exports, as a result of Usiminas' efforts to meet the demand of its local customers. The quarterly evolution is shown in the graph below (in thousands of tons):



The main export destinations were:



Sales to the Internal Market were distributed among the following segments:

	1Q21	4Q20	Δ	1Q20	Δ
Auto Industry	35.5%	33.0%	+ 2 p.p.	36.7%	- 1 p.p.
Distribution	32.9%	33.1%	- 0 p.p.	31.7%	+ 1 p.p.
Industry	31.5%	33.9%	- 2 p.p.	31.6%	- 0 p.p.

Comments on the Results of the Steel Industry

In the 1Q21, **Net Revenue** of the Steelmaking Unit was R\$5.8 billion, increasing 36.8% compared to 4Q20 (R\$4.2 billion) due to the higher sales volume of 10.6%, a net revenue/ton sold of R\$4,606/t, 23.6% higher than the previous quarter (4Q20: R\$3,726/t), reflecting higher prices in all product lines.

Cash cost per ton was R\$3,152/t in the 1Q21, 15.7% higher than in the 4Q20 (R\$2,724/t). Among the main variations in cost in the period, we highlight higher costs with purchased slabs and higher costs with ores, partially offset by lower costs with coal and greater dilution of fixed costs, due to the higher production level.

Cost of Goods Sold - COGS - was R\$4.5 billion in the 1Q21, 19.7% higher than the 4Q20 (R\$3.7 billion), given the higher cost of raw materials and the higher volume of steel sold in the period. COGS per ton was R\$3,556/t in the 1Q21, a 9.2% increase over the 4Q20 (R\$3,258/t), due to the higher unit production cost.

Selling expenses totaled R\$29 million in the 1Q21, 8.6% higher than the 4Q20 (R\$26 million), mainly due to higher exports related costs, given higher export volume (117.5%) than in the previous quarter.

In the 1Q21, the **General and Administrative Expenses** totaled R\$96 million, 7.0% lower than the 4Q20 (R\$103 million), mainly due to higher personnel expenses and social charges recorded in the previous quarter, typical of this period of the year, not occurring in the 1Q21.

Other operating income (expenses) were negative R\$144 million in the 1Q21, R\$251 million lower than the 4Q20 (positive R\$107 million), mainly due to active sales and positive Impairment, recorded in the 4Q20, with amounts of R\$160 million and R\$107 million, respectively, with no effect of this nature in this quarter.

Thus, **Adjusted EBITDA** reached R\$1.3 billion in the 1Q21, 114.2% higher than in the 4Q20 (R\$589 million), representing a record for the Steel Unit, taking into account the figures since the incorporation of COSIPA in 2009. Adjusted EBITDA margin was 21.8% in the 1Q21, compared to a 13.9% margin in the 4Q20.

Investments (CAPEX)

CAPEX totaled R\$187 million in the 1Q21, a 13.3% increase compared to the 4Q20 (R\$165 million), with investments mainly in sustaining CAPEX, environment, health and safety.

Business Unit - Steel Processing

Comments on the Results - Soluções Usiminas

Net Revenue in the 1Q21 totaled R\$1.7 billion, a 26.4% increase over the 4Q20 (R\$1.4 billion), the highest net revenue in the history of *Soluções Usiminas*, due to the higher sales volume of 6.5%, also record for the Unit, and higher prices. Sales of the Distribution, Services/JIT and Tubes of the business unit accounted for 31.0%, 63.2% and 5.8% of the volume, respectively, sold in the 1Q21.

In the 1Q21, the **Cost of Goods Sold** was R\$1.5 billion, a 24.4% increase over the 4Q20 (R\$1.2 billion), due to higher unit costs and higher sales volume in the period. COGS/t was R\$4,219/t in the 1Q21, a 16.8% increase compared to the 4Q20 (R\$3,613/t), due to higher raw material costs in the period.

Operating income (expenses) were positive by R\$1 million in the 1Q21, R\$41 million higher compared to the 4Q20 (negative R\$40 million), mainly due to the recognition of the amount of R\$32 million, related to the final judgment regarding the exclusion of ICMS in the calculation PIS and COFINS.

Adjusted EBITDA in the 1Q21 it was R\$248 million, 80.3% higher than in the previous quarter (4Q20: 137 million), with *Soluções Usiminas* reaching its historic maximum EBITDA in one quarter. Adjusted EBITDA margin was 14.2% in the 1Q21 (4Q20: 10.0%). Disregarding the R\$32 million non-recurring effect mentioned above, we have an EBITDA of R\$216 million, still representing the highest EBITDA in the Unit's history.

Launch of *Soluções Usiminas* e-commerce

In March 2021, the official launch of the Virtual Store of *Soluções Usiminas* was made. The new platform, which is part of the digital transformation that is being carried out at Usiminas companies, represents an evolution in the Company's sales and service level and will provide greater proximity to Usiminas' customers and greater agility in purchasing processes. Access the website: www.maissolucoes.usiminas.com and discover the best sales platform and solutions in steel.

Business Unit - Capital Goods

Comments on the Results - Usiminas Mecânica

With the completion of the restructuring of the Capital Goods Unit in 2020, its results of this Unit were fully allocated to the results of the Steel Unit from 1Q21 and are no longer reported separately.

Equity in the Results

Equity income in associates and jointly controlled companies totaled R\$37 million in the 1Q21, compared to R\$59 million in the previous quarter.

ESG Agenda - Sustainability Issues

Usiminas remains focused on developing its sustainability strategy. In the 1Q21, the Company further developed its actions in line with the ESG agenda and continued to fight the COVID-19 pandemic.

One of the major advances in the quarter was the approval, in February, of rules that tie 20% of the board's bonus to ESG issues, with this action the Company provides greater alignment and commitment of its main leaders to the sustainability agenda.

Another important landmark was Usiminas' adherence to the UN Global Compact. In line with its network strategy, Usiminas will contribute to the Principles that guide the Pact, as well as the Sustainable Development Goals. The signing ceremony took place at an event held on April 14, which included the participation of President Sergio Leite, the executive director of the UN Global Compact, Carlo Pereira, and the director of People, Marketing, Communication and Sustainability at B3, Ana Buchaim, who lectured on the topic.

The maturity of the Company's sustainability management was recognized by the upgrading of Usiminas' ESG rating from "B" to "BB" by MSCI ESG Ratings. The Agency highlighted the relationship between Usiminas and local communities, marked by strong engagement and risk mitigation practices related to conflicts with communities. An improvement was also noted in the Company's personnel management efforts, by encouraging the development of employee skills and variable compensation plans.

In relation to the goals approved and disclosed in the last disclosure, the follow-up of the sustainability goals is as follows:

Indicator	Goal	Status	Comments
Number of women in the industrial area of the company	10% of women in the company's Industrial area by 2022;	●	On 03/31/2021, the percentage of women at Industrial Area totaled 3.5%. This evolution is in line with what was planned.
Accident frequency rate recorded	Zero Accident Target. LTI Frequency Rate less than 0.3 in 2021;	●	On 03/31/2021, the LTI frequency rate was 0.36. Although the rate is higher than planned, we indicate that there was an improvement of 46% compared to 1Q20.
Carbon Emissions	Conducting GHG emission inventories in the year 2021 with independent certification;	●	The stage scheduled for 1Q21 was fully accomplished with the detailing of the work plan and the hiring of specialized companies for the activities of inventory and certification
	Conect to the CDP (Carbon Disclosure Project) and disclosure of the inventory through the GHG Protocol;	●	
Dam Safety	Migration of the tailings disposal from the traditional method to filtering in 2T21;	●	Schedule change due to adjustments in the project. New forecast for completion in 2H21
	De-characterization of the Central dam in 1T22 certified by competent agencies.	●	70% of physical progress in the project, exceeding the planned
		● Following the schedule	● Delayed in relation to planning.

Other highlights achieved in the quarter are listed below:

Seedling planting

Usiminas celebrated its relationship with its investors and shareholders in a different way. The company promoted the planting of 148 fruit tree seedlings in the Imbaúbas neighborhood, in Ipatinga, one for each participant in its last open meeting with this public. The new trees will form an orchard, open to residents of the neighborhood and the surrounding area.

SDG



Annually, the company holds a meeting, within the calendar of APIMEC-SP (Association of Capital Market Investment Analysts and Professionals), with the objective of presenting the company's performance and clarifying any doubts from the public. In 2020, the meeting was virtual and, as a way of encouraging participation, Usiminas committed to plant seedlings on behalf of investors.



Memory Center

In 2021, the city of Ipatinga will also house the Usiminas Memory Center, a place that will permanently present works and objects that tell the story of the steel industry and the company itself, in addition to the collections of works of art gathered by the company over almost six decades of operation.

Documents, objects, reference works and a heritage made up of dozens of paintings, sculptures and objects signed by some of the most important Brazilian artists will compose the space's collection, which is still in the final stages of study. The expectation is that the Usiminas Memory Center will be installed in the building of the Grande Hotel de Ipatinga, deactivated and registered as a historical heritage monument.

The collection includes works signed by names such as Amílcar de Castro, Franz Weissmann and Tomie Ohtake, Yara Tupynambá, Álvaro Apocalypse and Alfredo Ceschiatti.



Water resources

Usiminas launched the 2021 campaign of the Usiminas Mobilizes Everyone for Water Program. The launch event took place on World Water Day, through a live opening of the program so that the representatives of the participating cities could learn more about the initiative, the planning for 2021 and a little about water resources management and security.

The Usiminas *Mobiliza Todos pela Água* Program was launched in 2008 by Usiminas in partnership with the *Consórcio Intermunicipal Multifinalitário do Vale do Aço* (CIMVA) and the *Interagir* Institute, developed the Usiminas *Mobiliza Todos pela Água* Program. This initiative is carried out in conjunction with the *Usiminas Mobiliza Pelos Caminhos do Vale* Program, which provides steel aggregate products

to 84 municipalities in eastern Minas Gerais.

Altogether, through the program, 4,715 headwaters springs were identified and mapped and 1,329 springs are protected and in the process of recovery.



COVID-19

Even after a year of pandemic, the numbers show records of cases, deaths and overload of health services. In this scenario, Usiminas continues to act strongly in preventing the disease, in protecting its employees and in supporting the communities where it operates.

Since the beginning of the pandemic, the Company has implemented several measures to combat COVID-19, such as the adoption of a home office system, travel restrictions, adjustments to its operations, intensification of job cleaning measures, and adjustments in shifts. of work to reduce the number of people in the productive

plants. The company continues with the strategic testing program, allowing for the identification of cases and the mapping of possible contacts. In this sense, in 1Q21, the new strategic testing format was implemented in own employees and third



parties using the Swab Nasal.

In addition, several actions were launched in the quarter focused on raising awareness about the prevention of Covid-19 with Usiminas' internal stakeholders and the communities where we operate.



Capital markets

Usiminas Performance Summary - B3 (USIM5)

	1Q21	4Q20	Δ	1Q20	Δ
Number of Deals	1,863,025	1,394,907	34%	1,311,492	42%
Daily Average	31,050	22,867	36%	21,153	47%
Traded - thousand shares	1,323,657	1,106,915	20%	1,254,902	5%
Daily Average	22,061	18,146	22%	20,240	9%
Financial Volume - R\$ million	20,944	13,636	54%	10,573	98%
Daily Average	349	224	56%	171	105%
Maximum	18.90	15.20	24%	11.53	64%
Minimum	12.81	9.82	30%	3.78	239%
Closing	17.10	14.61	17%	4.92	248%
Market Capitalization - R\$ million	21,428	18,307	17%	6,165	248%

Usiminas shares are traded in the Brazilian market, with preferred and common shares in B3, as well as in the United States, in the American over-the-counter market and in Europe, at LATIBEX - Stock Exchange section Madrid. Below, the performance of the Company's shares in the respective markets:

	1Q21	4Q20	Δ	1Q20	Δ
Preferred stocks (USIM5) - B3	R\$17.10	R\$14.61	17%	R\$4.92	248%
Common stocks (USIM3) - B3	R\$17.89	R\$15.69	14%	R\$5.65	217%
ADR (USNZY) - OTC	\$3.01	\$2.57	17%	\$0.94	220%
Preferred stocks (XUSI) - LATIBEX	€ 2.40	€ 2.16	11%	€ 0.73	231%
Common stocks (XUSIO) - LATIBEX	€ 2.80	€ 1.56	79%	€ 1.84	52%

1Q21 Video conference of Results - Date 04/23/2021

In Portuguese - Simultaneous Translation into English

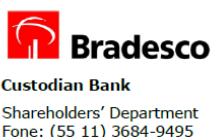
Brasília time: at 11:00 am

New York time: at 09:00 am

[Click here to register for the Zoom event](#)

[Click here to follow on YouTube](#)

Replay in both idioms will be available at Investor Relations' website: www.usiminas.com/ri



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Attachments (Excel tables available in the Modeling Guide)

Balance Sheet - Assets - Consolidated | IFRS - R\$ thousand

Assets	31-Mar-21	31-Dec-20	31-Mar-20
Current Assets	13,678,033	11,829,602	9,564,924
Cash and Cash Equivalents	4,601,103	4,868,104	2,373,466
Trade Accounts Receivable	3,231,783	2,372,791	2,257,697
Taxes Recoverable	533,960	477,352	689,185
Inventories	4,850,314	3,889,695	3,742,507
Advances to suppliers	199,829	86,177	2,423
Accounts Receiv - Eletrobras	0	-	305,848
Other Securities Receivables	261,044	135,483	193,798
Non-Current Assets	18,187,236	18,122,535	17,410,956
Long-Term Receivable	4,334,320	4,295,372	4,170,808
Deferred Taxes	2,938,218	2,914,338	2,998,281
Deposits at Law	544,628	543,408	562,290
Taxes Recoverable	177,231	174,004	151,375
Financial Instruments	-	-	7,373
Accounts Receiv - Gasometer	295,387	262,077	125,050
Others	378,856	401,545	326,439
Equity Investments	1,091,514	1,058,708	1,053,056
Investment Property	164,219	164,222	100,828
Property, Plant and Equipment	10,997,265	11,006,034	11,359,924
Intangible	1,599,918	1,598,199	726,340
Total Assets	26,975,880	29,952,137	26,975,880

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated | IFRS - R\$ thousand

Liabilities and Shareholders' Equity	31-Mar-21	31-Dec-20	31-Mar-20
Current Liabilities	4,509,443	4,479,098	2,936,522
Loans and Financing and Taxes Payable in Installments	65,157	140,332	69,703
Suppliers, Subcontractors and Freight	2,137,223	1,917,690	1,510,963
Wages and Social Charges	193,981	180,757	204,377
Taxes and Taxes Payables	642,217	610,804	116,371
Accounts Payable Forfaiting	820,738	880,711	716,331
Dividends Payable	276,536	324,728	67,809
Customers Advances	152,468	139,678	67,904
Others	221,123	284,398	183,064
Long-Term Liabilities	9,346,595	8,634,869	8,419,315
Loans and Financing and Taxes Payable in Installments	6,209,967	5,832,410	5,860,869
Actuarial Liability	1,522,646	1,471,801	1,255,608
Provision for Legal Liabilities	772,920	799,601	717,198
Environmental Protection Provision	233,882	230,002	234,478
Others	607,180	301,055	351,162
Shareholders' Equity	18,009,231	16,838,170	15,620,043
Capital	13,200,295	13,200,295	13,200,295
Reserves & Revenues from Fiscal Year	2,565,089	1,667,171	843,392
Non-controlling shareholders participation	2,243,847	1,970,704	1,576,356
Total Liabilities and Shareholders' Equity	31,865,269	29,952,137	26,975,880

Income Statement - Consolidated | IFRS

R\$ thousand	1Q21	4Q20	Δ	1Q20	Δ
Net Revenues	7,065,832	5,474,270	29%	3,807,855	86%
Domestic Market	5,474,316	4,186,725	31%	2,964,909	85%
Exports	1,591,516	1,287,545	24%	842,946	89%
COGS	(4,602,450)	(3,901,465)	18%	(3,295,002)	40%
Gross Profit	2,463,382	1,572,805	57%	512,853	380%
Gross Margin	34.9%	28.7%	+ 6.1 p.p.	13.5%	+ 21.4 p.p.
Operating Income and Expenses	(337,822)	476,791	-	(237,677)	42%
Selling Expenses	(98,709)	(96,435)	2%	(99,807)	-1%
Provision for Doubtful Accounts	(2,902)	(3,544)	-18%	(1,826)	59%
Other Selling Expenses	(95,807)	(92,891)	3%	(97,981)	-2%
General and Administrative	(115,412)	(122,317)	-6%	(109,377)	6%
Other Operating Income and expenses	(123,701)	695,543	-	(28,493)	334%
Inventories Adjustments	(55,001)	(39,660)	39%	(223)	24564%
Credit of tax - Inclusion of ICMS in the base calculation of PIS and COFINS	42,639	36,479	17%	4,113	937%
Idleness expenses (includes depreciation)	(70,444)	(65,786)	7%	(58,565)	20%
Legal charges	(11,006)	(11,345)	-3%	(3,932)	180%
Impairment of Assets	-	737,406	-	-	0%
Provision for tax credit (ICMS)	(12,086)	(15,807)	-24%	(9,040)	34%
Provision for contingencies	(12,603)	(57,800)	-78%	52,391	-
Recovery of insurance claims expenses	33,310	38,519	-14%	24,099	38%
Result of the non-operating asset sale/write-off	16,783	165,146	-90%	868	1834%
Other Operating Income and Expenses, Net	(55,293)	(91,609)	-40%	(38,204)	45%
EBIT	2,125,560	2,049,596	4%	275,176	672%
EBIT Margin	30.1%	37.4%	- 7.4 p.p.	7.2%	+ 22.9 p.p.
Financial Result	(375,741)	224,412	-	(857,631)	-56%
Financial Income	76,040	79,594	-4%	57,754	32%
Financial Expenses	(96,456)	(141,503)	-32%	(140,727)	-31%
Net foreign exchange gain and losses	(355,325)	286,321	-	(774,658)	-54%
Equity in the results of investees	36,704	58,887	-38%	15,347	139%
Operating Profit or Loss	1,786,523	2,332,895	-23%	(567,108)	-
Income Tax / Social Contribution	(581,626)	(420,193)	38%	143,128	-
Net Income or Loss	1,204,897	1,912,702	-37%	(423,980)	-
Net Margin	17.1%	34.9%	- 17.9 p.p.	-11.1%	+ 28.2 p.p.
Attributable:					
Shareholders	931,795	1,559,121	-40%	(476,567)	-
Minority Shareholders	273,102	353,581	-23%	52,587	419%
EBITDA (Instruction CVM 527)	2,410,901	2,361,292	2%	539,228	347%
EBITDA Margin (Instruction CVM 527)	34.1%	43.1%	- 9.0 p.p.	14.2%	+ 19.9 p.p.
Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA	2,419,761	1,607,060	51%	568,941	325%
Adjusted EBITDA Margin	34.2%	29.4%	+ 4.9 p.p.	14.9%	+ 19.3 p.p.
Depreciation and Amortization	248,637	252,809	-2%	248,705	0%

Cash Flow - Consolidated | IFRS

Cash Flow - Consolidated IFRS	1Q21	4Q20	1Q20
Operating Activities Cash Flow			
Net Income or Loss in the Period	1,204,897	1,912,702	(423,980)
Financial Expenses and Monetary Var. / Net Exchge Var.	287,538	(300,989)	873,489
Interest Expenses	69,571	68,785	82,217
Depreciation and Amortization	248,637	252,809	248,705
Losses/(gains) on Sale of Property, Plant and Equipment	(16,783)	(165,146)	(868)
Equity in the Results of Subsidiaries/Associated Companies	(36,704)	(58,887)	(15,347)
Impairment of Assets	-	(737,405)	-
Difered Income Tax and Social Contribution	(23,882)	149,232	(208,786)
Constitution (reversal) of Provisions	396,617	162,842	10,038
Actuarial Gains and losses	24,352	25,110	21,520
Total	2,154,243	1,309,053	586,988
(Increase)/Decrease of Assets			
Accounts Receivables Customer	(911,799)	32,590	(321,324)
Inventories	(900,390)	(321,273)	61,773
Recovery of Taxes	(94,275)	(76,700)	(38,981)
Judicial Deposits	(3,097)	(3,816)	(18,392)
Others	(205,573)	(189,853)	(91,981)
Total	(2,115,134)	(559,052)	(408,905)
Increase /(Decrease) of Liabilities			
Suppliers, Contractors and Freight	219,533	284,553	(7,307)
Amounts Owed to Affiliated Companies	2,711	(27,612)	(14,184)
Customers Advances	12,790	23,986	10,147
Tax Payable	252,468	209,714	125,002
Securities Payable Forfaiting	(59,973)	(46,473)	102,528
Actuarial Liability Payments	(8,396)	(7,804)	(5,742)
Actuarial Liability Received - PB1	-	(3,728)	393,933
Others	190,660	138,399	29,277
Total	609,793	571,035	633,654
Cash Generated from Operating Activities	648,902	1,321,036	811,737
Interest Paid	(162,357)	(6,913)	(152,559)
Income Tax and Social Contribution	(493,107)	(87,326)	(41,860)
Net Cash Generated from Operating Activities	(6,562)	1,226,797	617,318
Investments activities cash flow			
Marketable Securities	1,010,097	(296,588)	97,235
Capital increase in subsidiary	-	(22)	-
Fixed Asset Acquisition	(229,952)	(231,344)	(175,821)
Fixed Asset Sale Receipt	50,379	96,933	881
Dividends Received	4,592	130,081	2,093
Purchase of Intangible Assets	(8,665)	(13,150)	(6,645)
Net Cash Employed on Investments Activities	826,451	(314,090)	(82,257)
Financial Activities Cash Flow			
Inflow of Loans, Financing and Debentures	-	-	-
Payment of Loans, Financ. & Debent.	(1,943)	(38,915)	(3,391)
Swap Operations Liquidations	-	(18,443)	-
Dividends and Interest on Capital	(48,192)	(8,660)	(5)
Net Cash Generated from (Employed on) Financial Activities	(50,135)	(66,018)	(3,396)
Exchange Variation on Cash and Cash Equivalents	(26,658)	(9,475)	17,895
Net Increase (Decrease) of Cash and Cash Equivalents	743,096	837,214	549,560
Cash and Cash Equivalents at the Beginning of the Period	3,261,288	2,424,074	1,252,966
Cash and Cash Equivalents at the End of The Period	4,004,384	3,261,288	1,802,526
RECONCILIATION WITH BALANCE SHEET			
Cash and Cash Equivalents at the Beginning of the Period	3,261,288	2,424,074	1,252,966
Marketable Securities at the Beginning of the Period	1,606,816	1,310,228	668,175
Cash and Cash Equivalents at the Beginning of the Period	4,868,104	3,734,302	1,921,141
Net Increase (Decrease) of Cash and Cash Equivalentes	743,096	837,214	549,560
Net Increase (Decrease) of Marketable Securities	(1,010,097)	296,588	(97,235)
Cash and Cash Equivalents at the End of the Period	4,004,384	3,261,288	1,802,526
Marketable Securities at the End of the Period	596,719	1,606,816	570,940
Cash and Cash Equivalents at the End of the Period	4,601,103	4,868,104	2,373,466