Independent auditors' report on the individual and consolidated financial statements

To the Shareholders and Board of Directors of

Usinas Siderúrgicas de Minas Gerais S.A.

Belo Horizonte – MG

Opinion

We have audited the individual and consolidated financial statements of Usinas Siderúrgicas de Minas Gerais S.A. ("the Company"), which comprise the individual and consolidated balance sheet as of December 31, 2022, the individual and consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of the Usinas Siderúrgicas de Minas Gerais S.A. as of December 31, 2022, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the individual and consolidated financial statements section" of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant's Code of Ethics ("Código de Ética Profissional do Contador") and the professional standards issued by the Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable value of non-financial assets	
See notes 16, 17 and 18 to the individual and consolidated financial statements.	
Key audit matters	**How the matter was addressed in our audit**
The assessment of the recoverable value of non-financial assets incorporates uncertainties in determining the estimates of expected future cash flows. Projections of expected future cash flows include significant assumptions, among others, related to sales volume, growth rate, long-term inflation, capital investment and discount rate. Due to the relevance of non-financial assets balances and the level of uncertainty related to the assumptions, as well as the relevance of the proper application of the assumptions and data in the method of measuring the recoverable value, we consider this topic to be a significant matter for our audit work.	Our audit procedures included, but were not limited to: - Assessment, with the help of our specialists in corporate finance, of the key assumptions used in cash flow projections, such as: sales volume; growth rate; capital expenditures; discount rates and long-term inflation, comparing them with market information; - Mathematical recalculation of discounted cash flow projections; and - Assessment whether the disclosures in the individual and consolidated financial statements consider all relevant information. Based on the evidence obtained through the procedures summarized above, we consider that the recoverable value of non-financial assets measured by the Company, as well as the related disclosures, are acceptable in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2022.

Realization of deferred income tax and social contribution assets	
See note 13 to the individual and consolidated financial statements.	
Key audit matters	**How the matter was addressed in our audit**
The Company has deferred income tax and social contribution assets arising from temporary differences, accumulated tax losses and negative base of social contribution. Such balances are recognized to the extent that it is probable that future taxable income will be available and against which temporary differences, accumulated tax losses and negative social contribution base can be realized. Estimates of future taxable income are prepared by the Company based on its judgment and supported by its business plan. Due to the relevance of the balances of deferred income tax and social contribution assets and the level of uncertainties inherent to the assumptions, as well as the relevance of the proper application of the assumptions and data used in determining the estimates of future taxable income, which, if	Our audit procedures included, but were not limited to: – Evaluation, with the help of our specialists in corporate finance: · mathematical recalculation of future taxable income projections; · the main assumptions used in the projections of future taxable income, comparing them with data available in the market; and · sensitivity analysis regarding the assumptions used; – With the help of our tax specialists, we analyzed the timing of reversal of temporary asset and liability differences, used in projections of future

changed, could impact the value of these assets in the individual and consolidated financial statements, we consider this topic to be a significant matter for our audit work.	taxable income; – Evaluation whether the disclosures in the individual and consolidated financial statements consider all relevant information. Based on the evidence obtained through the procedures summarized above, we consider acceptable the measurement of the realization of deferred income tax and social contribution assets, as well as the related disclosures made by the Company in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2022.

Measurement of actuarial liability

See note 27 to the individual and consolidated financial statements.

Key audit matters	How the matter was addressed in our audit
The Company and its subsidiaries have post-employment benefit plans for employees and former employees, related to pension plans and healthcare assistance. The measurement of the actuarial obligation of pension and healthcare plans are estimated based on data, such as expected rate of return on pension plan assets, discount rate, inflation rate, mortality rates, among others. Due to the uncertainties related to the assumptions used to estimate the liability for post-employment benefits to employees and former employees, which, if changed, could result in a material adjustment to the accounting balances of the individual and consolidated financial statements, we consider this topic to be a significant matter for our audit work.	Our audit procedures included, but were not limited to: – Confirmation of balances with the financial institutions that has the custody of the plan's assets; – Evaluation, with the assistance of our actuarial specialists, of all the assumptions applied used in the determination of post-employment benefit liabilities to employees and former employees, comparing them with those usually practiced in the market and applied in the calculation of related obligations; – Evaluation, with the assistance of our actuarial specialists, of the calculation of post-employment benefit obligations to employees and former employees; and – Assessment whether the disclosures in the individual and consolidated financial statements consider the relevant information related to post-employment benefit liabilities to employees and former employees. Based on the evidence obtained through the procedures summarized above, we consider that the amount of the liability for post-employment benefits to employees and former employees and the related disclosures are acceptable in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2022.

Other matters – Statements of added value

Statements of added value

The individual and consolidated statements of added value (DVA) for the year ended December 31, 2022, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of Company's financial statements. In order to form our opinion, we evaluated whether those statements are reconciled with the individual and consolidated financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, the statements of added value have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement and are consistent with the overall individual and consolidated financial statements taken as a whole.

Audit of the financial statements of the previous year

The individual and consolidated statement of financial position as of December 31, 2022 and the individual and consolidated statements of income, comprehensive income, changes in equity and cash flows and respective explanatory notes for the year then ended, presented as corresponding amounts in the individual and consolidated financial statements for the current year, were previously audited by other independent auditors, who issued a report dated February 11, 2022, without modification. The corresponding amounts relating to the individual and consolidated statements of added value (DVA), for the year ended December 31, 2021, were submitted to the same audit procedures by those independent auditors and, based on their audit, those auditors issued a report without modification.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of the individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company and its subsidiaries financial reporting process.

Auditors' responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiary's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiary's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiary to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Belo Horizonte, February 10, 2023

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

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

(A free translation of the original in Portuguese)

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Parent and Consolidated Financial Statements at December 31, 2022 and independent auditor's report

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Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS

USIMINAS

Balance sheet
In thousands of reais

	Note	Parent 12/31/2022	Parent 12/31/2021	Consolidated 12/31/2022	Consolidated 12/31/2021
Assets					
Current assets					
Cash and cash equivalents	8	1,822,191	2,156,063	2,916,047	6,341,017
Marketable securities	9	246,349	92,243	2,156,314	682,532
Trade receivables	10	3,579,107	3,606,160	3,547,946	3,563,328
Inventories	11	8,603,074	6,461,711	9,965,172	7,516,240
Taxes recoverable	12	537,758	1,199,457	748,983	1,679,278
Prepaid income tax and social contribution	13	128,292	-	163,436	35,011
Dividends receivable	37	190,865	536,521	22,729	18,182
Advances to suppliers	19	622,004	731	623,381	2,464
Other receivables		264,656	138,807	214,653	161,418
Total current assets		15,994,296	14,191,693	20,358,661	19,999,470
Non-current assets					
Long-term receivables					
Trade receivables	10	33,907	57,351	48,982	88,945
Deferred income tax and social contribution	13	1,747,016	2,204,696	2,410,456	2,982,251
Receivables from related companies	37	23,742	23,652	-	-
Court deposits	14	271,421	293,988	513,777	489,316
Taxes recoverable	12	950,870	787,496	1,398,912	835,988
Income tax and social contribution recoverable	25	269,620	240,002	314,416	293,790
Insurance claim receivable	38	352,661	349,031	352,661	349,031
Other receivables		214,490	238,997	453,242	408,991
		3,863,727	4,195,213	5,492,446	5,448,312
Investments	15	6,913,101	6,401,336	1,211,337	1,138,402
Investment properties	3.12	81,206	92,624	141,496	159,054
Property, plant and equipment	16	9,152,916	9,636,845	10,820,571	11,085,685
Intangible assets	18	138,118	118,666	1,975,940	1,650,646
Total non-current assets		20,149,068	20,444,684	19,641,790	19,482,099
Total assets		36,143,364	34,636,377	40,000,451	39,481,569

The accompanying notes are an integral part of these financial statements.

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

USIMINAS

Balance sheet
In thousands of reais

		Parent		Consolidated	
	Note	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Liabilities and equity					
Liabilities					
Current liabilities					
Trade payables, contractors and freight charges	19	2,821,618	2,304,017	2,838,631	2,632,795
Borrowings	20	113,139	121,204	113,155	125,078
Debentures	21	17,820	46,748	17,820	46,748
Advances from customers		50,748	119,545	108,813	154,267
Notes payable - Forfaiting	19	935,375	715,551	935,375	715,551
Salaries and payroll charges		190,299	160,583	267,712	221,950
Taxes payable	22	92,668	87,062	143,311	137,546
Taxes payable in installments	23	4,720	4,463	4,722	4,465
Lease liabilities	24	8,239	5,094	34,043	29,509
Income tax and social contribution payable	13	-	24,814	47,901	873,306
Derivative financial instruments	6	-	-	100,678	68,772
Dividends and interest on capital payable	28	387,317	737,058	470,599	968,984
Other payables		179,020	237,974	309,866	353,018
Total current liabilities		4,800,963	4,564,113	5,392,626	6,331,989
Non-current liabilities					
Borrowings	20	3,874,743	4,138,325	3,874,747	4,138,346
Debentures	21	2,191,835	1,989,405	2,191,835	1,989,405
Payables to related companies	37	11,400	-	72,933	91,448
Lease liabilities	24	24,062	20,826	85,137	53,014
Provision for lawsuits	25	757,444	803,139	892,157	919,154
Provision for environmental restoration and asset retirement obligation	26	-	-	283,060	233,178
Post-employment benefits	27	894,791	1,080,322	952,905	1,141,136
Other payables		433,101	290,912	367,301	225,396
Total non-current liabilities		8,187,376	8,322,929	8,720,075	8,791,077
Total liabilities		12,988,339	12,887,042	14,112,701	15,123,066
Equity	28				
Share capital		13,200,295	13,200,295	13,200,295	13,200,295
Capital reserves		312,665	312,665	312,665	312,665
Revenue reserves		9,561,524	8,324,834	9,561,524	8,324,834
Carrying value adjustments		80,541	(88,459)	80,541	(88,459)
Equity attributable to owners of the parent		23,155,025	21,749,335	23,155,025	21,749,335
Non-controlling interests		-	-	2,732,725	2,609,168
Total equity		23,155,025	21,749,335	25,887,750	24,358,503
Total liabilities and equity		36,143,364	34,636,377	40,000,451	39,481,569

The accompanying notes are an integral part of these financial statements.

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Statement of profit or loss
In thousands of reais unless otherwise stated

		Parent		Consolidated	
		Years ended		Years ended	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Continuing operations					
Revenue	30	28,688,733	28,347,005	32,470,510	33,736,964
Cost of sales	31	(25,253,132)	(21,548,091)	(26,790,835)	(22,462,636)
Gross profit (loss)		3,435,601	6,798,914	5,679,675	11,274,328
Operating (expenses) income					
Selling expenses	33	(216,388)	(183,939)	(629,494)	(570,675)
General and administrative expenses	33	(460,520)	(386,359)	(588,807)	(503,114)
Other operating income (expenses), net	33	(2,133,322)	1,074,599	(2,015,878)	1,071,135
Share of profit (loss) of subsidiaries, jointly-controlled subsidiaries and associates	15	1,382,009	2,173,874	220,925	218,788
		(1,428,221)	2,678,175	(3,013,254)	216,134
Operating profit		2,007,380	9,477,089	2,666,421	11,490,462
Finance result	34	315,583	589,922	612,493	845,815
Profit before income tax and social contribution		2,322,963	10,067,011	3,278,914	12,336,277
Income tax and social contribution	13				
Current		(290,017)	(972,739)	(653,386)	(2,332,338)
Deferred		(417,408)	(23,748)	(532,639)	56,015
		(707,425)	(996,487)	(1,186,025)	(2,276,323)
Profit for the year		1,615,538	9,070,524	2,092,889	10,059,954
Attributable to:					
Owners of the parent		1,615,538	9,070,524	1,615,538	9,070,524
Non-controlling interests		-	-	477,351	989,430
Basic and diluted earnings per common share (in reais)	35	R$ 1.26	R$ 7.07	R$ 1.26	R$ 7.07
Basic and diluted earnings per preferred share (in reais)	35	R$ 1.38	R$ 7.78	R$ 1.38	R$ 7.78

The accompanying notes are an integral part of these financial statements.

Statement of comprehensive income

In thousands of reais

		Parent		Consolidated	
		Years ended		Years ended	
	Note	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Profit (losses) for the year		1,615,538	9,070,524	2,092,889	10,059,954
Other components of comprehensive income					
Actuarial gain (loss) on retirement benefits	27	179,233	51,930	179,257	51,620
(Application) reversal of hedge accounting	6	(5,648)	(5,621)	(8,069)	(8,030)
Total other comprehensive income		173,585	46,309	171,188	43,590
Total comprehensive income for the year		1,789,123	9,116,833	2,264,077	10,103,544
Attributable to:					
Owners of the parent		1,789,123	9,116,833	1,789,123	9,116,833
Non-controlling interests		-	-	474,954	986,711

The Items in the statement of profit or loss are presented net of taxes. The tax effects relating to each component of other comprehensive income are disclosed in Note 13.

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity
In thousands of reais

	Note	Share capital	Treasury shares	Premium on share subscription	Premium on sale of treasury shares	Special goodwill reserve	Legal reserve	Reserve for investments and working capital	Carrying value adjustments	Retained earnings (accumulated deficit)	Total	Non-controlling interests	Total equity
		Attributable to owners of the parent											
				Capital reserves			Revenue reserves						
At December 31, 2021		13,200,295	(98,606)	105,295	27,247	278,729	545,812	7,779,022	(88,459)	-	21,749,335	2,609,168	24,358,503
Comprehensive income for the period													
Profit for the year		-	-	-	-	-	-	-	-	1,615,538	1,615,538	477,351	2,092,889
Actuarial gain on retirement benefits	27	-	-	-	-	-	-	-	179,233	-	179,233	24	179,257
Application of hedge accounting		-	-	-	-	-	-	-	(5,648)	-	(5,648)	(2,421)	(8,069)
Total comprehensive income for the year		-	-	-	-	-	-	-	173,585	1,615,538	1,789,123	474,954	2,264,077
Allocation of profit (loss) for the year	28												
Transfer to reserves		-	-	-	-	-	80,778	1,151,071	-	(1,231,849)	-	-	-
Proposed dividends and interest on capital		-	-	-	-	-	-	-	-	(383,689)	(383,689)	(351,397)	(735,086)
Retained earnings allocation		-	-	-	-	-	-	4,841	-	(4,841)	-	-	-
Prescribed dividends		-	-	-	-	-	-	-	-	256	256	-	256
Adjustment to PP&E under IAS 29	28	-	-	-	-	-	-	-	(4,585)	4,585	-	-	-
At December 31, 2022		13,200,295	(98,606)	105,295	27,247	278,729	626,590	8,934,934	80,541	-	23,155,025	2,732,725	25,887,750

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity

In thousands of reais

	Note	Share capital	Treasury shares	Premium on share subscription	Premium on sale of treasury shares	Special goodwill reserve	Options granted recognized	Legal reserve	Reserve for investments and working capital	Carrying value adjustments	Retained earnings (accumulated deficit)	Total	Non-controlling interests	Total equity
		Attributable to owners of the parent												
				Capital reserves				Revenue reserves						
At December 31, 2020		13,200,295	(99,309)	105,295	25,074	278,729	1,577	92,286	1,380,681	(117,162)	-	14,867,466	1,970,704	16,838,170
Comprehensive income for the period														
Profit for the year		-	-	-	-	-	-	-	-	-	9,070,524	9,070,524	989,430	10,059,954
Actuarial gain on retirement benefits	27	-	-	-	-	-	-	-	-	51,930	-	51,930	(310)	51,620
Application of hedge accounting		-	-	-	-	-	-	-	-	(5,621)	-	(5,621)	(2,409)	(8,030)
Total comprehensive income for the year		-	-	-	-	-	-	-	-	46,309	9,070,524	9,116,833	986,711	10,103,544
Allocation of profit (loss) for the year	28													
Transfer to reserves		-	-	-	-	-	-	453,526	6,379,075	-	(6,832,601)	-	-	-
Proposed dividends		-	-	-	-	-	-	-	-	-	(1,564,111)	(1,564,111)	(348,247)	(1,912,358)
Interest on capital		-	-	-	-	-	-	-	-	-	(673,812)	(673,812)	-	(673,812)
Retained earnings allocation		-	-	-	-	-	-	-	19,266	-	(19,266)	-	-	-
Stock option plan	39	-	-	-	-	-	(1,577)	-	-	-	1,577	-	-	-
Sale of treasury shares		-	703	-	2,173	-	-	-	-	-	-	2,876	-	2,876
Prescribed dividends		-	-	-	-	-	-	-	-	-	83	83	-	83
Adjustment to PP&E under IAS 29	28	-	-	-	-	-	-	-	-	(17,606)	17,606	-	-	-
At December 31, 2021		13,200,295	(98,606)	105,295	27,247	278,729	-	545,812	7,779,022	(88,459)	-	21,749,335	2,609,168	24,358,503

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

USIMINAS

Statement of cash flows
In thousands of reais

	Note	Parent		Consolidated	
		Years ended		Years ended	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash flows from operating activities					
Profit for the year		1,615,538	9,070,524	2,092,889	10,059,954
Adjustments to reconcile profit or loss					
Charges and monetary/ foreign exchange variations, net		(212,242)	(704,328)	(216,839)	(815,507)
Interest expenses		354,894	261,095	363,995	259,972
Depreciation, amortization and depletion		658,023	781,479	902,681	982,741
Profit on the sale/reduction of PP&E/Investment		(73,165)	(49,125)	(74,212)	(64,974)
Impairment of assets (reversal of impairment loss)	17	1,693,408	400,287	1,396,784	397,257
Share of profit (loss) of subsidiaries, jointly-controlled subsidiaries and associates	15	(1,382,009)	(2,173,874)	(220,925)	(218,788)
Derivative financial instruments	6	-	-	(15,263)	44,896
Deferred income tax and social contribution	13	417,408	23,748	532,639	(56,015)
Current income tax and social contribution	13	290,017	972,739	653,386	2,332,338
Constitution (reversal) of provisions		(178,465)	(1,470,369)	(160,217)	(1,550,175)
Actuarial losses/(gains)	27	104,665	(239,345)	111,263	(234,967)
(Increase) decrease in assets					
Trade receivables		438,925	(2,012,676)	473,085	(1,160,913)
Inventories		(2,216,478)	(3,217,426)	(2,496,568)	(3,695,605)
Taxes recoverable		(271,515)	(132,265)	(545,857)	(424,540)
Court deposits		8,892	41,179	(22,243)	41,172
Advances to suppliers		(621,273)	83,282	(620,917)	83,713
Others		(96,278)	(100,495)	(90,394)	(201,990)
Increase (decrease) in liabilities					
Trade payables, contractors and freight charges		400,418	337,093	97,592	715,105
Advances from customers		(68,797)	55,240	(45,454)	14,589
Payables to related companies		11,400	(5,392)	(18,515)	11,406
Notes payable - Forfaiting		219,824	(165,160)	219,824	(165,160)
Taxes payable		483,955	1,106,523	552,767	1,117,666
Actuarial liability received (paid)		(76,368)	(51,298)	(76,368)	(51,298)
Others		11,099	(20,442)	(25,804)	27,925
Income tax and social contribution paid		(93,540)	(810,048)	(1,185,780)	(1,768,479)
Interest paid		(582,960)	(350,648)	(584,431)	(343,849)
Net cash provided by operating activities		835,376	1,630,298	997,118	5,336,474
Cash flows from investing activities					
Marketable securities	9	(154,106)	624,065	(1,473,782)	924,284
Purchases of property, plant and equipment	16	(1,739,238)	(1,124,264)	(2,026,636)	(1,389,727)
Proceeds from sale of property, plant and equipment		79,870	53,465	87,573	105,041
Purchases of intangible assets	18	(48,363)	(36,224)	(65,240)	(93,562)
Dividends received	15	1,234,476	763,522	137,255	128,235
Capital increase in subsidiaries		-	-	(67)	-
Net cash provided by (used in) investing activities		(627,361)	280,564	(3,340,897)	(325,729)

The accompanying notes are an integral part of these financial statements.

Statement of cash flows
In thousands of reais

	Note	Parent Years ended 12/31/2022	12/31/2021	Consolidated Years ended 12/31/2022	12/31/2021
Cash flows from financing activities					
New borrowings and debentures		2,200,000	-	2,200,000	-
Repayment of borrowings and debentures		(2,003,379)	(3,880)	(2,007,026)	(7,609)
Payment of lease liabilities		(12,163)	(10,655)	(56,261)	(39,903)
Settlement of derivative financial instruments transactions		-	-	8,482	(23,089)
Dividends and interest on capital paid	28	(733,182)	(1,577,423)	(1,233,223)	(1,849,264)
Net cash provided by (used in) financing activities		(548,724)	(1,591,958)	(1,088,028)	(1,919,865)
Foreign exchange gains (losses) on cash and cash equivalents		6,837	(11,151)	6,837	(11,151)
Net increase (decrease) in cash and cash equivalents		(333,872)	307,753	(3,424,970)	3,079,729
Cash and cash equivalents at the beginning of the year	8	2,156,063	1,848,310	6,341,017	3,261,288
Cash and cash equivalents at the end of the year	8	1,822,191	2,156,063	2,916,047	6,341,017
Net increase (decrease) in cash and cash equivalents		(333,872)	307,753	(3,424,970)	3,079,729

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

USIMINAS

Statement of value added

All amounts in thousands of reais

	Note	Parent		Consolidated	
		Years ended		Years ended	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Revenue					
Sales of goods and services		34,088,107	34,311,513	40,061,815	41,853,879
Changes in the provision for impairment of trade receivables	31	(237)	2,341	2,615	(3,240)
Other income		48,711	31,780	53,727	38,796
		34,136,581	34,345,634	40,118,157	41,889,435
Inputs acquired from third parties					
Cost of sales of goods and services		(24,957,587)	(24,808,631)	(28,127,923)	(27,461,257)
Materials, energy, outsourced services and other		(678,688)	1,063,573	(1,257,306)	714,712
Recovery of assets		(1,693,408)	(400,287)	(1,396,784)	(397,257)
		(27,329,683)	(24,145,345)	(30,782,013)	(27,143,802)
Gross value added		6,806,898	10,200,289	9,336,144	14,745,633
Depreciation, amortization and depletion	31	(658,023)	(781,479)	(902,681)	(982,741)
Net value added generated by the Company		6,148,875	9,418,810	8,433,463	13,762,892
Value added received in transfer					
Share of profit or loss of subsidiaries, jointly-controlled subsidiaries and associates	15	1,382,009	2,173,874	220,925	218,788
Finance income	34	847,317	1,530,003	1,254,477	1,809,297
Foreign exchange gains	34	30,669	109,154	26,076	120,405
Actuarial (losses) gains	27	(104,665)	239,345	(111,263)	234,967
		2,155,330	4,052,376	1,390,215	2,383,457
Value added to be distributed		8,304,205	13,471,186	9,823,678	16,146,349

The accompanying notes are an integral part of these financial statements.

Statement of value added

All amounts in thousands of reais

	Parent		Consolidated	
	Years ended		Years ended	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Personnel and payroll charges				
Salaries and social charges	670,290	553,368	1,083,331	883,824
Government Severance Indemnity Fund for Employees (FGTS)	59,724	54,126	86,527	75,104
Management compensation	55,259	36,571	67,509	47,605
Employees' profit sharing	96,788	129,288	142,691	174,468
Retirement plans	22,571	19,427	25,570	21,966
	904,632	792,780	1,405,628	1,202,967
Taxes, fees and contributions				
Federal (i)	3,209,237	697,878	2,830,948	1,208,250
State	1,910,659	1,715,386	2,700,500	2,405,912
Municipal	79,145	72,422	92,182	81,040
Tax incentives	22,591	72,961	33,471	104,339
	5,221,632	2,558,647	5,657,101	3,799,541
Remuneration of third-party capital				
Interest	760,671	620,187	866,150	673,217
Foreign exchange income (expenses)	(198,268)	429,048	(198,090)	410,670
	562,403	1,049,235	668,060	1,083,887
Remuneration of own capital				
Dividends and interest on capital	383,689	2,237,923	735,086	2,586,170
Profits (losses) reinvested	1,231,849	6,832,601	1,231,849	6,832,601
Non-controlling interests in profits reinvested	-	-	125,954	641,183
	1,615,538	9,070,524	2,092,889	10,059,954
Value added distributed	8,304,205	13,471,186	9,823,678	16,146,349

(i) Includes social security charges.

All amounts in thousands of reais unless otherwise stated

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 (together referred to as Usiminas) operate in the steel industry and related activities, such as iron ore extraction, steel transformation, and logistics. Currently, Usiminas operates two steel plants, located in the cities of Ipatinga, State of Minas Gerais, and Cubatão, State of São Paulo, with a nominal capacity to produce 6.9 million (unaudited data) metric tons of products per year, 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´s direct or indirect interest in subsidiaries, jointly-controlled subsidiaries and associated companies is shown below:

(a) Subsidiaries

Companies	(%) Ownership interest	(%) Voting capital	Headquartered in	Core business
Mineração Usiminas S.A. (MUSA)	70	70	Belo Horizonte/MG	Extraction and processing of iron ore as pellet feed, sinter feed and granulated iron ore.
Soluções em Aço Usiminas S.A.	68.88	68.88	Belo Horizonte/MG	Steel transformation solutions, in addition to operating as a distribution center.
Usiminas Mecânica S.A. (UMSA)	99.99	100	Belo Horizonte/MG	Manufacture of equipment and installations for various industries.
Usiminas International Ltd.	100	100	Principality of Luxembourg	Holding the Company's investments abroad, as well as raising funds in the foreign market.
Rios Unidos Logística e Transporte de Aço Ltda.	100	100	Itaquaquecetuba/SP	Rendering of road cargo transportation services.
Usiminas Participações e Logística S.A. (UPL) (i) (ii)	100	100	Belo Horizonte/MG	Investment in MRS Logistica S.A.

(i) Company's direct interest of 16.7% and indirect interest of 83.3% through MUSA.
(ii) Company's direct interest in voting capital of 50.10%, and indirect interest of 49.90%, through MUSA.

(b) Joint ventures

Companies	(%) Ownership interest	(%) Voting capital	Headquartered in	Core business
Unigal Ltda. (i)	70	70	Belo Horizonte/MG	Transformation of cold-rolled coils into hot-dip galvanized coils.
Modal Terminal de Granéis Ltda.	50	50	Itaúna/MG	Operation of highway and railway cargo terminals, storage and handling of iron ore and steel products, and road cargo transportation.
Usiroll - Usiminas Court Tecnologia de Acabamento Superficial Ltda.	50	50	Ipatinga/MG	Rendering of services, specially for grinding cylinders and rolling mill rolls.

(i) Unigal is a joint venture between Usiminas and Nippon Steel Corporation, which hold 70% and 30% ownership interest, respectively. The control of Unigal is shared between the partners, as provided for in the shareholders' agreement.

(c) Investments in associates

Companies	(%) Ownership interest	(%) Voting capital	Headquartered in	Core business
Codeme Engenharia S.A.	30.77	30.77	Betim/MG	Manufacture and assembly of steel construction elements.
MRS Logística S.A. (i)	11.41	19.92	Rio de Janeiro/RJ	Rendering of railway transport and logistics services.
Terminal de Cargas Paraopeba Ltda.	22.22	22.22	Sarzedo/MG	Storage, handling and transportation of cargo and cargo terminal operation.
Terminal de Cargas Sarzedo Ltda.	22.22	22.22	Sarzedo/MG	Storage, handling and transportation of cargo and cargo terminal operation.

(i) Company's direct holding of 0.28% and indirect holding of 11.13% through UPL.

2 Approval of the financial statements

The issue of these financial statements was authorized by the Board of Directors on February 9, 2023.

3 Significant accounting policies

The main accounting policies applied in the preparation of these financial statements, Parent and Consolidated (under Parent and Consolidated headings, respectively), are set out below.

Accounting policies applied in transactions considered immaterial were not included in the financial statements.

The accounting policies, which are consistent with those adopted in the previous year, have been evenly applied to the parent, subsidiaries, associates and jointly-controlled subsidiaries. the financial statements of the subsidiaries was adjusted, as applicable, to meet this criterion.

3.1 Basis of preparation and statement of compliance

The financial statements, Parent and Consolidated (under Parent and Consolidated headings, respectively), have been prepared on a going concern basis, under the historical cost convention, as modified to reflect the measurement of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of the financial statements, Parent and Consolidated, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The parent and consolidated financial statements (“Parent” and “Consolidated”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB), and the accounting practices adopted in Brazil, issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM), and discloses all information of significance to the financial statements, which is consistent with that utilized by management in the performance of its duties.

The presentation of the parent and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies, while it is not required by IFRS. The Statement of value added, which was prepared in accordance with the criteria defined in the Technical Pronouncement CPC 09 - Statement of Value Added, is considered supplementary information for IFRS purposes, and not part of the set of financial statements.

3.2 Basis of consolidation and investments in subsidiaries

(a) Subsidiaries

Subsidiaries are entities over which the Company has control, which is achieved when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. They are fully consolidated from the date on which control is transferred to Usiminas, and are deconsolidated from the date that control ceases. In the Parent Company's financial statements, the financial information of controlled companies is recognized using the equity method.

Balances and unrealized gains and other transactions between consolidated companies are eliminated.

(b) Jointly-controlled subsidiaries and associates

The Company classifies its investments as follows:

- associated companies are entities over which the Company exercises significant influence by participating in decisions relating to their financial and operating policies, but does not have the control or joint control over those policies; and

- jointly-controlled subsidiaries are those entities in which the Company shares control with one or more parties.

Investments in associates and jointly-controlled subsidiaries are accounted for using the equity method and are initially recognized at cost.

The reporting dates of the associates and jointly-controlled subsidiaries are the same as those of USIMINAS. However, except for the associates Codeme, Terminal Paraopeba, and Terminal Sarzedo, and for the jointly-controlled subsidiary Modal, the Company used the financial statements prepared at November 30, 2022 for equity accounting purposes, pursuant to CPC 18 (R2) and IAS 28. Accordingly, in line with item 34 of CPC 18 - IAS 28, no adjustments were made to the respective financial statements, considering that there were no effects from significant transactions and events.

The Company's share of profit or loss of its associates and jointly-controlled subsidiaries is recognized in the statement of profit or loss, and its share of changes in reserves is recognized in the Company's reserves. When the Company's share of losses in an associate or jointly-controlled subsidiary equals or exceeds the carrying amount of the investment, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or jointly-controlled investee.

Unrealized gains on transactions between the Company and its associates and jointly-controlled subsidiaries are eliminated to the extent of the Company’s interest. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and jointly-controlled subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising on investments in associates are recognized in the statement of profit or loss.

(c) Transactions with non-controlling interests

Transactions with non-controlling interests are treated as transactions with equity owners of Usiminas. For purchases from non-controlling interests, the difference between any consideration paid and the proportion acquired of the carrying value of the subsidiary's net assets is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity, under "Carrying value adjustments".

3.3 Segment reporting

Operating segment information is consistent with that included in the internal report provided to the chief operating decision maker. Usiminas is organized in four operating segments: Steelworks, Mining and Logistics, and Steel Transformation. The bodies responsible for the major operating decision-making, allocation of funds, and performance assessment of operating segments include the Executive Board and the Board of Directors.

3.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The parent and consolidated financial statements are presented in Brazilian reais (R$), which is the Company's functional currency, and also Usiminas' presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or valuation. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

Foreign exchange gains and losses relating to assets and liabilities are presented in the statement of profit or loss under Finance result.

3.5 Cash and cash equivalents and marketable securities

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, and other short-term highly liquid investments, with immaterial risk of change in value, which are held for the purpose of meeting short-term commitments.

(b) Marketable securities

Highly liquid investments, which are not intended to meet short-term commitments, are classified as marketable securities.

3.6 Financial assets

(a) Classification

Usiminas classifies its financial assets, upon initial recognition, in the following categories: at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

A financial asset is measured at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:

- the asset is held within a business model whose objective is achieved through both the collection of contractual cash flows and the sale of financial assets; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that represent payments of principal and interest on the principal amount outstanding.

All the other financial assets are classified as measured at fair value through profit or loss.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss, if doing so eliminates or significantly reduces a possible accounting mismatch that would otherwise arise.

(b) Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date. Investments are initially recognized at fair value plus the transaction costs for all financial assets not carried at fair value recognized in profit or loss. Financial assets carried at fair value recognized in profit or loss are initially recognized at fair value, and the transaction costs are expensed in the statement of profit or loss in the period in which they arise. The fair values of investments with publicly available quotations are based on current bid prices. For financial assets without an active market, Usiminas determines fair value through valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(c) Impairment of non-financial assets

Assets carried at amortized cost

Usiminas assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or a group of financial assets is impaired. The criteria used by the Company to determine whether there is objective evidence of impairment loss include:

- significant financial difficulty of the issuer or borrower;
- breach of contract, such as a default or delinquency in interest or principal payments;
- probability that the debtor will enter bankruptcy or financial reorganization; and
- the disappearance of an active market for that financial asset because of financial difficulties.

(d) Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; and

- the Company has transferred its rights to receive cash flows from the asset or has agreed to pay to a third party the full amount of the cash flows received, with no significant delay, as a result of a “transfer” agreement; and (a) the Company has transferred substantially all the risks and benefits of the asset, or (b) the Company has not transferred or retained substantially all risks and rewards related to the asset, but transferred the control over this asset.

When the Company has transferred its rights to receive cash flows from an asset, or has entered into a transfer agreement and has not substantially transferred or retained all the risks and rewards related to an asset, the asset is recognized to the extent of the continuous involvement of the Company with such asset.

(e) Offsetting of financial assets

Financial assets or liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.7 Financial liabilities

(a) Recognition and measurement

A financial liability is classified as measured at fair value through profit or loss if it is held for trading or designated as such upon its initial recognition. Transaction costs are recognized in profit or loss as incurred. These financial liabilities, which include trade and other payables, borrowings, debentures and derivative financial instruments. are initially measured at fair value and any subsequent changes in fair value are recognized in the statement of profit or loss for the year.

The Company's financial liabilities, which are initially recognized at fair value, include trade and other payables, loans and financing, debentures and derivative financial instruments. Borrowings, debentures and accounts payable include the cost of the transaction related to them.

(b) Subsequent measurement

After initial recognition, borrowings, debentures, trade and other payables are subsequently measured at amortized cost, using the effective interest rate method. The Company's Management estimated the discount rates for the lease liability based on the risk-free interest rates observed in the domestic market, added by the spread and adjusted to the terms of its lease agreements.

(c) Borrowing costs

Borrowing costs related to the acquisition, construction or manufacture of an asset that requires a significant amount of time to be ready for its intended use or sale are capitalized as part of the cost of this asset. Borrowing costs comprise interest, exchange variation and other costs incurred by the Company in connection with the borrowing of funds.

(d) Derecognition of financial liabilities

A financial liability is derecognized when the obligation is revoked, canceled or expire.

When an existing financial liability is replaced by another of the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

(e) Offsetting of financial liabilities

Financial assets or liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.8 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and are subsequently remeasured at their fair value through profit or loss.

3.9 Inventories

Inventories are stated at the lower of the average purchase or production cost (weighted moving average) and the net realizable value. Imports in transit are stated at the accumulated cost of each import.

The warehouse contains maintenance and replacement materials, which are available for immediate consumption regardless of the turnover, which may exceed 12 months in certain strategic situations.

The cost of acquisition and production is increased by expenses related to transport, storage and non-recoverable taxes. Net realizable value is the estimated selling price in the ordinary course of business, less estimated completion costs and directly related selling expenses. The Company uses the estimated selling price in the normal course of business as an assumption of the net realizable value.

3.10 Judicial deposits

Judicial deposits are those made in a bank account, in connection with legal proceedings, in Brazilian currency and monetarily restated to ensure the settlement of potential future liabilities. Some judicial deposits that are linked to taxes payable in installments are presented at their net amount (Note 14).

3.11 Property, plant and equipment

Property, plant and equipment are recorded at cost of acquisition, formation or construction, less depreciation and, where applicable, impairment losses. Upon replacement, the key components of certain property, plant and equipment items are recorded as individual and separate assets and depreciated based on the specific economic useful life of each component. The carrying amount of the replaced component is derecognized. Repair and maintenance costs are recognized in the statement of profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is adjusted immediately when it is greater than its estimated recoverable amount.

The Company has parts and spare parts for the maintenance of property, plant and equipment items, which have an estimated useful life of more than 12 months. Therefore, the balance of inventories of these parts and spare parts is classified in property, plant and equipment.

The Company's Management, upon the initial adoption of IFRS, applied IAS 29, Accounting in Hyperinflationary Economy, more specifically in the monetary restatement of property, plant and equipment, which was not imputed in the period from 1995 to 1997.

3.12 Investment properties

Investment properties are initially measured at cost, including the transaction costs. After initial recognition, investment properties are stated at fair value, which reflects the market conditions on the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in the statement of profit or loss in the year in which they are generated. Investment properties are written off when they are sold or no longer used on a permanent basis, and when no future economic benefit is expected from their sale. The difference between the net proceeds from the sale and the asset's carrying amount is recognized in the statement of profit or loss for the period in which the asset is written off. The accounting policy for investment property leases is disclosed in item 3.21.

3.13 Intangible assets

(a) Goodwill

Goodwill represents the positive difference between the amount paid and/or payable for the acquisition and the net fair value of the acquired entity's assets and liabilities. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(b) Mineral rights

Mineral rights are recorded at acquisition cost and reduced based on the depletion of the mineral reserves.

Mineral rights arising from the acquisition of companies are recognized at fair value considering the allocation of assets and liabilities acquired.

Mineral rights are depleted, using the unit-of-production method, as the reserves are exploited.

(c) Software

Software licenses purchased are capitalized and amortized on a straight-line basis over their estimated useful lives at the rates described in Note 18.

3.14 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets with defined useful lives are reviewed to identify evidence of impairment at the balance sheet date and also whenever events or changes in circumstances indicate that the book value may not be recoverable. If there is an indication of impairment, the assets are tested for impairment. An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units (CGU's)). An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount.

3.15 Provision for litigation

Provisions for litigation related to labor, tax and civil lawsuits are recognized when there is a legal or informal present obligation as a result of past events, it is probable that assets will be surrendered to settle the obligation, and a reliable estimate of the amount can be made.

3.16 Provision for environmental restoration and asset retirement obligation

The provision for environmental restoration, when related to an asset construction or acquisition, is recorded as part of the cost of that asset and takes into consideration management's estimates of the subsidiary Mineração Usiminas S.A.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the time elapsed is recognized as interest expense.

The Company recognizes an obligation for the expected mine closure and asset retirement costs in the period in which they occur, discounted to present value. The Company considers the accounting estimates related to the reclamation of degraded areas and the mine closure costs as a critical accounting practice since they involve significant provision amounts and are based on various assumptions, such as interest rates, inflation, useful life of the asset given the current stage of depletion, and the projected depletion date for each mine. These estimates are reviewed annually.

3.17 Current and deferred income tax and social contribution

Income taxes are recognized in the statement of profit or loss, except to the extent that they relate to items recognized directly in equity or in the statement of comprehensive income.

Deferred taxes are calculated on income tax and social contribution losses and the corresponding temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes, generally when related to the same legal entity and the same tax authority.

3.18 Employee benefits

(a) Supplementary retirement plan

The Company and its subsidiaries participate in retirement plans, managed by Previdência Usiminas, which offer to their employees supplementary retirement and pension benefits.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date minus the market value of plan assets, adjusted for: (i) actuarial gains and losses; (ii) rules to determine the asset ceiling; and (iii) minimum funding requirements. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the future cash outflows using market interest rates that are denominated in the currency in which the benefits will be paid, and with terms to maturity that approximate those of the related pension liability.

Actuarial gains and losses are charged or credited directly to other comprehensive income in the period in which they occur. For the defined contribution plan (Cosiprev), the Company pays contributions to a private pension entity on compulsory, contractual or voluntary bases. The contributions are recognized as finance costs in the period in which they are due.

(b) Post-retirement health care plan

Post-retirement health care benefits were offered to the employees who retired from the former subsidiary Companhia Siderúrgica Paulista - Cosipa up to April 30, 2002. Expected costs of these benefits were accumulated during the period of the employment relationship, using an accounting methodology similar to that used for the defined benefit retirement plans.

In addition, the Company records the obligations in accordance with the legislation in force, which assures employees who contributed to the health care plan the right to be maintained as beneficiaries after retirement, provided that these employees assume full payment of the contributions. The maintenance term after retirement is one year for each contribution year; if the contribution has been made for at least 10 years, this term is indefinite.

These obligations are valued annually by independent actuaries.

(c) Profit sharing

Usiminas provides for profit sharing based on the attainment of operating and financial targets agreed with its employees. These amounts are recorded under "Cost of sales", "Selling expenses" and "General and administrative expenses", in accordance with the function of each employee.

(d) Share-based payments

The Company has a share-based compensation plan, to be settled with preferred shares held in treasury, under which management members and other executive officers appointed by the Board of Directors can purchase Company's shares. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense.

When the options are exercised, the proceeds received, net of any directly attributable transaction costs, are credited to capital reserves (nominal value).

3.19 Revenue recognition

Sales revenues are recognized and measured based on the customer's sales order, in which performance obligations and the determination of the price allocated per transaction can be observed. Compliance with the performance obligation is linked to the delivery conditions previously agreed with the customer.

Revenue is shown net of taxes, returns, rebates and discounts and, for consolidation purposes, after eliminating sales between the Group companies. Revenue is measured at the fair value of the consideration received or receivable, to the extent it is probable that future economic benefits will flow to the entity, and the amounts of revenue and costs can be reliably measured. In addition, specific criteria must be met for each of the Company's activities as described below.

(a) Sales of products

Usiminas processes, manufactures and sells a range of products and raw materials, such as flat steel, iron ore, stamped steel parts for the automotive industry, in addition to products for the construction and capital assets industry.

The criterion adopted for revenue recognition is the date the product is delivered to the buyer.

(b) Sales of services

Usiminas provides technology transfer services in the steel industry, project management and services in the civil construction and capital assets industry, in addition to road transportation of flat steel, hot-dip galvanizing services, and texturing and chrome plating of cylinders. The performance obligation is fulfilled in the short term over time.

Revenue from services rendered is recognized based on the stage of execution of the services at the balance sheet date.

(c) Finance income

Finance income arises primarily from financial assets, such as trade receivables and financial investments, of which interest and earnings are recognized on a *pro rata temporis* basis, using the effective interest rate method.

(d) Finance costs

Finance costs arise primarily from financial liabilities, such as borrowings and provisions for litigations; related interest and inflation adjustments are recognized on a *pro rata temporis* basis, using the effective interest rate method.

3.20 Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to the Company's shareholders is recognized as a liability in Usiminas' financial statements at year-end, based on its bylaws. Amounts above the minimum mandatory limit established by law are only provided for when approved at a General Shareholders' Meeting.

The tax benefit of interest on capital, where applicable, is recognized at the computation of income tax and social contribution. In the Company's financial statements, the same accounting treatment is adopted for interest on capital and dividends.

3.21 Leases

The Company, as a lessee, recognizes a right-of-use asset representing its right to use the leased asset, and a lease liability representing its obligation to make future lease payments. Exemptions are allowed for short-term leases and leases of low-value assets. The Company recognizes new assets and liabilities for its leases, and the depreciation of right-of-use assets and interest expense on lease liabilities. The Company's Management estimated the discount rates for the lease liability based on the risk-free interest rates observed in the domestic market, added by the spread and adjusted to the terms of its lease agreements.

3.22 Pronouncements issued but not yet effective at December 31, 2022

The adoption of these standards is not expected to have a material impact on the parent and consolidated financial statements in future periods.

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 18	Definition of Accounting Estimates

4 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make certain judgments and estimates and adopt assumptions that impact the stated amounts of revenue, expenses, assets and liabilities and their related disclosures, as well as the disclosure of contingent liabilities.

4.1 Judgments

In the process of applying Usiminas' accounting policies, management made the following judgments, which have the most significant effects on the amounts recognized in the financial statements:

(a) Segregation of interest and monetary variation related to financial investments and local borrowings

The Company segregates the Broad National Consumer Price Index (IPCA) for borrowings, for debentures and financial investments linked to the Interbank Deposit Certificate (CDI) rate. The portion related to the IPCA is segregated from interest on borrowings, debentures and income from financial investments, and included in "Monetary effects" within Finance result (Note 34).

(b) Classification of investment control

The Company classifies its investments in accordance with CPC 18 (R2) - Investment in Associates, Subsidiaries and Joint Ventures and CPC 19 (R2) - Joint Ventures, whose adoption is subject to a judgment to determine the control and the significant influence of the investments. The Company has an investment classified as a Jointly Controlled Venture, since control is shared regardless of its percentage of interest in the capital stock of the investee.

4.2 Estimates and assumptions

Key assumptions concerning sources of uncertainty in future estimates and other important sources of uncertainties in estimates at the balance sheet date, which involve a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are addressed below.

(a) Impairment of non-financial assets

Usiminas tests annually whether goodwill and other long-term assets have suffered any impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units (CGU's)). The recoverable amounts of CGUs have been determined based on value-in-use calculations, which require the use of estimates (Note 17).

(b) Income tax, social contribution, and other tax credits

Management reviews, on a regular basis, the recoverability of deferred tax assets considering the historical profit generated and the estimated future taxable profit, based on technical feasibility studies (Note 13 (b) and Note 25 (c)).

(c) Fair value of derivatives and other financial instruments

The fair value of derivatives and other financial instruments that are not traded in an active market is determined through the use of valuation techniques. Management uses its judgment to select among a variety of methods and assumptions that are mainly based on market conditions existing at each reporting date.

(d) Revenue recognition

The subsidiary Usiminas Mecânica S.A. uses the Percentage-of-Completion (POC) method to account for the revenue from orders in progress sold at fixed prices. The use of the POC method requires management to estimate the services performed up to the balance sheet date as a proportion of the total services to be performed.

(e) Pension benefits

The present value of the retirement plan obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for retirement plans include the discount rate.

Usiminas determines the appropriate discount rate at the end of each year, so as to determine the present value of estimated future cash outflows.

Other key assumptions for retirement plan obligations are based, in part, on current market conditions. Additional information is disclosed in Note 27.

(f) Provisions for litigation

Usiminas is a party to a number of judicial and administrative proceedings (Note 25). Provisions are recorded for all proceedings that represent probable losses. The probability of loss is assessed based on available evidence, which include the opinions of internal and external legal consultants.

(g) Provision for environmental restoration and asset retirement obligation

As part of the mining activities of its subsidiary Mineração Usiminas S.A., the Company recognizes, in the Consolidated, a provision for obligations concerning environmental restoration. In determining the provision amount, assumptions and estimates are made in relation to discount rates, the expected reclamation cost, and the expected timing of the costs.

(h) Useful lives of property, plant and equipment

Depreciation of property, plant and equipment is calculated using the straight-line method over the useful lives of the assets. Useful life is estimated based on appraisals prepared by Usiminas' engineers and external consultants, and is reviewed on an annual basis.

5 Financial risk management objectives and policies

5.1 Financial risk factors

The activities of Usiminas' companies expose them to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, cash flow or fair value interest rate risk, commodity price risk, and steel price risk).

Financial risk management is carried out by the Corporate Finance Office, according to guidance established by the Finance Committee and the Board of Directors. This team evaluates, monitors and seeks to hedge any financial risks in close co-operation with the other units, including operating units and the Supply and Planning departments of Usiminas.

5.2 Policy for utilization of financial instruments

The purpose of financial assets and liabilities management is to: (i) maintain the intended liquidity, (ii) define the concentration level of operations, and (iii) control the level of exposure to financial market risks. Usiminas monitors the risks to which it is exposed and evaluates the need for contracting derivative transactions in order to minimize the impacts on its financial assets and liabilities. Additionally, it evaluates the derivative transactions to reduce the volatility in its cash flows caused by foreign exchange exposure, for the purpose of minimizing the mismatch between currencies and the effects of commodity prices, among others.

Usiminas does not have financial instrument contracts subject to margin calls.

5.3 Financial risk management policy

(a) Credit risk

Credit risk arises from cash and cash equivalents, deposits and investments with banks, as well as from credit exposures to customers, including outstanding receivables.

The sales policy of Usiminas is subject to the credit standards established by management, which seek to mitigate problems arising from customer defaults. Additionally, the Credit Committee evaluates and monitors customer risk, by means of a detailed analysis and selection of customers based on their payment capacity, debt ratio, balance sheet, and through diversification of trade receivables (dilution of risk).

The Company also records a provision for impairment of trade receivables (Note 10).

As to financial and other investments, the Usiminas' policy is to operate with highly-rated financial institutions. Furthermore, only securities and notes of entities rated by the international rating agencies as "A" or higher are accepted.

(b) Liquidity risk

Usiminas' conservative policy for managing financial assets and liabilities involves an analysis of the financial statements, equity, and rating of the Company's counterparties. This analysis aims to ensure the Company's required liquidity, define the concentration level of its operations, as well as to manage the exposure to the financial market risks, thereby diluting the liquidity risk.

Cash flow forecast is based on the budget approved by the Board of Directors and subsequent updates. This forecast considers, besides all the operating plans, the funding plans required to support Usiminas' expected investments and the debt maturity schedules. This work includes the monitoring of compliance with covenants and the internally recommended degree of financial leverage. The Treasury Department monitors the forecasts of the Company's direct cash flow on a daily basis to ensure it has sufficient cash to cover operational and investment needs and to meet its obligations.

Usiminas invests the cash held in Bank Deposit Certificates (CDB), Repurchase Agreements, and Investment Funds, by choosing instruments with appropriate maturities and suitable liquidity (Notes 8 and 9).

The table below analyzes Usiminas' main non-derivative financial liabilities by relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The table below discloses the contractual undiscounted cash flows.

				Parent
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At December 31, 2022				
Trade payables, contractors and freight charges	2,821,618	-	-	-
Borrowings	247,940	246,525	4,402,755	-
Debentures	322,743	331,282	1,424,132	2,271,045
Notes payable - Forfaiting	935,375	-	-	-
Lease liabilities	10,904	8,613	13,125	8,664
At December 31, 2021				
Trade payables, contractors and freight charges	2,304,017	-	-	-
Borrowings	265,543	264,960	4,972,436	-
Debentures	212,254	918,709	1,516,198	-
Notes payable - Forfaiting	715,551	-	-	-
Lease liabilities	7,234	6,453	21,403	-

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Consolidated Over 5 years
At December 31, 2022				
Trade payables, contractors and freight charges	2,838,631	-	-	-
Borrowings	238,628	237,200	4,478,605	-
Debentures	322,743	331,282	1,424,132	2,271,045
Notes payable - Forfaiting	935,375	-	-	-
Lease liabilities	44,632	38,943	53,703	10,184
At December 31, 2021				
Trade payables, contractors and freight charges	2,632,795	-	-	-
Borrowings	253,440	249,067	4,924,795	-
Debentures	212,254	918,709	1,516,198	-
Notes payable - Forfaiting	715,551	-	-	-
Lease liabilities	36,339	25,799	39,377	-

As the amounts above are the contractual undiscounted cash flows, they will not reconcile to the amounts disclosed in the balance sheet for borrowings, debentures, derivative financial instruments, and other liabilities.

(c) Foreign exchange risk

(i) Foreign exchange exposure

Usiminas operates internationally and is exposed to foreign exchange risk arising from certain currency exposures, primarily with respect to the U.S. Dollar and, to a lesser extent, the yen and the euro. Foreign exchange risk arises from recognized assets and liabilities in foreign operations, as described below.

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Assets in foreign currency				
Cash and cash equivalents	492,530	693,705	869,979	1,207,806
Marketable securities	-	-	25,319	33,765
Trade receivables	552,004	893,799	911,231	1,019,761
	1,044,534	1,587,504	1,806,529	2,261,332
Liabilities in foreign currency				
Borrowings	(3,983,198)	(4,251,459)	(3,983,198)	(4,251,459)
Trade payables, contractors, and freight	(1,133,939)	(893,008)	(1,139,247)	(925,937)
	(5,117,137)	(5,144,467)	(5,122,445)	(5,177,396)
Currency exposure	(4,072,603)	(3,556,963)	(3,315,916)	(2,916,064)

The borrowings and debentures are denominated in the following currencies:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Brazilian Real	2,214,339	2,044,223	2,214,359	2,048,118
U.S. Dollar	3,983,198	4,251,459	3,983,198	4,251,459
Total borrowings and debentures	6,197,537	6,295,682	6,197,557	6,299,577

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

The Company prepared a sensitivity analysis of outstanding assets and liabilities denominated in foreign currency at year-end, considering the foreign exchange rate at December 31, 2022. The data released by the Brazilian Central Bank (Focus Report) on foreign currency exchange rates are used as a reference for the rates included in the sensitivity analysis. Accordingly, scenario I considered a 5% devaluation of the Brazilian currency (R$) over the current scenario. Additionally, the exchange rate at December 31, 2022 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:

				12/31/2022
Currency	Foreign exchange rate at year-end	Scenario I	Scenario II	Scenario III
US$	5.2177	5.4786	6.5221	7.8266
Euro	5.5694	5.8479	6.9618	8.3541
Yen	0.0396	0.0415	0.0495	0.0594

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

			Consolidated
			12/31/2022
Currency	Scenario I	Scenario II	Scenario III
US$	(164,694)	(823,472)	(1,646,944)
Euro	(784)	(3,919)	(7,839)
Yen	(317)	(1,587)	(3,174)

(d) Cash flow or fair value interest rate risk

(i) Composition of borrowings by type of interest rate

Usiminas is exposed to interest rate risk arising from interest rates applied to financial investments, borrowings and debentures.

The composition of borrowings and debentures contracted, by type of interest rate, in current and non-current liabilities, is as follows:

	Parent				Consolidated			
	12/31/2022	%	12/31/2021	%	12/31/2022	%	12/31/2021	%
Borrowings								
Fixed rate	3,987,882	64	4,259,529	68	3,987,902	64	4,263,424	68
Debentures								
CDI rate	2,209,655	36	2,036,153	32	2,209,655	36	2,036,153	32
	6,197,537	100	6,295,682	100	6,197,557	100	6,299,577	100

(ii) Sensitivity analysis of changes in interest rates

The Company prepared a sensitivity analysis of outstanding assets and liabilities indexed to interest rates at the end of the period, considering the rates prevailing on December 31, 2022. The data released by the Brazilian Central Bank (Focus Report) on to interest rates are used as a reference for the rates included in the sensitivity analysis. Accordingly, scenario I considered a 5% devaluation of the Brazilian currency (R$) over the current scenario. Additionally, interest rates at December 31, 2022 was stressed by 25% and 50% to calculate scenarios II and III, respectively.

The rates used and the related scenarios are shown below:

				12/31/2022
Index	**Year-end rate**	**Scenario I**	**Scenario II**	**Scenario III**
CDI	13.7%	14.3%	17.1%	20.5%

The gains (losses) on the finance result, considering Scenarios I, II and III, are shown below:

			Consolidated
			12/31/2022
Index	**Scenario I**	**Scenario II**	**Scenario III**
CDI	7,442	37,212	74,424

The interest rate to which the Company is exposed, related to debentures (Note 21), refers mainly to the Interbank Deposit Certificate (CDI) rate.

5.4 Capital management

Usiminas' objectives when managing capital are to safeguard the ability to continue as a going concern, honor its commitments, and increase its 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	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Total borrowings, debentures and taxes payable in installments	6,202,257	6,300,145	6,202,279	6,304,042
Less: cash and cash equivalents and marketable securities	(2,068,540)	(2,248,306)	(5,072,361)	(7,023,549)
Net debt	4,133,717	4,051,839	1,129,918	(719,507)
Total equity	23,155,025	21,749,335	25,887,750	24,358,503
Total capitalization	27,288,742	25,801,174	27,017,668	23,638,996
Gearing ratio	15%	16%	4%	-3%

5.5 Fair value estimation

The balance of trade receivables less provision for impairment is assumed to approximate its fair value due to the short-term maturity of these receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Usiminas for similar financial instruments.

(a) Financial instruments measured at fair value in the balance sheet

Financial instruments recorded at fair value should be classified and disclosed in accordance with the levels described below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities (unobservable prices).
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques which maximize the utilization of available market data. At December 31, 2022, the Company's financial instruments comprised investments in CDB and derivative financial instruments (hedge) (Note 6).

At December 31, 2022 and 2021, Usiminas had no financial instruments classified in Levels 1 and 3 of the fair value hierarchy. The table below presents assets measured at fair value through profit or loss:

(i) Parent

	12/31/2022	12/31/2021
	Level 2	Level 2
Assets		
Marketable securities	246,349	92,243

At December 31, 2022 and 2021, the Parent had no derivative financial instruments classified as liabilities.

(ii) Consolidated

	12/31/2022	12/31/2021
	Level 2	Level 2
Assets		
Marketable securities	814,402	682,532

	12/31/2022	12/31/2021
	Level 2	Level 2
Liabilities		
Derivative financial instruments	100,678	68,772

The specific techniques used to value the financial instruments involve market price quotations, as well as quotations from financial institutions or brokers for similar financial instruments.

(b) Fair value of borrowings and debentures

In transactions related to debentures and bonds, the fair value reflects the current market value. The difference between the carrying amount and the market value, considering the possibility of repurchasing these securities, is determined based on rates disclosed on the Ambima, Vortx, Broadcast and Bloomberg websites, and are as follows:

				Parent
		12/31/2022		12/31/2021
	Carrying amount	Market value	Carrying amount	Market value
Bank loans – local currency	4,684	4,684	8,070	8,070
Debentures - local currency	2,209,655	2,223,000	2,036,153	2,046,741
Bonds	3,983,198	3,802,725	4,251,459	4,334,918
	6,197,537	6,030,409	6,295,682	6,389,729

				Consolidated
		12/31/2022		12/31/2021
	Carrying amount	Market value	Carrying amount	Market value
Bank loans – local currency	4,704	4,704	11,965	11,965
Debentures - local currency	2,209,655	2,223,000	2,036,153	2,046,741
Bonds	3,983,198	3,802,725	4,251,459	4,334,918
	6,197,557	6,030,429	6,299,577	6,393,624

(c) Other financial assets and liabilities

The fair values of other financial assets and liabilities do not significantly differ from their carrying amounts, inasmuch as they were negotiated and are recorded at rates and conditions adopted in the market for transactions of similar nature, risk and terms.

6 Derivative financial instruments

Hedge transactions are entered into by Usiminas mainly 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 does not settle transactions before their original maturity date and does not prepay its derivatives.

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

(a) Consolidated

Hedged item	Maturity groups month/year	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET)VALUE - BOOK VALUE		Gain/loss for the period
				12/31/2022		12/31/2021		12/31/2022	12/31/2021	12/31/2022
		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)	01/22	Ore FWD USD 106.95	Ore_Fut_SCOZ1	-	-	R$ 27.097	R$ 27,097	-	(1.486)	-
Iron ore (CFR China 62% Fe)	01/22	Ore FWD USD 91.50	Ore_Fut_SCOZ1	-	-	R$ 56.338	R$ 56.338	-	(13.001)	-
Iron ore (CFR China 62% Fe)	01/22	Ore FWD USD 91.50	Ore_Fut_SCOZ1	-	-	R$ 10.172	R$ 10.172	-	(2.342)	-
Iron ore (CFR China 62% Fe)	01/22	Ore FWD USD 102.00	Ore_Fut_SCOZ1	-	-	R$ 48.414	R$ 48.414	-	(4.978)	-
Iron ore (CFR China 62% Fe)	02/22	Ore FWD USD 90.00	Ore_Fut_SCOF2	-	-	R$ 25.174	R$ 25.174	-	(8.659)	(10.917)
Iron ore (CFR China 62% Fe)	02/22	Ore FWD USD 116.00	Ore_Fut_SCOF2	-	-	R$ 33.134	R$ 33.134	-	(1.413)	(4.020)
Iron ore (CFR China 62% Fe)	02/22	Ore FWD USD 120.00	Ore_Fut_SCOF2	-	-	R$ 33.494	R$ 33.494	-	(292)	(2.899)
Iron ore (CFR China 62% Fe)	03/22	Ore FWD USD 102.00	Ore_Fut_SCOG2	-	-	R$ 84.334	R$ 84.334	-	(15.453)	(30.226)
Iron ore (CFR China 62% Fe)	03/22	Ore FWD USD 105.00	Ore_Fut_SCOG2	-	-	R$ 87.695	R$ 87.695	-	(12.979)	(27.934)
Iron ore (CFR China 62% Fe)	04/22	Ore FWD USD 109.00	Ore_Fut_SCOH2	-	-	R$ 29.677	R$ 29.677	-	(3.070)	(9.744)
Iron ore (CFR China 62% Fe)	04/22	Ore FWD USD 111.00	Ore_Fut_SCOH2	-	-	R$ 61.463	R$ 61.463	-	(5.099)	(18.746)
Iron ore (CFR China 62% Fe)	05/22	Ore FWD USD 142.00	Ore_Fut_SCOJ2	-	-	-	-	-	-	(3.248)
Iron ore (CFR China 62% Fe)	05/22	Ore FWD USD 147.00	Ore_Fut_SCOJ2	-	-	-	-	-	-	(1.303)
Iron ore (CFR China 62% Fe)	06/22	Ore FWD USD 150.10	Ore_Fut_SCOK2	-	-	-	-	-	-	11.431
Iron ore (CFR China 62% Fe)	07/22	Ore FWD USD 150.02	Ore_Fut_SCOM2	-	-	-	-	-	-	7.842
Iron ore (CFR China 62% Fe)	07/22	Ore FWD USD 150.00	Ore_Fut_SCOM2	-	-	-	-	-	-	6.790
Iron ore (CFR China 62% Fe)	08/22	Ore FWD USD 129.18	Ore_Fut_SCON2	-	-	-	-	-	-	16.473
Iron ore (CFR China 62% Fe)	08/22	Ore FWD USD 143.70	Ore_Fut_SCON2	-	-	-	-	-	-	15.855
Iron ore (CFR China 62% Fe)	08/22	Ore FWD USD 143.70	Ore_Fut_SCON2	-	-	-	-	-	-	7.550
Iron ore (CFR China 62% Fe)	08/22	Ore FWD USD 143.80	Ore_Fut_SCON2	-	-	-	-	-	-	3.975
Iron ore (CFR China 62% Fe)	09/22	Ore FWD USD 116.05	Ore_Fut_SCON2	-	-	-	-	-	-	4.262
Iron ore (CFR China 62% Fe)	09/22	Ore FWD USD 118.00	Ore_Fut_SCOQ2			-	-	-	-	4.995
Iron ore (CFR China 62% Fe)	10/22	Ore FWD USD 116.19	Ore_Fut_SCOU2			-	-		-	13.999
Iron ore (CFR China 62% Fe)	11/22	Ore FWD USD 115.81	Ore_Fut_SCOV2			-	-		-	8.745
Iron ore (CFR China 62% Fe)	11/22	Ore FWD USD 107.95	Ore_Fut_SCOV2			-	-		-	5.909
Iron ore (CFR China 62% Fe)	11/22	Ore FWD USD 115.05	Ore_Fut_SCOV2			-	-		-	1.426
Iron ore (CFR China 62% Fe)	11/22	Ore FWD USD 113.39	Ore_Fut_SCOV2			-	-		-	15.959
Iron ore (CFR China 62% Fe)	12/22	Ore FWD USD 112.37	Ore_Fut_SCOX2			-	-		-	9.710
Iron ore (CFR China 62% Fe)	12/22	Ore FWD USD 115.25	Ore_Fut_SCOX2			-	-		-	5.701
Iron ore (CFR China 62% Fe)	01/23	Ore FWD USD 111.85	Ore_Fut_SCOZ2	R$ 56.987	R$ 56.987	-	-	284	-	284
Iron ore (CFR China 62% Fe)	01/23	Ore FWD USD 114.54	Ore_Fut_SCOZ2	R$ 29.119	R$ 29.119	-	-	832	-	832
minério de ferro (CFR China 62% Fe)	01/23	Ore FWD USD 90,23	Ore_Fut_SCOZ2	R$ 69.424	R$ 69.424	-	-	(16.142)	-	(16.142)
minério de ferro (CFR China 62% Fe)	02/23	Ore FWD USD 86,30	Ore_Fut_SCOF3	R$ 48.306	R$ 48.306	-	-	(17.853)	-	
minério de ferro (CFR China 62% Fe)	02/23	Ore FWD USD 86,30	Ore_Fut_SCOF3	R$ 15.629	R$ 15.629	-	-	(5.680)	-	
minério de ferro (CFR China 62% Fe)	02/23	Ore FWD USD 90,47	Ore_Fut_SCOF3	R$ 69.613	R$ 69.613	-	-	(20.350)	-	
minério de ferro (CFR China 62% Fe)	02/23	Ore FWD USD 97,30	Ore_Fut_SCOF3	R$ 77.110	R$ 77.110	-	-	(15.142)	-	
minério de ferro (CFR China 62% Fe)	02/23	Ore FWD USD 106,33	Ore_Fut_SCOF3	R$ 80.135	R$ 80.135	-	-	(8.251)	-	
minério de ferro (CFR China 62% Fe)	04/23	Ore FWD USD 107,04	Ore_Fut_SCOH3	R$ 82.892	R$ 82.892	-	-	(6.224)	-	
minério de ferro (CFR China 62% Fe)	05/23	Ore FWD USD 106,45	Ore_Fut_SCOJ3	R$ 82.432	R$ 82.432	-	-	(6.129)	-	
minério de ferro (CFR China 62% Fe)	06/23	Ore FWD USD 105,82	Ore_Fut_SCOK3	R$ 81.946	R$ 81.946	-	-	(6.023)	-	
Gain(loss) on export revenue for the period										16.559
Book balance (asset position net of the liability position)								(100.678)	(68.772)	

Book balances of the derivative financial instruments:

	Consolidated	
	12/31/2022	12/31/2021
Current liabilities	100,678	68,772

	Consolidated	
	12/31/2022	12/31/2021
In gross revenue - foreign market (i)	16,559	(44,598)

(i) Relates to hedging transactions contracted by the subsidiary Mineração Usiminas S.A. to protect iron ore prices.

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

At December 31, 2022, the subsidiary Mineração Usiminas entered into some hedging transactions to manage risk of fluctuations in ore prices, which affect its sales in the foreign market, and designated as hedge accounting some transactions with derivatives. Hedge accounting involves the recognition, in the statement of profit or loss, of gains/losses arising from changes in the fair value of the hedging instrument and the item being hedged at the same time.

On December 31, 2022, the subsidiary Mineração Usiminas performed retrospective and prospective effectiveness tests in accordance with IAS 39/CPC 38. These tests showed 100% effectiveness for transactions with derivative financial instruments designated as hedge instruments, as well as for exports designated as hedged items.

The commodity price hedge transactions designated as hedging instruments at December 31, 2022 are presented below:

					Consolidated
		Index			
Hedged item	Maturity (year/month)	Asset position	Liability position	Notional amount (amount contracted)	Gain (loss)
Iron ore (CFR China 62% Fe)	01/ 23	Ore FWD USD 111.85	Ore_Fut_SCOZ2	R$ 56,987	284
Iron ore (CFR China 62% Fe)	01/ 23	Ore FWD USD 114.54	Ore_Fut_SCOZ2	R$ 29,119	832
Iron ore (CFR China 62% Fe)	01/ 23	Ore FWD USD 90.23	Ore_Fut_SCOZ2	R$ 69,424	(16,142)
Iron ore (CFR China 62% Fe)	02/ 23	Ore FWD USD 86.30	Ore_Fut_SCOF3	R$ 48,306	(17,853)
Iron ore (CFR China 62% Fe)	02/ 23	Ore FWD USD 86.30	Ore_Fut_SCOF3	R$ 15,629	(5,680)
Iron ore (CFR China 62% Fe)	02/ 23	Ore FWD USD 90.47	Ore_Fut_SCOF3	R$ 69,613	(20,350)
Iron ore (CFR China 62% Fe)	02/ 23	Ore FWD USD 97.30	Ore_Fut_SCOF3	R$ 77,110	(15,142)
Iron ore (CFR China 62% Fe)	02/ 23	Ore FWD USD 106.33	Ore_Fut_SCOF3	R$ 80,135	(8,251)
Iron ore (CFR China 62% Fe)	04/ 23	Ore FWD USD 107.04	Ore_Fut_SCOH3	R$ 82,892	(6,224)
Iron ore (CFR China 62% Fe)	05/ 23	Ore FWD USD 106.45	Ore_Fut_SCOJ3	R$ 82,432	(6,129)
Iron ore (CFR China 62% Fe)	06/ 23	Ore FWD USD 105.82	Ore_Fut_SCOK3	R$ 81,946	(6,023)
				-	(100,678)

Hedge accounting recognized in equity is shown below:

	Consolidated	
	12/31/2022	12/31/2021
Opening balance recognized in equity	(8,030)	-
Gain (loss) recognized as hedging instrument in the year	(38,687)	(46,965)
Gain (loss) recognized as hedged item in the year	26,461	34,798
	(20,256)	(12,167)
Deferred taxes on profit (34%)	4,157	4,137
Closing balance recognized in equity (i)	(16,099)	(8,030)
Gain (loss) reversed from equity and classified as export revenue (redemptions)	16,559	(44,598)

(i) At December 31, 2022, the balance of R$11,270 recognized in the parent's equity, corresponds to the 70% ownership interest held in Mineração Usiminas S.A.

7 Financial instruments by category

(a) Parent

	12/31/2022			12/31/2021		
	Assets at amortized cost	Assets at fair value through profit or loss	Total	Assets at amortized cost	Assets at fair value through profit or loss	Total
Assets						
Cash and cash equivalents	1,822,191	-	1,822,191	2,156,063	-	2,156,063
Investment funds	-	246,349	246,349	-	-	-
Marketable securities	-	-	-	-	92,243	92,243
Trade receivables	3,613,014	-	3,613,014	3,663,511	-	3,663,511
Dividends receivable	190,865	-	190,865	536,521	-	536,521
Insurance indemnity receivable	352,661	-	352,661	349,031	-	349,031
Other financial assets (excluding prepayments)	445,619	-	445,619	363,197	-	363,197
	6,424,350	246,349	6,670,699	7,068,323	92,243	7,160,566

	12/31/2022	12/31/2021
	Liabilities at amortized cost	Liabilities at amortized cost
Liabilities		
Borrowings and debentures	6,197,537	6,295,682
Trade payables, contractors, and freights	2,821,618	2,304,017
Notes payable - Forfaiting	935,375	715,551
Lease liabilities	32,301	25,920
	9,986,831	9,341,170

(b) Consolidated

	12/31/2022			12/31/2021		
	Assets at amortized cost	Assets at fair value through profit or loss	Total	Assets at amortized cost	Assets at fair value through profit or loss	Total
Assets						
Cash and cash equivalents	2,916,047	-	2,916,047	6,341,017	-	6,341,017
Investment funds	-	789,083	789,083	-	264,180	264,180
Marketable securities	-	1,367,231	1,367,231	-	418,352	418,352
Trade receivables	3,596,928	-	3,596,928	3,652,273	-	3,652,273
Insurance indemnity receivable	352,661	-	352,661	349,031	-	349,031
Other asset financial instruments (excluding prepayments)	780,765	-	780,765	997,810	-	997,810
	7,646,401	2,156,314	9,802,715	11,340,131	682,532	12,022,663

			12/31/2022
	Liabilities at amortized cost	Liabilities at fair value through other comprehensive income	Total
Liabilities			
Borrowings and debentures	6,197,557	-	6,197,557
Derivative financial instruments (hedge)	-	100,678	100,678
Trade payables, contractors, and freights	2,838,631	-	2,838,631
Notes payable - Forfaiting	935,375	-	935,375
Lease liabilities	119,180	-	119,180
	10,090,743	100,678	10,191,421

			12/31/2021
	Liabilities at amortized cost	Liabilities at fair value through other comprehensive income	Total
Liabilities			
Borrowings and debentures	6,299,577	-	6,299,577
Derivative financial instruments (hedge)	-	68,772	68,772
Trade payables, contractors, and freights	2,632,795	-	2,632,795
Notes payable - Forfaiting	715,551	-	715,551
Lease liabilities	82,523	-	82,523
	9,730,446	68,772	9,799,218

8 Cash and cash equivalents

		Parent		Consolidated
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Banks - current accounts	3,859	120,045	87,870	151,406
Bank accounts abroad	492,530	693,705	869,979	1,207,806
Bank Deposit Certificates (CDB) and repurchase commitments	1,325,802	1,342,313	1,958,198	4,981,805
	1,822,191	2,156,063	2,916,047	6,341,017

Financial investments in Bank Deposit Certificates (CDBs) and repurchase transactions have immediate liquidity, and earn on average 102.30% (105.34% at December 31, 2021) of the CDI rate in the Parent, and 103.44% (105.70% at December 31, 2021) of the CDI rate in the Consolidated.

At December 31, 2022, Usiminas did not have overdraft accounts.

9 Marketable securities

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Bank Deposit Certificate (CDB)	-	92,243	1,341,912	384,587
Financial investments abroad	-	-	25,319	33,765
Investment funds	246,349	-	789,083	264,180
	246,349	92,243	2,156,314	682,532

At December 31, 2022, financial investments in CDB earn on average 102.30% (105.34% at December 31, 2021) of the CDI rate in the Parent and 103.44% (105.70% at December 31, 2021) of the CDI rate in the Consolidated.

At December 31, 2022, the amounts in investment funds comprised mainly federal government bonds, financial bills and CDBs, with earnings corresponding to 103.17% of the Interbank Deposit Certificate (CDI) rate in the Parent and in the Consolidated (101.26% in the Consolidated, at December 31, 2021). The mentioned investments funds are exclusive to Usiminas Companies and, therefore, there are no obligations with third parties to be disclosed.

None of these financial assets is past due or impaired.

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

10 Trade receivables

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Trade receivables:				
In local currency	1,826,202	1,807,007	2,677,831	2,814,666
In foreign currency	339,344	752,373	698,571	878,335
Provision for impairment of trade receivables (i)	(134,108)	(135,177)	(193,689)	(201,241)
Trade receivables, net	2,031,438	2,424,203	3,182,713	3,491,760
Receivables from related parties				
In local currency	1,364,706	1,093,379	197,345	14,584
In foreign currency	216,870	145,929	216,870	145,929
Receivables from related parties	1,581,576	1,239,308	414,215	160,513
	3,613,014	3,663,511	3,596,928	3,652,273
Current assets	3,579,107	3,606,160	3,547,946	3,563,328
Non-current assets	33,907	57,351	48,982	88,945

(i) Of the total provision for impairment of trade receivables in the Parent and Consolidated, R$4,210 (R$4,503 at December 31, 2021) refers to trade receivables denominated 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 is the Interbank Deposit Certificate (CDI), which was 13.65% p.a. at December 31, 2022 (9.25% p.a. at December 31, 2021). At December 31, 2022, the adjustment to present value totaled R$23,169 in the Parent and Consolidated (R$16,844 in the Parent and Consolidated at December 31, 2021). At December 31, 2022, the effects of adjustment to present value on profit or loss for the period totaled R$388,372 in the Parent and Consolidated (R$133,142 in the Parent and Consolidated at December 31, 2021) (Note 34).

Ageing analysis of trade receivables:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Amounts not yet due	2,987,021	3,574,189	3,408,974	3,616,518
Overdue:				
Up to 30 days	240,245	119,228	81,489	62,970
From 31 to 60 days	123,600	7,105	118,773	7,163
From 61 to 90 days	204,075	-	19,062	2,603
From 91 to 180 days	96,045	863	7,567	1,790
Over 181 days	96,136	97,303	154,752	162,470
(-) Provision for impairment of trade receivables	(134,108)	(135,177)	(193,689)	(201,241)
	3,613,014	3,663,511	3,596,928	3,652,273

At December 31, 2022, trade receivables amounting to R$625,993 in the Parent and R$187,954 in the Consolidated were past due but not impaired (R$89,322 and R$35,755 at December 31, 2021, respectively). These receivables relate to independent customers who do not have a recent history of default, or whose outstanding balances are collateralized.

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, the Company considers the recognition of a provision for impairment 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. Usually, the Company's customers demonstrate consistently good payment behavior over a period of time before the credit risk is considered to have increased.

Trade receivables are denominated in the following currencies:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Brazilian Real	3,061,010	2,769,712	2,685,697	2,632,512
U.S. Dollar	551,841	891,909	911,068	1,017,871
Euro	163	1,890	163	1,890
	3,613,014	3,663,511	3,596,928	3,652,273

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

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance	(135,177)	(137,208)	(201,241)	(197,946)
(Additions to) reversals from profit or loss	(237)	2,341	2,615	(3,240)
Write-offs against trade receivables	1,013	-	4,644	255
Foreign exchange gains (losses)	293	(310)	293	(310)
Closing balance	(134,108)	(135,177)	(193,689)	(201,241)

The additions to and release of the provision for impairment of trade receivables have been included in “Selling expenses” in the statement of profit or loss. Usiminas 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 does not hold any collateral for the accounts receivable.

11 Inventories

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current assets				
Finished products	1,719,799	1,655,902	2,157,792	1,802,859
Work in progress	2,480,661	1,936,511	2,508,762	1,963,322
Raw materials	3,310,698	1,888,919	4,114,424	2,716,510
Storeroom	679,025	607,757	775,963	685,070
Imports in transit	405,838	281,856	406,312	286,643
Provision for losses	(320,574)	(185,379)	(325,708)	(214,309)
Others	327,627	276,145	327,627	276,145
	8,603,074	6,461,711	9,965,172	7,516,240

Changes in the provision for inventory losses were as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance	(185,379)	(120,836)	(214,309)	(123,202)
Provision for adjustments to the net realizable value of inventories	(222,529)	(128,596)	(225,812)	(155,915)
Reversal of adjustments to the net realizable value of inventories	87,334	64,053	114,413	64,808
Closing balance	(320,574)	(185,379)	(325,708)	(214,309)

At December 31, 2022, the Company's inventories of coal amounted to R$253,276 recorded under Raw materials, in the Parent and Consolidated. On the same date, based on the expected use of the input in the production process, a provision for loss on these inventories in the amount of R$52,392 was set up in the Parent and Consolidated accounts, with a corresponding entry to "Other operating expenses" in the statement of profit or loss.

At December 31, 2022, in order to adjust to market value the balance of inventories of rolled products, a provision for loss on these inventories was set up in the amount of R$82,864, in the Parent and Consolidated, with a corresponding entry to "Cost of goods and/or services sold" in the statement of profit or loss.

12 Taxes recoverable

				Parent
		12/31/2022		12/31/2021
	Current	Non-current	Current	Non-current
Social Integration Program (PIS) (i) (ii)	50,632	121,649	189,304	127,166
Social Contribution on Revenues (COFINS) (i) (ii)	379,071	555,509	770,538	585,734
State Value-Added Tax (ICMS)	77,692	273,712	168,855	53,241
Excise Tax (IPI)	23,058	-	66,121	-
Export credit - Reintegra	7,289	-	4,378	19,490
Others	16	-	261	1,865
	537,758	950,870	1,199,457	787,496

(i) At December 31, 2022, the amount of R$117,316 in current assets (R$851,320 at December 31, 2021), relates mainly to credits arising from the exclusion of ICMS from the PIS/COFINS tax base (Note 25 (c)).
(i) At December 31, 2022, the amount of R$677,158 in non-current assets, (R$712,900 at December 31, 2021) relates mainly to credits arising from the exclusion of ICMS from the PIS/COFINS tax base (Note 25 (c)).

				Consolidated
		12/31/2022		12/31/2021
	Current	Non-current	Current	Non-current
Social Integration Program (PIS) (i) (ii)	63,484	194,435	243,109	144,992
Social Contribution on Revenues (COFINS) (i) (ii)	451,630	822,339	1,030,722	615,135
State Value-Added Tax (ICMS)	103,951	274,812	218,568	54,351
Excise Tax (IPI)	109,687	88,526	176,445	-
Export credit - Reintegra	7,289	-	4,378	19,490
National Institute of Social Security (INSS)	8,538	-	3,713	-
Service Tax (ISS)	2,301	-	-	-
Others	2,103	18,800	2,343	2,020
	748,983	1,398,912	1,679,278	835,988

(i) At December 31, 2022, the amount of R$184,075 in current assets (R$1,029,083 at December 31, 2021), relates mainly to credits arising from the exclusion of ICMS from the PIS/COFINS tax base (Note 25 (c)).
(i) At December 31, 2022, non-current assets include the amount of R$677,158 (December 31, 2021 – R$712,900), referring to PIS/COFINS credits arising from the depreciation of fixed assets, acquired up to April 30, 2004 and R$110,547 in non-current assets, (R$47,222 at December 31, 2021) relates mainly to credits arising from the exclusion of ICMS from the PIS/COFINS tax base (Note 25 (c)).

13 Income tax and social contribution

(a) Taxes on profit

The amounts of income tax and social contribution on net income differ from the theoretical value that would be obtained by using the nominal rates of such taxes, applicable to profit before taxation, in the Parent and Consolidated accounts, as shown below:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Profit before income tax and social contribution	2,322,963	10,067,011	3,278,914	12,336,277
Nominal rates	34%	34%	34%	34%
Income tax at nominal rates	(789,807)	(3,422,784)	(1,114,831)	(4,194,334)
Adjustments to determine taxable income:				
Equity in the results of investees	424,887	861,533	75,113	74,389
Interest on capital received	(71,035)	(64,906)	(11,338)	(8,067)
Interest on capital paid	-	229,097	25,584	253,457
Permanent exclusions (additions)	74,636	(4,741)	178,498	83,091
Recognized (unrecognized) deferred tax losses and negative base (i)	(379,253)	439,494	(379,047)	455,969
Exclusion of Selic rate indexation on overpaid taxes	20,803	906,310	21,692	967,671
Tax incentives	12,344	59,510	23,813	93,149
Non-taxable income and rate differences of foreign subsidiaries	-	-	(5,509)	(1,648)
Taxes on profit computed	(707,425)	(996,487)	(1,186,025)	(2,276,323)
Current	(290,017)	(972,739)	(653,386)	(2,332,338)
Deferred	(417,408)	(23,748)	(532,639)	56,015
Tax (expense) credit in the statement of profit or loss	(707,425)	(996,487)	(1,186,025)	(2,276,323)
Income tax	(516,892)	(717,459)	(865,709)	(1,649,528)
Social contribution	(190,533)	(279,028)	(320,316)	(626,795)
Effective rates	30%	10%	36%	18%

(i) As presented in Note 13 (b).

(b) Deferred income tax and social contribution

The balances and changes in deferred income tax and social contribution assets and liabilities at nominal rates were as follows:

(i) Parent

	12/31/2021	Equity/ Comprehensive income	Recognized in profit or loss	12/31/2022
In assets				
Income tax and social contribution				
Tax losses and negative base	1,576,860	-	(497,827)	1,079,033
Recognized (not recognized) deferred tax losses and negative base	539,908	-	-	539,908
Temporary provisions				
Provision for actuarial liability	201,771	(40,272)	8,397	169,896
Provision for lawsuits	273,067	-	(15,536)	257,531
Provision for inventory adjustments	63,029	-	45,967	108,996
Impairment of assets	82,125	-	575,759	657,884
Provision for unrealized inventory profit	164,961	-	(44,995)	119,966
Others	180,125	-	(43,485)	136,640
Total assets	3,081,846	(40,272)	28,280	3,069,854
In liabilities				
Income tax and social contribution				
Tax-incentive depreciation	4,992	-	(1,755)	3,237
Tax depreciation (i)	785,851	-	440,713	1,226,564
Adjustment to property, plant and equipment (IAS 29) (ii)	34,885	-	(2,362)	32,523
Monetary restatement of judicial deposits	46,783	-	2,558	49,341
Others	4,639	-	6,534	11,173
Total liabilities	877,150	-	445,688	1,322,838
Total, net	2,204,696	(40,272)	(417,408)	1,747,016

(i) Refers to differences in rates between tax depreciation and corporate depreciation.
(ii) Refers to the depreciation of the monetary restatement of property, plant and equipment, in accordance with IAS 29.

(ii) Consolidated

	12/31/2021	Equity/ Comprehensive income	Recognized in profit or loss	12/31/2022
In assets				
Income tax and social contribution				
Tax losses and negative base	1,514,332	-	(498,781)	1,015,551
Recognized (not recognized) deferred tax losses and negative base	551,077	-	-	551,077
Temporary provisions				
Provision for actuarial liability	222,448	(43,311)	10,518	189,655
Provision for lawsuits	361,707	-	(8,058)	353,649
Provision for inventory adjustments	90,667	-	27,563	118,230
Goodwill on acquisition of companies	288,700	-	(5,129)	283,571
Impairment of assets	298,680	-	469,343	768,023
Provision for unrealized inventory profit	164,961	-	(44,995)	119,966
Hedge accounting	4,138	4,155	-	8,293
Others	406,602	-	(38,455)	368,147
Total assets	3,903,312	(39,156)	(87,994)	3,776,162
In liabilities				
Income tax and social contribution				
Tax-incentive depreciation	4,992	-	(1,755)	3,237
Depreciation tax rate (i)	800,844	-	438,823	1,239,667
Adjustment to property, plant and equipment (IAS 29) (ii)	34,885	-	(2,362)	32,523
Monetary restatement of judicial deposits	63,340	-	7,475	70,815
Others	17,000	-	2,464	19,464
Total liabilities	921,061	-	444,645	1,365,706
Total, net	2,982,251	(39,156)	(532,639)	2,410,456

(i) Refers to differences in rates between tax depreciation and corporate depreciation.
(ii) Refers to the depreciation of the monetary restatement of property, plant and equipment, in accordance with IAS 29.

In the year ended December 31, 2022, management recorded a provision for tax credit losses in the amount of R$379,253 in the Parent and R$379,047 in the Consolidated (reversal of R$439,494 and R$455,969, respectively at December 31, 2021). Unrecognized deferred tax credits totaled R$797,756 in the Parent, and R$987,673 in the Consolidated (R$418,503 and R$608,626 respectively, at December 31, 2021). The Company's management will continue monitoring these unrecognized amounts, which may be accounted for as soon as their use becomes probable.

At December 31, 2022, the expected realization of the deferred taxes was as follows:

	Parent	Consolidated
2023	742,115	799,691
2024	166,671	206,346
2025	181,916	221,700
2026	199,245	239,145
2027 até 2029	801,141	939,262
2030 até 2032	978,766	1,129,021
2033 até 2035	-	53,621
After 2036 (i)	-	187,376
Assets	3,069,854	3,776,162
Liabilities	(1,322,838)	(1,365,706)
Net position	1,747,016	2,410,456

(i) In the Consolidated, the amounts refer mainly to tax credits from goodwill on the downstream merger of Mineração Usiminas. These tax credits were allocated to match the expected useful lives of the mines, which are expected to be fully depleted by 2053.

The recognition of tax assets is based on a study of the expected future taxable profit, reviewed by the Statutory Audit Board and approved by the Board of Directors. The study uses the same data and assumptions as those adopted in the impairment test of assets (Note 17).

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 tax credit offsets should not be considered as the only indication of the future profitability of Usiminas.

(c) Income tax and social contribution in current liabilities

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Income tax				
Current income (expenses)	(210,299)	(699,889)	(474,386)	(1,689,979)
Prepayments and offsets in the year	210,299	694,881	430,564	1,050,416
	-	(5,008)	(43,822)	(639,563)
Social contribution				
Current income (expenses)	(79,718)	(272,850)	(179,000)	(642,359)
Prepayments and offsets in the year	79,718	253,044	174,921	408,616
	-	(19,806)	(4,079)	(233,743)
Total income tax and social contribution payable	-	(24,814)	(47,901)	(873,306)

(d) Prepaid income tax and social contribution

At December 31, 2022, the balances of prepaid income tax and social contribution, recorded in current assets, totaled R$128,292 in the Parent and R$163,436 in the Consolidated (R$35,011 in the Consolidated at December 31, 2021). These amounts relate to the estimates determined and paid monthly for these taxes, which exceeded the amounts effectively computed at the end of the period.

The balances of prepaid income tax and social contribution can be offset against federal taxes payable in coming years.

14 Judicial deposits

						Parent
			12/31/2022			12/31/2021
	Judicial deposits	Taxes payable in installments	Net balance	Judicial deposits	Taxes payable in installments	Net balance
IPI	176,825	(106,138)	70,687	176,823	(106,138)	70,685
IR and CSLL	152,847	(57,090)	95,757	152,847	(57,090)	95,757
INSS	35,207	(7,264)	27,943	37,120	(7,264)	29,856
CIDE	26,384	(26,384)	-	26,384	(26,384)	-
ICMS	6,606	-	6,606	6,249	-	6,249
COFINS	2,764	-	2,764	2,625	-	2,625
Labor claims	110,504	-	110,504	136,331	-	136,331
Civil claims	37,769	(16)	37,753	36,762	(16)	36,746
Other	7,900	-	7,900	4,232	-	4,232
Provision for losses (i)	(88,493)	-	(88,493)	(88,493)	-	(88,493)
	468,313	(196,892)	271,421	490,880	(196,892)	293,988

(i) Refers to the provision for losses on IRPJ/CSLL (Elimination of the inflation effects of the Verão Economic Stabilization Plan) and INSS (Independent contractors).

						Consolidated
			12/31/2022			12/31/2021
	Judicial deposits	Taxes payable in installments	Net balance	Judicial deposits	Taxes payable in installments	Net balance
IPI	176,825	(106,138)	70,687	176,823	(106,138)	70,685
IR and CSLL	158,787	(57,090)	101,697	158,787	(57,090)	101,697
INSS	45,446	(7,264)	38,182	46,633	(7,264)	39,369
CIDE*	26,384	(26,384)	-	26,384	(26,384)	-
ICMS	7,829	-	7,829	7,434	-	7,434
COFINS	4,180	-	4,180	3,652	-	3,652
CFEM**	150,199	-	150,199	99,281	-	99,281
Labor claims	159,880	-	159,880	190,767	-	190,767
Civil claims	41,027	(16)	41,011	39,386	(16)	39,370
Other	28,605	-	28,605	25,554	-	25,554
Provision for losses (i)	(88,493)	-	(88,493)	(88,493)	-	(88,493)
	710,669	(196,892)	513,777	686,208	(196,892)	489,316

(i) Refers to the provision for losses on IRPJ/CSLL (Elimination of the inflation effects of the Verão Economic Stabilization Plan) and INSS (Independent contractors).

* CIDE: Contribution for Intervention on the Economic Domain
** CEFEM: Compensation for Mineral Exploration

Changes in judicial deposits were as follows:

		Parent		Consolidated
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance	490,880	549,507	686,208	740,300
Additions	5,658	2,626	45,265	37,282
Interest/inflation indexation	8,081	5,292	24,053	11,005
Reversals	(14,550)	(43,805)	(23,022)	(78,456)
Payments	(21,756)	(22,740)	(21,835)	(23,923)
Closing balance	468,313	490,880	710,669	686,208

15 Investments

(a) Changes in investments

(i) Parent

	12/31/2021	Equity in the results of investees	Interest on capital and dividends	Unrealized inventory profit	Actuarial Liability	Others	12/31/2022
Subsidiaries							
Mineração Usiminas	4,853,654	831,954	(671,383)	-	(302)	(5,648)	5,008,275
Soluções Usiminas	624,203	296,610	(140,890)	132,338	338	-	912,599
Usiminas International	68,314	(16,205)	-	-	-	-	52,109
Usiminas Mecânica	111,350	12,900	37,500	-	5,805	-	167,555
Usiminas Participações e Logística S.A. (UPL)	91,939	16,239	(3,857)	-	(7)	-	104,314
Others	75,475	-	-	-	-	18,520	93,995
	5,824,935	1,141,498	(778,630)	132,338	5,834	12,872	6,338,847
Jointly-controlled subsidiaries							
Unigal	510,274	99,277	(105,000)	-	(144)	-	504,407
Usiroll	13,806	2,040	(1,000)	-	(12)	-	14,834
	524,080	101,317	(106,000)	-	(156)	-	519,241
Associates							
Codeme	38,777	4,016	(3,186)	-	-	-	39,607
MRS	13,544	2,444	(580)	-	(2)	-	15,406
	52,321	6,460	(3,766)	-	(2)	-	55,013
	6,401,336	1,249,275	(888,396)	132,338	5,676	12,872	6,913,101

At December 31, 2022, equity in the results of investees in the Parent, presented in changes in investments, is reconciled as follows:

	Parent
Equity in the results of investees presented in the statements of income and cash flows	1,382,009
Net capital deficiency of the subsidiary Rios Unidos	(396)
Unrealized profit determined in the subsidiaries Soluções Usiminas and Usiminas Mecânica.	(132,338)
Equity in the results of investees presented in changes in investments	1,249,275

(ii) Consolidated

	12/31/2021	Equity in the results of investees	Interest on capital and dividends	Additions / reductions	Actuarial liability	12/31/2022
Jointly-controlled subsidiaries						
Jointly-controlled subsidiaries	526,520	104,924	(109,591)	-	(156)	521,697
Goodwill on jointly-controlled subsidiaries	4,668	-	-	-	-	4,668
	531,188	104,924	(109,591)	-	(156)	526,365
Associates						
Investments in associates	600,014	116,001	(38,203)	4	(44)	677,772
Goodwill on associates	7,200	-	-	-	-	7,200
	607,214	116,001	(38,203)	4	(44)	684,972
Total	1,138,402	220,925	(147,794)	4	(200)	1,211,337

At December 31, changes in dividends receivable were as follows:

	Parent		Consolidated	
Nature	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Dividends receivable at the beginning of the year	536,521	380,516	18,182	11,686
Dividends and interest on capital received	(1,234,476)	(763,522)	(137,255)	(128,235)
Dividends proposed and interest on capital	888,396	948,174	147,794	139,052
Income Tax Withheld at Source (IRRF) on interest on capital	(31,339)	(28,632)	(5,002)	(3,555)
Other (i)	31,763	(15)	(990)	(766)
Dividends receivable at the end of the year, net	190,865	536,521	22,729	18,182

(i) At December 31, 2022, this amount in the Parent includes R$37,500 relating to the reversal of dividends from Usiminas Mecânica, as the profit for 2021 was used to absorb accrued losses from previous years.

Dividends and interest on capital received are classified in cash flow from investing activities.

(b) Financial information on associated companies

The Company's share of profit (loss) in its most significant associates at December 31, 2022 is shown below:

	Country of incorporation	Assets	Liabilities	Equity	Net revenue	Profit	% interest held
Codeme	Brazil	294,383	155,672	138,711	238,340	9,523	30.77%
MRS (i)	Brazil	14,532,173	9,018,539	5,513,634	5,592,118	874,175	11.41%

(i) Direct investment of 0.28% and indirect investment of 11.13% through UPL.

The share of profit or loss was calculated after income tax and social contribution and non-controlling interest in associates.

The voting capital percentage in the associated companies is the same as that of total capital, except for the company MRS, where the percentage of voting capital is 19.92%. Since Usiminas participates in the control group and has significant influence, this investment is classified as an associated company.

The summarized financial statements of the jointly-controlled subsidiaries are shown below.

(i) Summarized balance sheets

			12/31/2022			12/31/2021
	Modal	Unigal	Usiroll	Modal	Unigal	Usiroll
Current assets						
Cash and cash equivalents	2,811	21,100	2,386	2,753	93,155	6,538
Trade receivables	1,224	54,820	4,600	1,496	60,355	4,051
Inventories	-	54,438	1,783	-	45,237	1,569
Taxes recoverable	-	9,233	-	-	5,845	-
Others	8	58,723	330	7	4,284	202
Total current assets	4,043	198,314	9,099	4,256	208,876	12,360
Non-current assets						
Long-term receivables	-	19,059	96	-	17,719	71
Property, plant and equipment	1,795	790,749	24,652	2,001	801,148	21,124
Intangible assets	-	1,282	-	-	786	2
Total non-current assets	1,795	811,090	24,748	2,001	819,653	21,197
Total assets	5,838	1,009,404	33,847	6,257	1,028,529	33,557
Liabilities and equity						
Trade payables	172	29,545	2,532	203	17,007	4,375
Contingencies	-	2,360	-	-	3,497	-
Deferred income tax and social contribution	-	228,565	-	-	226,203	-
Others	757	20,845	1,648	1,175	42,785	1,571
Equity	4,909	728,089	29,667	4,879	739,037	27,611
Total liabilities and equity	5,838	1,009,404	33,847	6,257	1,028,529	33,557

(ii) Summarized statements of profit or loss

			12/31/2022			12/31/2021
	Modal	Unigal	Usiroll	Modal	Unigal	Usiroll
Net sales and services	13,370	330,640	20,692	12,033	347,841	18,968
Cost of sales and services	(4,793)	(149,198)	(11,955)	(3,971)	(129,014)	(10,268)
Operating (expenses) income	(37)	(20,505)	(3,036)	(19)	(17,505)	(2,313)
Finance income (costs)	293	23,126	427	77	10,214	356
Provision for IRPJ and CSLL	(1,619)	(44,806)	(2,049)	(1,391)	(45,755)	(2,251)
Profit for the year	7,214	139,257	4,079	6,729	165,781	4,492

16 Property, plant and equipment

							Parent
				12/31/2022			12/31/2021
	Weighted average rate of annual depreciation	Cost	Accumulated depreciation	PP&E, net	Cost	Accumulated depreciation	PP&E, net
In operation							
Buildings	5	1,870,055	(1,235,536)	634,519	1,864,457	(1,208,650)	655,807
Machinery and equipment	5	16,638,568	(11,930,968)	4,707,600	17,946,194	(11,402,986)	6,543,208
Facilities	5	1,029,117	(397,419)	631,698	988,948	(362,297)	626,651
Furniture and fittings	14	62,839	(53,312)	9,527	60,126	(50,358)	9,768
IT equipment	20	279,488	(208,776)	70,712	221,044	(193,201)	27,843
Vehicles	24	34,562	(34,528)	34	34,809	(34,768)	41
Tools and instruments	21	190,765	(177,953)	12,812	187,862	(172,730)	15,132
Right of use		72,272	(41,019)	31,253	56,925	(31,463)	25,462
		20,177,666	(14,079,511)	6,098,155	21,360,365	(13,456,453)	7,903,912
Land		279,595	-	279,595	274,419	-	274,419
Total in operation		20,457,261	(14,079,511)	6,377,750	21,634,784	(13,456,453)	8,178,331
Under construction							
Construction in progress		2,353,507	-	2,353,507	1,121,174	-	1,121,174
Assets in progress		141,075	-	141,075	91,178	-	91,178
Imports in transit		33,282	-	33,282	87,882	-	87,882
Advances to suppliers		99,331	-	99,331	63,837	-	63,837
Capitalized charges of loans, financing and debentures		88,056	-	88,056	29,954	-	29,954
Others		59,915	-	59,915	64,489	-	64,489
Total under construction		2,775,166	-	2,775,166	1,458,514	-	1,458,514
		23,232,427	(14,079,511)	9,152,916	23,093,298	(13,456,453)	9,636,845

	Weighted average rate of annual depreciation (%)	12/31/2022 Cost	12/31/2022 Accumulated depreciation	12/31/2022 PP&E, net	12/31/2021 Cost	12/31/2021 Accumulated depreciation	12/31/2021 PP&E, net
In operation							
Buildings	5	2,269,372	(1,500,867)	768,505	2,248,496	(1,467,274)	781,222
Machinery and equipment	5	17,986,420	(12,975,300)	5,011,120	19,187,927	(12,405,367)	6,782,560
Facilities	5	2,027,899	(1,000,878)	1,027,021	1,748,024	(884,958)	863,066
Furniture and fittings	14	77,531	(65,999)	11,532	73,733	(62,325)	11,408
IT equipment	20	337,816	(253,243)	84,573	274,777	(234,333)	40,444
Vehicles	24	50,061	(47,285)	2,776	49,144	(47,732)	1,412
Tools and instruments	21	217,651	(200,308)	17,343	209,856	(192,363)	17,493
Right of use	19	245,935	(130,210)	115,725	164,074	(87,159)	76,915
Others		208,081	(20,913)	187,168	115,496	(16,806)	98,690
		23,420,766	(16,195,003)	7,225,763	24,071,527	(15,398,317)	8,673,210
Land		460,572	-	460,572	449,272	-	449,272
Total in operation		23,881,338	(16,195,003)	7,686,335	24,520,799	(15,398,317)	9,122,482
Under construction							
Construction in progress		2,631,724	-	2,631,724	1,518,868	-	1,518,868
Assets in progress		218,098	-	218,098	189,111	-	189,111
Imports in transit		33,548	-	33,548	88,148	-	88,148
Advances to suppliers		102,895	-	102,895	65,099	-	65,099
Capitalized charges of loans, financing and debentures		88,056	-	88,056	30,617	-	30,617
Others		59,915	-	59,915	71,360	-	71,360
Total under construction		3,134,236	-	3,134,236	1,963,203	-	1,963,203
		27,015,574	(16,195,003)	10,820,571	26,484,002	(15,398,317)	11,085,685

Consolidated

Changes in property, plant and equipment were as follows:

									Parent
	Buildings	**Machinery and equipment**	**Facilities**	**Tools and instruments**	**Land**	**Construction in progress**	**Right of use**	**Others**	**Total**
At December 31, 2021	655,807	6,543,208	626,651	15,132	274,419	1,458,514	25,462	37,652	9,636,845
Additions (i)	102	30,878	6,062	-	-	1,700,608	-	1,588	1,739,238
Remeasurement	-	-	-	-	-	-	15,347	-	15,347
Write-offs	-	(190)	-	-	(5,092)	(1,423)	-	-	(6,705)
Depreciation	(39,719)	(531,486)	(36,008)	(5,566)	-	-	(9,556)	(18,580)	(640,915)
Capitalized charges of loans, financing and Debentures (ii)	-	-	-	-	-	88,056	-	-	88,056
Impairment	-	(1,697,561)	-	-	-	-	-	-	(1,697,561)
Transfers	18,329	362,751	34,993	3,246	-	(478,932)	-	59,613	-
Others	-	-	-	-	10,268	8,343	-	-	18,611
At December 31, 2022	634,519	4,707,600	631,698	12,812	279,595	2,775,166	31,253	80,273	9,152,916

(i) In the Parent, additions to property, plant and equipment relate to purchases of R$1,739,238.
(ii) These charges were capitalized at the contracted rates (Note 20).

									Parent
	Buildings	**Machinery and equipment**	**Facilities**	**Tools and instruments**	**Land**	**Construction in progress**	**Right of use**	**Others**	**Total**
At December 31, 2020	714,259	6,949,476	642,827	18,807	274,423	982,499	6,977	38,589	9,627,857
Additions (i)	38	43,564	2,854	-	-	1,077,808	-	-	1,124,264
Remeasurement	-	-	-	-	-	-	27,388	-	27,388
Write-offs	(227)	(30)	(412)	-	(4)	(3,666)	-	(1)	(4,340)
Depreciation	(42,075)	(657,045)	(35,654)	(5,822)	-	-	(8,903)	(13,151)	(762,650)
Capitalized charges of loans, financing and Debentures (ii)	-	-	-	-	-	29,954	-	-	29,954
Impairment	(15,020)	(324,452)	(26,436)	(21)	-	(41,628)	-	-	(407,557)
Transfers	(1,168)	531,695	43,472	2,168	-	(588,382)	-	12,215	-
Others	-	-	-	-	-	1,929	-	-	1,929
At December 31, 2021	655,807	6,543,208	626,651	15,132	274,419	1,458,514	25,462	37,652	9,636,845

(i) In the Parent, additions to property, plant and equipment relate to purchases of R$1,124,264.
(ii) These charges were capitalized at the contracted rates (Note 20).

	Buildings	Machinery and equipment	Facilities	Tools and instruments	Land	Construction in progress	Right of use	Others	Total
									Consolidated
At December 31, 2021	781,222	6,782,560	863,066	17,493	449,272	1,963,203	76,915	151,954	11,085,685
Additions (i)	913	35,707	10,136	756	-	1,976,675	-	95,035	2,119,222
Remeasurement	-	-	-	-	-	-	81,861	-	81,861
Write-offs	(5,675)	(520)	(650)	-	(6,271)	(1,423)	-	-	(14,539)
Depreciation	(59,563)	(599,277)	(124,779)	(6,639)	-	-	(43,107)	(27,750)	(861,115)
Capitalized charges of loans, financing and Debentures (ii)	-	-	-	-	-	88,056	-	-	88,056
Impairment (iii)	448	(1,697,682)	138	(772)	-	334	-	(27)	(1,697,561)
Transfers	51,163	490,334	279,110	6,508	7,303	(901,257)	-	66,839	-
Others	(3)	(2)	-	(3)	10,268	8,648	56	(2)	18,962
At December 31, 2022	768,505	5,011,120	1,027,021	17,343	460,572	3,134,236	115,725	286,049	10,820,571

(i) Additions to property, plant and equipment in the Consolidated amount to R$2,119,222, including purchases in the amount of R$2,026,636 and environmental recovery of mines in the amount of R$92,586.
(ii) These charges were capitalized at the contracted rates (Note 20).
(iii) Refers to impairment of property, plant and equipment (Note 17).

	Buildings	Machinery and equipment	Facilities	Tools and instruments	Land	Construction in progress	Right of use	Others	Total
									Consolidated
At December 31, 2020	860,783	7,236,954	921,187	20,645	456,025	1,302,512	60,395	147,533	11,006,034
Additions (i)	38	45,839	2,854	339	-	1,340,484	-	173	1,389,727
Remeasurement	-	-	-	-	-	-	50,137	-	50,137
Write-offs	(9,755)	(18,124)	(650)	(8)	(5,771)	(5,733)	-	(26)	(40,067)
Depreciation	(73,458)	(712,088)	(98,288)	(6,457)	-	-	(33,615)	(19,487)	(943,393)
Capitalized charges of loans, financing and Debentures (ii)	-	-	-	-	-	29,954	-	-	29,954
Impairment (iii)	(14,565)	(324,664)	(28,871)	(2,586)	-	(36,862)	-	(9)	(407,557)
Transfers	18,179	554,642	66,839	5,564	(982)	(668,011)	1	23,768	-
Others	-	1	(5)	(4)	-	859	(3)	2	850
At December 31, 2021	781,222	6,782,560	863,066	17,493	449,272	1,963,203	76,915	151,954	11,085,685

(i) In the Consolidated, additions to property, plant and equipment relate to cash purchases of R$1,389,727.
(ii) These charges were capitalized at the contracted rates (Note 20).
(iii) Refers to impairment of property, plant and equipment (Note 17).

At December 31, 2022, additions to property, plant and equipment refer mainly to expenses incurred for the renovation of Blast Furnace nº 3, coke plants, and steel mill, in addition to other works performed to keep the Company's production capacity.

At December 31, 2022, construction in progress amounting to R$ R$3,134,236 (R$ R$1,963,203 at December 31, 2021) in the Consolidated refers to projects for improving manufacturing processes and maintaining the production capacity.

At December 31, 2022, interest and foreign exchange variations on borrowings amounting to R$88,056 (R$29,954 at December 31, 2021) were capitalized in property, plant and equipment, in the Parent and Consolidated. These charges were capitalized at the contracted rates (Note 20).

At December 31, 2022, depreciation in the Parent was recognized within "Cost of sales", "Other operating income (expenses)", "Selling expenses" and "General and administrative expenses", in the amounts of R$555,097, R$64,406, R$2,964 and R$18,448 (R$596,296, R$150,754, R$3,043 and R$12,557 at December 31, 2021), respectively. 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$747,437, R$87,094, R$4,488 and R$22,096 (R$762,296, R$161,385, R$4,283 and R$15,429 at December 31, 2021), respectively.

Some property, plant and equipment items have been pledged as collateral for borrowings and judicial proceedings (Note 40).

17 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 operates, as well as each segment's assumptions of expected results and history of profitability.

Usiminas has three cash generating units or reportable operating segments, which offer different products and services, and are managed separately. These cash generating units are determined based on the smallest identifiable group of assets that generates cash inflows. There are no different segments or cash generating units within the same company.

The cash generating units and/or reportable segments identified in the Company are Mining and Logistics, Steel Metallurgy, Steel Transformation and (Note 29).

(a) General assumptions and criteria

The calculations of value in use utilize cash-flow projections based on financial budgets approved by the Executive Board. Based on the estimate that the net fair value of selling expenses is lower than the value in use, the latter was used to determine the recoverable value.

For calculating the recoverable value, four-year projections of sales volumes, average prices and operating costs were prepared by the commercial and planning areas, considering market share, international price changes and dollar and inflation rates based on market reports. The need for working capital and investments to maintain the assets tested were also considered.

For subsequent years, growth rates were adopted based on estimated sales volumes, as well as long-term inflation and foreign exchange rates.

The Company considered market sources to define the inflation and foreign exchange rates used to project future cash flows. For the projection of annual exchange rates (R$/US$), the long-term inflation rates in the United States and Brazil were considered.

The long-term inflation rate used in projected cash flows was 3.37% p.a.

In fiscal year 2022, the discount rates applied in the projections of future cash flows represent an estimate of the rate that the market would use to address the risks to the asset under assessment. The Company adopted different rates for each business segment tested to reflect its capital structure. The estimated future cash flows of the steel segment were discounted at a nominal rate of 14.99%. The estimated future cash flows of the mining and logistics segment were discounted at the effective rate of 9.19% and nominal rate of 13.06%.

The scenarios used in the aforementioned tests are based on Usiminas' best estimates for future results and cash generation from its business segments.

No indicators of impairment were identified for the transformation segment.

(b) Recoverable amount and recognized losses

(i) Intangible assets with indefinite useful lives

The following cash-generating units have intangible assets with indefinite useful lives (goodwill) for which impairment testing is performed annually:

	Consolidated	
	12/31/2022	12/31/2021
Mining and Logistics	11,868	11,868
Steel Transformation	2,433	2,433
	14,301	14,301

The Steel Metallurgy unit does not have intangible assets with indefinite useful lives.

(ii) Other long-term assets

At December 31, 2022 and 2021, the Company tested the assets of its cash generating units for impairment, and the following impairment/reversals of impairment were recognized in the statement of profit or loss, under Other operating income (expenses) (Note 33 (b)):

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Mining and Logistics				
Mineral rights (i)	-	-	293,464	-
Property, plant and equipment	-	-	-	3,030
Investment properties	-	-	3,160	-
Steel Metallurgy				
Investments (iii)	20,260	-	-	-
Property, plant and equipment (ii)	(1,697,561)	(407,557)	(1,697,561)	(407,557)
Intangible assets (i) (iii)	-	-	20,260	-
Investment properties	(16,107)	7,270	(16,107)	7,270
	(1,693,408)	(400,287)	(1,396,784)	(397,257)

(i) The reversal of the impairment of the mining right occurred, substantially, due to changes in the estimated future price of iron ore and the dollar.
(ii) As presented in item (d) (i).
(iii) In the Parent Company, on December 31, 2022, the amount of R$20,260 refers to the reversal of impairment of an asset generated in the acquisition of a subsidiary, which in the Consolidated is reclassified to property, plant and equipment.

Long-term assets of the Steel Transformation unit were reviewed, and no evidence of impairment was identified.

(c) Impairment testing of the Mining segment

The value in use of the Mining segment was updated to reflect management's best estimates of future results from the processing and sale of iron ore, based on projections of sales price, expenses and investments. This evaluation can change depending on commodity price fluctuations, and any changes in long-term expectations may lead to future adjustments to the amount recognized.

The Company considered market sources to define the inflation and foreign exchange rates used to project future cash flows. Short-term projections of iron ore prices (CFR China, 62% Fe) ranged from US$85.00 to US$103.00/metric ton, and US$77.00/metric ton for long-term projections. The prices used to calculate future cash flows are within the range of the estimates disclosed by market analysts.

At December 31, 2022, the impairment of mining rights in the amount of R$293,464, allocated to intangible assets, was reversed. A reversal of loss in the amount of R$3,160 was recorded in Investment properties, related to a plot of land in Itaguaí. The reversal resulted from the appreciation of the fair value of the property in relation to its cost, which reflects the market conditions on the balance sheet date.

No impairment losses on goodwill were determined at December 31, 2022 and 2021.

During the year ended December 31, 2022, the Company continued monitoring the remaining impairment loss of R$254,271 (R$22,265 on inventories and R$232,006 on mineral rights) recorded in prior years, which will be reversed as future projections make it possible.

The key assumptions of this business segment will also be continuously monitored.

(d) Impairment testing of the Steel Metallurgy segment

(i) Usiminas

In line with CVM Resolution 90/ 2022, the Company performed an analysis of the recoverability of its assets at December 31, 2022. The review of the estimates of future sales volumes combined with the projected increase in costs of raw materials indexed to the U.S. dollar reduced the estimated net recoverable value of the tested assets, resulting in an impairment loss.

The recoverable values of the assets were determined based on Usiminas' budgeted cash flows for the next 4 years.

For the Steel Metallurgy segment, an impairment loss of R$1,697,561 was recognized for the year ended December 31, 2022 (R$407.557 at December, 31, 2021), using the discounted cash flow method. A loss of R$16,107 (reversal of R$7,270 at December 31, 2021) was recognized on investment properties, as a result of the valuation of assets at market value. Furthermore, the impairment loss of R$20,260 recorded on investment arising from assets generated in the acquisition of subsidiary, which in the Consolidated was reclassified to property, plant and equipment, was reversed, with a net effect on results of R$1,693,408 (Note 33 (b)).

Management will continue to monitor the results in 2023, which will determine the reasonableness of the future projections used.

(ii) Usiminas Mecânica

Usiminas Mecânica uses the discounted cash flow method, based on economic and financial projections that take into consideration changes in the economic scenario of the capital asset markets, as well as assumptions of expected results, and the history of profitability.

No impairment losses were recognized at Usiminas Mecânica for the year ended December 31, 2022.

The long-term assets of Usiminas Mecânica were reviewed, based on updated projections and assumptions, and no reversal of impairment was identified.

The remaining impairment loss for Usiminas Mecânica at December 31, 2022, totaling R$91,931 (R$1,193 on intangible assets and R$90,738 on property, plant and equipment), continues to be monitored by the Company and will be reversed as future projections make it possible.

The Company will continue to monitor the key assumptions adopted for Usiminas Mecânica.

18 Intangible assets

The composition of intangible assets is as follows:

							Parent
				12/31/2022			12/31/2021
	Weighted average rate of annual amortization (%)	Cost	Accumulated amortization	Net balance	Cost	Accumulated amortization	Net balance
Software	25	341,517	(269,807)	71,710	294,632	(252,699)	41,933
Intangible assets in progress	-	66,408	-	66,408	76,733	-	76,733
		407,925	(269,807)	138,118	371,365	(252,699)	118,666

							Consolidated
				12/31/2022			12/31/2021
	Weighted average rate of annual amortization (%)	Cost	Accumulated amortization	Net balance	Cost	Accumulated amortization	Net balance
Software	25	429,912	(332,161)	97,751	367,061	(312,594)	54,467
Goodwill	-	2,433	-	2,433	2,433	-	2,433
Mineral rights (i)	-	2,221,929	(170,803)	2,051,126	2,223,667	(142,952)	2,080,715
Reversal of impairment of assets	-	(246,659)	-	(246,659)	(568,116)	-	(568,116)
Others	-	75,052	(3,763)	71,289	84,766	(3,619)	81,147
		2,482,667	(506,727)	1,975,940	2,109,811	(459,165)	1,650,646

(i) Mineral rights are amortized over the life of the mine at an average rate of R$1,58 per metric ton (rate adjusted considering the net value of the asset, net of impairment, which reflects the estimated cost of each metric ton depleted from the mines).

Changes in intangible assets were as follows:

			Parent
	Software acquired	Intangible assets in progress	Total
Net book value at December 31, 2021	41,933	76,733	118,666
Additions	1,102	47,261	48,363
Transfers	39,031	(39,031)	-
Amortization	(17,108)	-	(17,108)
Others	6,752	(18,555)	(11,803)
At December 31, 2022	71,710	66,408	138,118
Total cost	341,517	66,408	407,925
Accumulated amortization	(269,807)	-	(269,807)
Net book value at December 31, 2022	71,710	66,408	138,118
Annual amortization rate %	25	-	-

			Parent
	Software acquired	Intangible assets in progress	Total
Net book value at December 31, 2020	49,420	54,692	104,112
Additions	219	36,005	36,224
Transfers	13,964	(13,964)	-
Amortization	(18,829)	-	(18,829)
Others	(2,841)	-	(2,841)
At December 31, 2021	41,933	76,733	118,666
Total cost	294,632	76,733	371,365
Accumulated amortization	(252,699)	-	(252,699)
Net book value at December 31, 2021	41,933	76,733	118,666
Annual amortization rate %	19	-	-

	Mineral rights (i)	Goodwill paid on acquisition	Software acquired	Others	Consolidated Total
Net book value at December 31, 2021	1,512,599	2,433	54,467	81,147	1,650,646
Additions	-	-	15,758	49,482	65,240
Transfers	-	-	39,031	(39,031)	-
Amortization	(21,856)	-	(19,567)	(143)	(41,566)
Reversal of impairment of assets	313,724	-	-	-	313,724
Others	-	-	8,062	(20,166)	(12,104)
At December 31, 2022	1,804,467	2,433	97,751	71,289	1,975,940
Total cost	1,975,270	2,433	429,912	75,052	2,482,667
Accumulated amortization	(170,803)	-	(332,161)	(3,763)	(506,727)
Net book value at December 31, 2022	1,804,467	2,433	97,751	71,289	1,975,940
Annual amortization rate %	-	-	25	-	-

(i) Mineral rights are amortized over the life of the mine at an average rate of R$1.58 per metric ton (rate adjusted considering the net value of the asset, net of impairment, which reflects the estimated cost of each metric ton depleted from the mines).

	Mineral rights (i)	Goodwill paid on acquisition	Software acquired	Others	Consolidated Total
Net book value at December 31, 2020	1,480,923	2,433	57,562	57,281	1,598,199
Additions	50,000	-	5,590	37,972	93,562
Transfers	-	-	13,964	(13,964)	-
Amortization	(18,324)	-	(20,882)	(142)	(39,348)
Others	-	-	(1,767)	-	(1,767)
At December 31, 2021	1,512,599	2,433	54,467	81,147	1,650,646
Total cost	1,655,551	2,433	367,061	84,766	2,109,811
Accumulated amortization	(142,952)	-	(312,594)	(3,619)	(459,165)
Net book value at December 31, 2021	1,512,599	2,433	54,467	81,147	1,650,646
Annual amortization rate %	-	-	19	-	-

(i) Mineral rights are amortized over the life of the mine at an average rate of R$1.58 per metric ton (rate adjusted considering the net value of the asset, net of impairment, which reflects the estimated cost of each metric ton depleted from the mines).

The amortization in the Parent accounts was recognized under "Cost of sales” and "General and administrative expenses" in the amounts of R$1,154 and R$15,954 (R$742 and R$18,087, respectively at - December 31, 2021). On the same date, the amortization was recognized in the Consolidated, under "Cost of sales” and "General and administrative expenses” in the amounts of R$23,857 and R$17,709 (R$19,695 and R$19,653 at December 31, 2021, also under "Cost of sales” and "General and administrative expenses").

Goodwill arising from the difference between the amounts paid for acquisition of investments in subsidiaries and the fair value of assets and liabilities acquired (goodwill based on expected future profitability) is classified as investment assets in the parent and intangible assets in the consolidated financial statements.

At December 31, 2022, impairment of R$293,464 recorded in the statement of profit or loss of Mineração Usiminas was reversed, due to changes in the estimated future price of iron ore and the dollar. In the parent company, on December 31, 2022, impairment of asset generated in the acquisition of a subsidiary in the amount of R$20,260 was reversed, as presented in item 17 (b) (ii).

19 Trade payables, contractors and freight charges

19.1 Breakdown of trade payables, contractors and freight charges

Trade payables, contractors and freight charges were as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
In Brazil	1,635,808	1,466,545	2,020,814	2,052,533
Abroad	526,436	177,354	531,744	210,283
Payables to related companies	682,587	670,471	299,186	375,527
	2,844,831	2,314,370	2,851,744	2,638,343
Adjustment to present value (AVP) (i)	(23,213)	(10,353)	(13,113)	(5,548)
	2,821,618	2,304,017	2,838,631	2,632,795

(i) In the consolidated, the AVP balance related to amounts payable to related companies is eliminated.

At December 31, 2022, the balances of trade payables range from 30 to 180 days.

The Company's balance of Trade payables, contractors and freight charges is presented net of the adjustment to present value, which is calculated at the closing date, on a *pro rata temporis* basis. The index adopted to calculate the adjustment to present value is the Interbank Deposit Certificate (CDI), which was 13.65% p.a. at December 31, 2022 (9.25% p.a. at December 31, 2021).

Present value adjustment balances (AVP) are appropriated to the financial result based on the period elapsed until the issue date and the due date of trade payables invoices. At December 31, 2022, the effects of this appropriation are shown in Note 34.

19.2 Forfaiting transactions

At December 31, 2022, the Company carries out forfaiting operations and credit assignment with domestic and foreign suppliers of raw materials. These operations were recorded in current liabilities, under Notes payable – forfaiting. At December 31, 2022, the forfaiting operations are presented below:

	Parent and Consolidated	
	12/31/2022	**12/31/2021**
In Brazil	346,611	-
Abroad	607,492	718,054
	944,739	718,054
Adjustment to present value (AVP))	(9,364)	(2,503)
	935,375	715,551

Negotiated contracts have payment terms range from 120 to 180 days.

The Company's balance of forfaiting operations is presented net of the adjustment to present value, which is calculated at the closing date, on a *pro rata temporis* basis. The index adopted to calculate the adjustment to present value is the Interbank Deposit Certificate (CDI), which was 13.65% p.a. at December 31, 2022 (9.25% p.a. at December 31, 2021).

Present value adjustment balances (AVP) are appropriated to the financial result based on the period elapsed until the issue date and the due date of the forfaiting invoices. At December 31, 2022, the effects of this appropriation are shown in Note 34.

The Company discloses its forfaiting operations under a specific heading because the nature and function of the financial liability remain the same as accounts payable, as well as payments to banks are included in operating cash flows, since they continue to be part of the Company's operating cycle and, therefore, preserve their main nature of purchasing materials and services.

19.3 Advances to suppliers

At December 31, 2022, advances to suppliers totaled R$622,004 in the Parent and R$623,381 in Consolidated (R$731 and R$2,464 at December 31, 2021, respectively). The operations were carried out with domestic suppliers, mainly for the acquisition of rolling mill slabs, with the objective of supplying the demand during the shutdown of Blast Furnace nº 3.

20 Borrowings

20.1 Breakdown of borrowings

The breakdown of borrowings is shown below:

(a) Parent

(i) In local currency

	Currency/ index	Maturity of the principal amount	Annual finance charges (%)	12/31/2022 Current	12/31/2022 Non-current	12/31/2021 Current	12/31/2021 Non-current
FINAME	R$	2023 to 2024	2.5% to 9.5% p.a.	2,988	1,696	3,398	4,672

(ii) In foreign currency

	Currency/ index	Maturity of the principal amount	Annual finance charges (%)	12/31/2022 Current	12/31/2022 Non-current	12/31/2021 Current	12/31/2021 Non-current
Bonds	US$	2026	5.875% p.a.	110,151	3,913,275	117,806	4,185,375
Commissions and other costs	-	-	-	-	(40,228)	-	(51,722)
				110,151	3,873,047	117,806	4,133,653
In local currency				2,988	1,696	3,398	4,672
				113,139	3,874,743	121,204	4,138,325

(b) Consolidated

(i) In local currency

	Currency/ index	Maturity of the principal amount	Annual finance charges (%)	12/31/2022 Current	12/31/2022 Non-current	12/31/2021 Current	12/31/2021 Non-current
FINAME	R$	2022 to 2024	2.5% to 9.5% p.a.	3,004	1,700	3,422	4,693
Others	R$	2022	8.24% p.a.	-	-	3,850	-
				3,004	1,700	7,272	4,693

(ii) In foreign currency

	Currency/ index	Maturity of the principal amount	Annual finance charges (%)	12/31/2022 Current	12/31/2022 Non-current	12/31/2021 Current	12/31/2021 Non-current
Bonds	US$	2026	5.875% p.a.	110,151	3,913,275	117,806	4,185,375
Commissions and other costs	-	-	-	-	(40,228)	-	(51,722)
				110,151	3,873,047	117,806	4,133,653
In local currency				3,004	1,700	7,272	4,693
				113,155	3,874,747	125,078	4,138,346

20.2 Schedule of borrowings in non-current liabilities

Long-term amounts fall due as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
2023	-	2,976	-	2,993
2024	1,696	1,696	1,700	1,700
2026	3,873,047	4,133,653	3,873,047	4,133,653
	3,874,743	4,138,325	3,874,747	4,138,346

20.3 Changes in borrowings

Changes in borrowings were as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance	4,259,529	3,955,970	4,263,424	3,963,754
Interest accrued	248,458	258,951	249,699	251,952
Indexation accruals	234	466	235	506
Foreign exchange gains (losses)	(272,099)	287,850	(272,099)	287,850
Payment of interest	(256,355)	(251,321)	(257,826)	(244,522)
Repayments/write-offs of the principal amount	(3,379)	(3,880)	(7,026)	(7,609)
Deferral of commissions	11,494	11,493	11,495	11,493
Closing balance	3,987,882	4,259,529	3,987,902	4,263,424

20.4 Covenants of debentures and bonds

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

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

According to the measurement carried out at December 31, 2022, the mentioned ratio was fully complied with.

The Company has controls in place for monitoring non-financial covenants, which were all complied with in the year ended December 31, 2022.

21 Debentures

At December 31, 2022, the Company's nonconvertible, unsecured debentures for the 8th and 9th Debenture Issue were outstanding, as shown below:

	Parent and Consolidated	
	12/31/2022	
	Grace period	Finance charges
8th issue (1st series)	2.5 years	CDI + 1.50% p.a.
8th issue (2nd series)	4.5 years	CDI + 1.70% p.a.
9th issue (1st series)	2.5 years	CDI + 1.45% p.a.
9th issue (2nd series)	4.5 years	CDI + 1.65% p.a.
9th issue (3rd series)	6 years	CDI + 1.95% p.a.

Changes in debentures at December 31, 2022 were as follows:

	Parent and Consolidated	
	12/31/2022	12/31/2021
Opening balance	2,036,153	2,004,608
Proceeds	2,200,000	-
Repayment of principal	(2,000,000)	-
Accrued charges	194,874	43,140
Indexation accruals	105,233	87,732
Amortization of charges	(326,605)	(99,327)
Closing balance (i)	2,209,655	2,036,153
Current liabilities	17,820	46,748
Non-current liabilities	2,191,835	1,989,405

(i) Balance presented net, after deducting the amount of R$8,165 (R$10,595 at December 31, 2021) related to the deferral of transaction costs, in accordance with Technical Pronouncement CPC 08 - Transaction Costs and Premiums on Issue of Securities.

At December 31, 2022, charges on debentures amounting to R$17,820 were recorded in current liabilities (R$46,748 at December 31, 2021).

Long-term amounts fall due as follows:

	Parent and Consolidated	
	12/31/2022	12/31/2021
2023	-	696,291
2024	-	646,557
2025	-	646,557
2027	458,398	-
2028	681,236	-
2029 to 2032	1,052,201	-
	2,191,835	1,989,405

22 Taxes payable

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
State Value-Added Tax (ICMS)	43,908	26,761	60,993	39,176
Excise Tax (IPI)	14,581	41,789	17,448	45,872
Withholding Income Tax (IRRF)	12,380	11,019	15,483	13,587
Service Tax (ISS)	15,925	2,062	21,763	6,145
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS)	3,791	3,459	5,217	4,578
Financial Contribution for the Exploration of Mineral Resources (CFEM)	-	-	17,143	23,212
Others	2,083	1,972	5,264	4,976
	92,668	87,062	143,311	137,546

23 Taxes payable in installments

The composition of taxes payable in installments was as follows:

						Parent
			12/31/2022			12/31/2021
	Taxes payable in installments	Judicial deposits	Net balance	Taxes payable in installments	Judicial deposits	Net balance
National Institute of Social Security (INSS)	7,265	(7,265)	-	7,265	(7,265)	-
Excise Tax (IPI)	104,799	(100,079)	4,720	104,542	(100,079)	4,463
Tax Recovery Program (REFIS) – Law 11,941/09 – IPI and CIDE	32,443	(32,443)	-	32,443	(32,443)	-
REFIS – Law 11,941/09 - IRPJ/CSLL Elimination of the inflation effects of the “Verão Economic Stabilization Plan”	57,089	(57,089)	-	57,089	(57,089)	-
Others	16	(16)	-	16	(16)	-
	201,612	(196,892)	4,720	201,355	(196,892)	4,463

						Consolidated
			12/31/2022			12/31/2021
	Taxes payable in installments	Judicial deposits	Net balance	Taxes payable in installments	Judicial deposits	Net balance
National Institute of Social Security (INSS)	7,265	(7,265)	-	7,265	(7,265)	-
Excise Tax (IPI)	104,799	(100,079)	4,720	104,542	(100,079)	4,463
Tax Recovery Program (REFIS) – Law 11,941/09 – IPI and CIDE	32,443	(32,443)	-	32,443	(32,443)	-
REFIS – Law 11,941/09 - IRPJ/CSLL Elimination of the inflation effects of the “Verão Economic Stabilization Plan”	57,089	(57,089)	-	57,089	(57,089)	-
Others	18	(16)	2	18	(16)	2
	201,614	(196,892)	4,722	201,357	(196,892)	4,465

Changes in the balance of taxes payable in installments were as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance (i)	201,355	201,270	201,357	201,272
Provision (reversal of provision) for interest	257	85	257	85
Sub-total	201,612	201,355	201,614	201,357
Balance offset against judicial deposits	(196,892)	(196,892)	(196,892)	(196,892)
Closing balance	4,720	4,463	4,722	4,465

(i) The amount of R$196,892, which refers to offset against judicial deposits, must be deducted from the total amount of taxes payable in installments presented in the Parent and Consolidated balance sheets.

At December 31, 2022, the balance of taxes payable in installments was fully recorded in current liabilities, considering the payment schedule.

24 Lease liabilities

At December 31, 2022, 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. (December 31, 2021 - between 7.34% and 10.53% p.a.).

At December 31, 2022, changes in lease liabilities were as follows:

	Parent	Consolidated
At December 31, 2021	25,920	82,523
Addition	15,347	81,861
Payments	(12,163)	(56,263)
Interest	3,197	11,059
At December 31, 2022	32,301	119,180
Current	8,239	34,043
Non-current	24,062	85,137

The estimated future minimum payments related to lease agreements are shown below:

(a) Parent

					12/31/2022
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease agreements (i)	10,904	8,613	13,125	8,664	41,306
Adjustment to present value	(2,665)	(1,903)	(3,269)	(1,168)	(9,005)
	8,239	6,710	9,856	7,496	32,301

					12/31/2021
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease agreements (i)	7,234	6,453	10,003	11,400	35,090
Adjustment to present value	(2,140)	(1,711)	(3,367)	(1,952)	(9,170)
	5,094	4,742	6,636	9,448	25,920

(i) Mainly related to machinery and equipment.

(b) Consolidated

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	12/31/2022 Total
Lease agreements (i)	44,632	38,943	53,703	10,184	147,462
Adjustment to present value	(10,589)	(7,354)	(8,967)	(1,372)	(28,282)
	34,043	31,589	44,736	8,812	119,180

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	12/31/2021 Total
Lease agreements (i)	36,339	25,799	25,976	13,401	101,515
Adjustment to present value	(6,830)	(4,488)	(5,379)	(2,295)	(18,992)
	29,509	21,311	20,597	11,106	82,523

(i) Mainly related to machinery and equipment.

The table below shows the estimated value of the potential right of PIS/COFINS recoverable, which is included in the lease consideration, according to the periods established for payment:

				Parent
		12/31/2022		12/31/2021
Cash flow	**Nominal**	**Adjusted to present value**	**Nominal**	**Adjusted to present value**
Lease consideration	37,485	29,313	31,844	23,522
Potential PIS/COFINS (9.25%)	3,821	2,988	3,246	2,398
	41,306	32,301	35,090	25,920

				Consolidated
		12/31/2022		12/31/2021
Cash flow	**Nominal**	**Adjusted to present value**	**Nominal**	**Adjusted to present value**
Lease consideration	133,822	108,156	92,124	74,890
Potential PIS/COFINS (9.25%)	13,640	11,024	9,391	7,633
	147,462	119,180	101,515	82,523

25 Provisions for litigation

						Parent
			12/31/2022			12/31/2021
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
INSS	58,413	-	58,413	54,353	-	54,353
ICMS	238,766	-	238,766	237,039	-	237,039
Labor claims	387,300	(78,742)	308,558	410,033	(101,938)	308,095
Civil claims	72,965	(24,475)	48,490	101,714	(23,500)	78,214
	757,444	(103,217)	654,227	803,139	(125,438)	677,701

						Consolidated
			12/31/2022			12/31/2021
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
INSS	69,189	(62)	69,127	64,359	(59)	64,300
ICMS	247,695	(1,310)	246,385	238,224	(1,279)	236,945
PIS)/COFINS	3,411	-	3,411	2,101	-	2,101
Labor claims	468,450	(110,953)	357,497	487,858	(141,255)	346,603
Civil claims	92,112	(41,701)	50,411	114,395	(40,500)	73,895
Other	11,300	(2,602)	8,698	12,217	(2,808)	9,409
	892,157	(156,628)	735,529	919,154	(185,901)	733,253

The Company also has judicial deposits recorded in non-current assets, for which there are no related provisions (Note 14).

Changes in the provision for litigation were as follows:

		Parent		Consolidated
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance	803,139	656,422	919,154	799,601
Additions	80,238	203,069	113,257	218,676
Interest/inflation indexation	93,001	164,328	104,797	154,124
Repayments/reductions	(124,012)	(162,170)	(124,194)	(164,735)
Reversal of principal	(12,563)	(19,733)	(38,462)	(48,829)
Reversal of interest	(82,359)	(38,777)	(82,395)	(39,683)
Closing balance	757,444	803,139	892,157	919,154

(a) Provision for litigation

Provisions for litigation were recorded to cover probable losses arising from administrative proceedings and litigation relating to tax, labor, civil and environmental matters, in amounts considered sufficient by management, based on the advice and assessment of internal and external legal advisors. The most significant proceedings at December 31, 2022 are described below:

(i) Provisions recorded by the Parent

Description	Status	12/31/2022 Balance	12/31/2021 Balance
Labor lawsuits filed by employees, former employees and outsourced personnel of the Ipatinga Plant, claiming severance pay and social security rights.	Pending judgment by the Labor Court and administrative bodies, at different levels.	69,363	64,985
Labor lawsuits filed by employees, former employees and outsourced personnel of the Cubatão Plant, claiming severance pay and social security rights.	Pending judgment by the Labor Court and administrative bodies, at different levels.	268,099	297,309
Lawsuit claiming compensation for material damage (alimony, fixed medical expenses, etc.) and pain and suffering due to exposure to benzene gas during working hours.	Pending judgment.	6,338	5,740
Differences in relation to the price paid for the shares upon the acquisition of a company merged into Soluções Usiminas.	Pending judgment of appeal by the Superior Court of Justice.	7,100	6,388
Actions for annulment of administrative rulings issued by the Administrative Council for Economic Defense (CADE) (Usiminas and the former Cosipa).	Agreement signed with CADE, providing for payment in installments in 3 years (semi-annual installments).	31,349	67,591
Filing of an action for annulment against tax assessment notices issued by the tax authorities of Rio Grande do Sul claiming ICMS allegedly due by Usiminas.	Pending judgment by higher courts.	50,511	47,466
Action claiming that the social security contribution (INSS) should be not levied on the 1/3 vacation bonus.	Pending judgment by the appellate court.	55,193	51,147
Tax proceeding in which the tax authorities seek the reversal of ICMS/SP credits on materials considered as consumables (refractory items and others).	Awaiting final outcome of the Appeal to the Superior Court of Justice (STJ).	139,460	184,482
Tax collection procedure in connection of the use of allegedly improper tax credits (ICMS/SP) relating to non-ferrous materials.	Pending judgment by higher courts.	40,167	-
Civil Investigation initiated by the Public Prosecution Office of Minas Gerais to determine the damage caused by the gasometer explosion in 2018.	Conduct Adjustment Agreement signed - In compliance.	4,500	4,500
Lawsuits filed by employees of the Ipatinga Plant, claiming overtime pay.	-	27,881	24,578
Other civil and environmental proceedings.	-	23,678	17,495
Other labor claims.	-	21,957	23,161
Other tax proceedings.	-	11,848	8,297
		757,444	803,139

(ii) Provisions recorded by the subsidiary Soluções Usiminas

Description	Status	12/31/2022 Balance	12/31/2021 Balance
Tax Assessment Notice for collection of ICMS/RS due to alleged improper use of presumed credits.	Awaiting further proceedings at an appellate court.	1,033	1,185
Labor lawsuits filed by former employees challenging the amount of compensation paid on dismissals.	Pending judgment.	57,451	54,269
Other civil and environmental proceedings.	-	12,945	9,005
Other tax proceedings.	-	9,841	10,661
		81,270	75,120

	12/31/2022	12/31/2021
Total provisions - Parent	757,444	803,139
Total provisions - Soluções Usiminas	81,270	75,120
Total provisions - other companies	53,443	40,895
Total provisions - Consolidated	892,157	919,154

(b) Possible contingencies

Also, the Parent and some of its subsidiaries are parties to proceedings classified by management, based on the assessment of legal counsel, as involving possible risk of loss, for which no provisions have been recorded, as shown below:

(i) Contingencies - Parent

Description	Status	12/31/2022 Balance	12/31/2021 Balance
Action challenging non-approval of the offset of federal tax debts against IRPJ credits determined after review of the Taxable Income Control Register (LALUR).	Pending judgment by the appellate court.	89,802	97,719
Tax proceedings claiming the reversal of ICMS/SP credits arising from the difference in classification of materials between the tax authorities and Usiminas' records.	Pending judgment by the trial court.	7,332	43,189
Tax assessment notice issued by the Federal Revenue Secretariat to check compliance with tax liabilities related to the Excise Tax (IPI).	Pending judgment by the administrative trial court.	55,075	50,659
Tax proceedings seeking the reversal of ICMS/SP credits on materials considered as consumables (refractory items and others).	Several case records, declaratory actions and tax collection proceedings, suspended or pending decision by higher courts.	652,400	539,445
Tax proceeding seeking the reversal of ICMS/SP credits used by Usiminas upon the contracting of transportation services.	Pending judgment by the trial court.	58,493	55,936
Tax assessment notice related to the collection of ICMS/SP on export transactions, alleging that the recipient companies were not entities registered with the Foreign Trade Secretariat (SECEX).	Pending judgment by the trial court.	43,096	41,770
Tax collection proceedings related to the collection of ICMS/SP on goods shipped to other countries without effective proof of export.	Pending judgment by the trial court.	692,629	662,052
Request to offset IPI, PIS and COFINS payable against a credit from an overpayment of CSLL, which was not approved.	Pending judgment at administrative level.	51,794	49,162
Arbitration of the additional amount of the social security contribution related to the financing of benefits granted based on the degree of work disability resulting from occupational health, safety and environmental risks.	Pending judgment at administrative level.	-	52,070
Tax assessment notice seeking the payment of ICMS due to alleged improper use of tax credits on the purchase of consumables used in the export of goods.	Pending decision at the administrative level and judgment by the trial court.	273,391	259,853

Description	Status	12/31/2022 Balance	12/31/2021 Balance
Tax assessment notice related to the collection of IRPJ and CSLL on income earned abroad.	Pending judgment at administrative level.	115,433	115,433
Tax assessment notice in which the tax authorities seek the payment of ICMS related to the suspension of this tax on the shipments of fuel to the Thermoelectric Plant (manufacturing through transformation).	Pending judgment by the trial court.	70,379	65,538
Tax assessment notice in which tax authorities seek the payment of ICMS in connection with the alleged improper use of tax credits on the purchase of consumables.	Pending judgment by the trial court.	40,082	38,333
Labor lawsuits filed by employees, former employees and outsourced personnel of the Cubatão Plant, claiming severance pay and social security rights.	Pending judgment by the Labor Court and administrative bodies, at different levels.	549,671	552,365
Labor lawsuits filed by employees, former employees and outsourced personnel of the Ipatinga Plant, claiming severance pay and social security rights.	Pending judgment by the Labor Court and administrative bodies, at different levels.	169,025	302,066
Tax assessment notice in which tax authorities seek the payment of ICMS in connection with the non-prepayment of the tax due upon the receipt of goods from other Brazilian states (different rates).	Pending judgment at administrative level.	75,549	76,661
Objection filed against the decision that recognized only partially the credit rights established in a final and unappealable court decision that determined the exclusion of ICMS amounts from the calculation basis of PIS/COFINS-Imports.	Pending judgment at administrative level.	1,254,753	1,164,630
ICMS - Tax collection proceeding filed by the State of São Paulo for the collection of a debt arising from the Company indicating the Manaus Free Trade Zone as the destination of goods, which was not supported by the related document of admission to the location benefiting from incentives.	Pending judgment at administrative level.	48,329	46,811
Tax Assessment Notice requiring the payment of penalty of one per cent on the customs value of the goods, as provided for in Article 84 of the Provisional Measure 2.158-35/01 combined with Article 69, paragraph 1 of Law 10.833/03 and Article 711, item III of Customs Regulations	Pending judgment at administrative level.	29,042	26,343
Tax assessment notice issued by the Federal Revenue Secretariat alleging improper use of PIS/COFINS credits.	Pending judgment at administrative level.	78,560	72,630
ICMS – Action for annulment of the tax debt claimed by the State of Rio Grande do Sul due to failure to make the advance payment of the tax at the entry of goods coming from other States (rate differential).	Pending judgment by the trial court.	332,690	307,391
ICMS – Action for annulment of the tax debt claimed by the State of Rio Grande do Sul under the allegation that Usiminas was in irregular fiscal situation when the presumed credits were used.	Pending judgment by the appellate court.	122,094	114,178
Tax assessment notice resulting from an inspection procedure initiated by the Federal Revenue Office of Uberlândia, State of Minas Gerais to ascertain the validity of the PIS and COFINS credits for the 2018 calendar year, determined under the non-cumulative system.	Pending judgment of voluntary appeal.	80,456	72,937
Tax assessment notice issued in the scope of the inspection procedure initiated by the Federal Revenue Office of Juiz de Fora, State of Minas Gerais, to check compliance with tax liabilities related to the Excise Tax (IPI).	Pending judgment of voluntary appeal.	68,841	62,772
ICMS - Provisional remedy sought at the outset of the case, requesting that the existing debts do not prevent the renewal of the positive certificate with negative effects (CPD-EN) before the State Treasury Department.	Awaiting outcome of the main action.	44,920	41,837
Objection filed against the decision that rejected the request for offsetting income tax debts (IRPJ-estimate).	Pending judgment.	43,771	42,279
Tax assessment notice issued by the State of Minas Gerais concerning alleged reversal of ICMS credits on sale of electrical energy.	Pending judgment at administrative level.	163,987	-
Tax proceeding filed by the Federal Government to collect the additional social contribution on the financing of benefits granted based on the degree of work disability (Occupational Accident Insurance (SAT)).	Pending judgment of stays of execution in the first judicial instance.	52,805	-
Occupancy Charge levied on land owned by the Navy related to the property where the port of Praia Mole in the State of Espírito Santo is located	Pending judgment of appeal by the Superior Court of Justice.	48,467	44,109

Description	Status	12/31/2022 Balance	12/31/2021 Balance
Indemnity action claiming compensation for material damages and pain and suffering, based on the alleged breach of a commercial agreement between the parties.	Deemed unfounded. Awaiting judgment of the Plaintiffs' appeal.	415,092	359,009
Public civil action filed by the Public Prosecution Office	Pending judgment of appeal by the Superior Court of Justice.	65,094	61,145
Lawsuit filed to collect the amounts corresponding to the annual contract adjustments and allegedly due payments.	Pending judgment of Appeal.	49,257	43,237
Lawsuit filed to collect the amounts corresponding to the annual adjustments to a contract entered into with a supplier	Pending judgment of Appeal.	21,579	19,182
Tax collection proceeding filed by the Federal Tax Authorities requiring the payment of tax liabilities related to inclusion in the official registration of outstanding debts applied by the former National Superintendency of Supply (SUNAB).	Pending judgment of Appeal by the Federal Tax Authorities.	13,940	13,570
Other civil and environmental proceedings	-	408,794	138,946
Other labor claims.	-	68,300	69,021
Other tax proceedings.	-	334,944	281,378
		6,689,866	5,983,656

(ii) Contingencies - Usiminas Mecânica

Description	Status	12/31/2022 Balance	12/31/2021 Balance
Public Civil Action seeking the reimbursement of the amounts increased by means of a term of amendment to the Contractor's Agreement, due to alleged overbilling in the construction of a bridge in Brasília/DF	Claim deemed groundless. Pending judgment of Appeal.	966,536	852,240
Public Civil Action seeking compensation for alleged damages caused to the State of Santa Catarina's Treasury related to improper expenditures incurred in the construction of a bridge.	Pending conclusion of the expert evidence.	192,768	171,009
Payment of ICMS required by the São Paulo State Government in connection with a number of alleged violations related to the issue and accounting for manufacturing invoices.	Pending judgment by the trial court.	13,081	12,316
Request for refund of IRPJ/CSLL overpayment, the related amount of which was the subject matter of several offsets.	Pending judgment at administrative level.	47,304	58,400
Labor lawsuits filed by employees, former employees and outsourced personnel claiming severance pay and social security amounts.	Pending judgment by the Labor Court and administrative bodies, at different levels.	57,108	77,069
Other civil and environmental proceedings.	-	35,582	34,782
Other tax proceedings.	-	19,957	39,174
		1,332,336	1,244,990

(iii) Contingencies - Soluções Usiminas

Description	Status	12/31/2022 Balance	12/31/2021 Balance
Several tax assessment notices related to non-approval of the offset of PIS against other taxes, such as COFINS, Tax for Social Security Financing (FINSOCIAL), ICMS and the National Institute for Colonization and Agrarian Reform (INCRA).	The assessment notices have been challenged.	155,867	18,379
Labor lawsuits filed by former employees challenging the amount of compensation paid on dismissals.	Pending judgment.	124,634	152,675
Other civil and environmental proceedings	-	57,580	40,812
Other tax proceedings.	-	29,974	83,311
		368,055	295,177

(iv) Contingencies - Mineração Usiminas

Description	Status	12/31/2022 Balance	12/31/2021 Balance
Tax assessment notice for the collection of PIS and COFINS on the use of credits on services related to the legal entity's activity.	Pending judgment at administrative level.	42,493	39,448
Litigation proceedings challenging the exclusion of freight and insurance expenses incurred in the selling phase of the mineral product from the calculation and payment of the Financial Compensation for Mineral Exploration (CFEM)	Pending judgment by the appellate court.	142,448	91,834
Lawsuit for collection of CFEM debts related to the Mining Process.	Pending judgment at administrative level.	54,082	-
Other civil proceedings.	-	24,830	15,269
Other labor claims.	-	17,325	5,730
Other tax proceedings.	-	11,044	5,972
		292,222	158,253

	12/31/2022	12/31/2021
Total contingencies - Parent	6,689,866	5,983,656
Total contingencies - Usiminas Mecânica	1,332,336	1,244,990
Total contingencies - Soluções Usiminas	368,055	295,177
Toral contingencies - Mineração Usiminas	292,222	158,253
Total contingencies - other companies	31,585	30,802
Total contingencies - Consolidated	8,714,064	7,712,878

(c) Contingent assets

The main proceedings in which the Company is the plaintiff at December 31, 2022 are described below.

(i) Inclusion of ICMS in the PIS/COFINS tax base

In May 2021, following the Federal Supreme Court (STF) decision confirming that not only the ICMS paid, but also the ICMS amount separately identified in the invoice should be excluded from the PIS/COFINS tax base, the Company recorded the amount of tax overpayments, referring to different periods since November 2001. The referred amounts were calculated by management together with its external consultants, considering aspects related to the quantification of the credits, the method for computing interest/indexation accruals, as well as the prospects for offsetting such credits against federal taxes payable. In June 2021, the amounts of R$2,215,352 and 2,530,514 were recorded in the Parent and Consolidated, respectively, within "Taxes recoverable", with corresponding entries to "Other operating income" and "Finance result".

In the year ended December 31, 2022, the amounts of R$26,245 and R$41,685, relating to inflation indexation, were recorded in the Parent and Consolidated, respectively. These amounts were recorded within "Taxes recoverable" (Note 10), with a corresponding entry to "Finance result" (Note 27). Additionally, in the same period, the amounts of R$760,249 and R$824,089 were offset in the Parent and Consolidated, respectively.

At December 31, 2022, these tax credits totaled R$117,316 and R$184,075 in current assets in the Parent and Consolidated, respectively (R$851,320 and R$1,029,083 at December 31, 2021, respectively). In non-current assets, these tax credits totaled R$110,547 in the Consolidated (R$47.222 at December, 31, 2021).

(ii) Inclusion of ICMS in the PIS/COFINS tax base - tax amount paid

In addition to the information presented in item (i) above, a final decision was rendered at the end of 2020 in favor of the subsidiary Soluções em Aço Usiminas S.A. with respect to a lawsuit that challenged the inclusion of ICMS in the PIS/COFINS tax base.

The subsidiary, together with its external legal consultants, determined the amounts overpaid, considering aspects related to the quantification of the credits, particularly the guidelines provided by COSIT Private Ruling # 3 issued by the Brazilian Federal Revenue Secretariat, the method for monetarily adjust the amounts, as well as the prospects for their realization through offsetting against federal taxes payable. Accordingly, in March 2021, the amount of R$45,480 was recorded in the Consolidated, with corresponding entries to “Other operating income” and “Finance result”, in the amounts of R$31,530 and R$13,950, respectively.

In September 2021, following the STF decision which confirmed that not only the ICMS paid, but also the ICMS amount separately identified in the invoice should be excluded from the PIS/COFINS tax base, the Company recorded the amount of R$76,558 as tax overpayments.

(iii) Exclusion of the Selic interest rate on overpaid tax

In a final decision rendered on September 24, 2021, the STF ruled as unconstitutional the levy of income taxes on interest accruals (SELIC) received by taxpayers as a refund for tax overpayments. Accordingly, the Company reviewed the judgment on this lawsuit, as required by ICPC 22/IFRIC 23, and concluded that the facts and circumstances on which this decision is based have changed. In September 2021, the Company recorded, in non-current assets, credits of R$230,832 and R$254,932 in the Parent and Consolidated, respectively, with a corresponding entry to "Income tax and social contribution" in the statement of profit or loss.

Once a final decision is issued on Usiminas’ lawsuits, the corresponding amounts will be considered in the tax calculations, pursuant to the rules of the Brazilian Federal Revenue Service.

In the period ended December 31, 2022, the amounts of R$29,618 and R$34,436 were recorded in the Parent Company and Consolidated, respectively, referring to monetary restatement, under the heading “Financial Result” (Note 34).

At December 31, 2022, the balances of these tax credits total, in non-current assets, R$269,620 and R$314,416 in the Parent Company and Consolidated, respectively.

(iv) PIS and COFINS credits arising from depreciation of property, plant and equipment items.

Pursuant to a final court decision handed down by the STF in July 2021, the Company was authorized to use PIS and COFINS credits arising from the depreciation of certain property, plant and equipment items acquired before April 30, 2004, adjusted by the SELIC rate from the generation of the respective credits until the date the final and unappealable decision was rendered. In December 2021, the Company recorded in non-current assets, within “Taxes recoverable”, a credit of R$712,900 in the Parent and Consolidated, with corresponding entries of R$335,425 and R$377,475, respectively, in "Other operating income" and " Finance result".

During the year ended December 31, 2022, the amount of R$35,743 was offset, in the Parent and Consolidated.

At December 31, 2022, these tax credits totaled R$677,158 in non-current assets in the Parent and Consolidated.

(v) Compensation in Arbitration Proceedings

The Company filed Arbitration Proceedings against a group of contractors for non-conformities presented in construction works carried out at Cubatão Power Plant, as well as for damages incurred during the process to repair the non-conformities. The arbitration award was handed down in favor of the Company on July 22, 2022. Based on this favorable decision, in the nine-month period ended September 30, 2022, the amount of R$132,114 was recorded in current assets, in the Parent and Consolidated, with corresponding entries to "Other income" and "Other finance income", in the amounts of R$38,064 and R$94,050, respectively. This amount was fully received in October 2022. Additionally, the Company claims an amount of approximately R$18,500, which is still under discussion in compliance with the sentence related to this same Arbitration.

26 Provision for environmental restoration and asset retirement obligation

At December 31, 2022, the subsidiary Mineração Usiminas S.A. recorded a provision for environmental restoration of the explored areas and asset retirement obligation of R$322,090. Of this amount, R$39,030 was recorded in current liabilities, under Other payables, and R$283,060 was recorded in non-current liabilities (R$233,178, recorded in non-current liabilities at December 31, 2021).

The expenditures incurred with environmental restoration and asset retirement were recorded as part of the costs of these assets against the provision that will support such expenses, considering estimates from the management of Mineração Usiminas S.A. These estimates are reviewed periodically, and the amounts previously recorded are adjusted, if necessary.

In 2022, as required by the legislation, the subsidiary Mineração Usiminas S.A. hired a specialized consulting company to review these estimates. In addition to the existing reclamation plans, the review considered also the Samambaia Dam Decommissioning Plan. This new Plan was approved by Management to start in 2023, with expected completion by the end of 2025. At December 31, 2022, the provision for the Samambaia Dam Decommissioning Plan was increased by R$77,713, totaling R$155,694.

27 Retirement benefit obligations

The amounts and information on retirement benefit obligations are shown below:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Balance sheet obligations for:				
Pension plan benefits	394,844	581,837	394,864	593,027
Post-employment medical benefits	499,947	498,485	558,041	548,109
	894,791	1,080,322	952,905	1,141,136

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Income (expenses) recognized in the statement of profit or loss (Note 33 (b))				
Pension plan benefits	(55,730)	(43,122)	(56,848)	(44,254)
Termination of COSAUDE	-	330,972	-	330,972
Post-employment medical benefits	(48,935)	(48,505)	(54,415)	(51,751)
	(104,665)	239,345	(111,263)	234,967

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Actuarial gains (losses) recognized directly in other comprehensive income	(88,663)	161,006	(88,639)	160,696
Decrease in assets (asset ceiling) in other comprehensive income - paragraph 58, CPC 33 and IAS 19	267,896	(109,076)	267,896	(109,076)
Accrued actuarial gains (losses) recognized in other comprehensive income (i)	179,233	51,930	179,257	51,620

(i) At December 31, 2022, the total balance in the Parent includes gains s of R$5,676 (loss of R$107 at December 31, 2021). The total balance in the Consolidated includes earnings of R$24 (loss of R$419 at December 31, 2021) related to actuarial gains (losses) of subsidiaries and jointly-controlled subsidiaries recorded under the equity method of accounting.

27.1 Supplementary pension plans

In August 1972, the Company set up Caixa dos Empregados da Usiminas (CAIXA).

On March 29, 2012, the Supervisory authority (PREVIC) approved the merger of Cosipa Private Pension Foundation (FEMCO), set up in August 1975, into Caixa dos Empregados da Usiminas (CAIXA), both closed-end not-for-profit private pension entities. Upon this approval, the Administrator of Usiminas' pension plans was renamed Previdência Usiminas.

In line with the applicable legislation, Previdência Usiminas has as its main purpose the management and running of private pension plans.

Plans managed by Previdência Usiminas

The technical reserves of benefit plans managed by Previdência Usiminas are calculated by an independent actuary hired by the Company, and are used to pay the benefits granted and to be granted to the members and their beneficiaries.

(a) Benefit Plan 1 - PB1

A defined benefit plan, closed for new enrollments since November 1996, this plan provides the following benefits converted into life annuity: retirement pension based on years of contribution, permanent disability retirement, old-age retirement pension, special retirement pension and pension on death. Furthermore, the plan entitles its members to benefits such as sickness allowance, prisoner's family grant and funeral assistance.

(b) Benefit Plan 2 (USIPREV)

Variable contribution benefit plan, operating since August 1998, provided to the employees of the sponsor companies. Currently, this is the only Usiminas Plan accepting new enrollments.

During the accumulation phase, the USIPREV member defines the monthly contribution to form a savings reserve. At the time the benefit is granted, the members may opt for receiving benefits in the form of a monthly income ranging from 0.5% and 1.5% of their account balance, or a monthly income for a period between 60 and 360 months. Charter Members – those enrolled on the plan before April 13, 2011, may also opt for converting their account balance into a monthly life annuity. In this case, during the payout phase, USIPREV will be characteristics similar to those of a Defined-benefit-type plan.

The benefits provided by this plan comprise: programmed retirement, vesting, benefits transferred from other plans, disability retirement; sickness benefit, and pension on death – pre and post retirement. The beneficiaries are also entitled to: Self-funded retirement plan, Vesting, Redemption and Portability.

(c) Defined Benefit Plan (PBD)

This plan, of a defined benefit type, has been closed for new enrollments since December 2000, and provides the following benefits converted into life income: length-of-service retirement pension, permanent disability retirement pension, old-age retirement pension, special retirement pension, and pension on death. It also offers sickness benefit, prisoner's family grant, birth allowance and funeral assistance.

The beneficiaries of this plan are also entitled to Self-funded retirement plan, Vesting, Redemption, and Portability.

(d) COSIPREV

This plan, of a defined benefit type, has been closed for new enrollments since April 30, 2009, and provides the following benefits: programmed retirement, benefit for total disability, death benefit and sickness benefit.

Beneficiaries of this plan are also entitled to Self-funded retirement plan, Vesting, Redemption and Portability.

27.2 Debts contracted – minimum requirements

The Company has taken out debts in connection with the minimum requirements for payment of contributions, for the purpose of covering the gap in relation to the services already received.

In the event of non-recoverable surplus, the debts taken are recognized as an additional liability in the computation of net actuarial liabilities.

At December 31, 2022, the outstanding balance of the Company's debts related to the PBD plan with Previdência Usiminas totaled R$395,098 (R$486,878 at December 31, 2021).

The PBD plan debit balance is determined at the end of each year, based on a direct actuarial revaluation of the total mathematical provisions for benefits granted and to be granted. During the subsequent year, as defined by the system of actuarial revaluation, the liability is adjusted by the monthly surplus or deficit determined in the PBD plan and by the amount of payments falling due in the period. The debt balance should be repaid in 148 installments, which correspond to the amount of all monthly installments calculated based on the Price Table, with interest of 9% per annum and monthly indexation based on the National Consumer Price Index (INPC).

At December 31, 2022 and 2021, the PBD plan debt is backed by Company's assets, the market value of which was calculated at R$1,331,339, based on an appraisal report on the guarantee granting date.

27.3 Actuarial calculation of retirement plans

The amounts calculated based on the actuarial report, and recognized in the balance sheet, are shown below:

					Parent
					12/31/2022
	PB1	PBD	USIPREV	COSIPREV	TOTAL
Present value of actuarial liability	(4,030,021)	(1,684,912)	(812,866)	(1,438)	(6,529,237)
Fair value of plan assets	4,758,453	1,289,814	881,641	13,477	6,943,385
	728,432	(395,098)	68,775	12,039	414,148
Asset ceiling	(728,432)	-	(68,775)	(11,785)	(808,992)
	-	(395,098)	-	254	(394,844)

					Parent
					12/31/2021
	PB1	PBD	USIPREV	COSIPREV	TOTAL
Present value of actuarial liability	(4,206,816)	(1,746,836)	(894,782)	(1,511)	(6,849,945)
Fair value of plan assets	5,073,085	1,307,486	799,591	15,536	7,195,698
	866,269	(439,350)	(95,191)	14,025	345,753
Asset ceiling	(866,269)	(47,528)	-	(13,793)	(927,590)
	-	(486,878)	(95,191)	232	(581,837)

					Consolidated
					12/31/2022
	PB1	PBD	USIPREV	COSIPREV	TOTAL
Present value of actuarial liability	(4,030,021)	(1,684,912)	(907,009)	(1,483)	(6,623,425)
Fair value of plan assets	4,758,453	1,289,814	983,749	13,502	7,045,518
	728,432	(395,098)	76,740	12,019	422,093
Asset ceiling	(728,432)	-	(76,740)	(11,785)	(816,957)
	-	(395,098)	-	234	(394,864)

					Consolidated
					12/31/2021
	PB1	PBD	USIPREV	COSIPREV	TOTAL
Present value of actuarial liability	(4,206,816)	(1,746,836)	(999,652)	(1,534)	(6,954,838)
Fair value of plan assets	5,073,085	1,307,486	893,269	15,565	7,289,405
	866,269	(439,350)	(106,383)	14,031	334,567
Asset ceiling	(866,269)	(47,528)	-	(13,797)	(927,594)
	-	(486,878)	(106,383)	- 234	(593,027)

USIPREV's sponsoring employers are jointly liable to the obligations related to coverage of risk benefits offered by Previdência Usiminas to members and respective beneficiaries of this Plan.

USIPREV and COSIPREV plans have a Pension Fund formed from members' account balances not used in benefit payouts. As provided for in the plans' regulations, this Fund may be used to cover the cost of these plans in the future. At December 31, 2022, the Pension Fund portion attributed to Usiminas amounted to R$31,657 (R$25,498 at December 31, 2021).

The loss on assets, which has been monitored by the Company, amounted to R$271,593 at December 31, 2022 (R$154,259 at December 31, 2021), and relate to withdrawals of resources from the PBD Plan made by former participants of the bankrupt sponsor Companhia Ferro e Aço de Vitória (COFAVI). In view of the lack of solidarity by sponsors and benefit plans, Previdência Usiminas has been taking all appropriate legal remedies to recover the withdrawn funds in favor of former participants of COFAVI, as well as to prevent further withdrawals.

Changes in the defined benefit obligation in the reporting periods were as follows:

		Parent		Consolidated
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Opening balance	(6,849,945)	(7,844,393)	(6,954,838)	(7,969,524)
Current service cost	(401)	(637)	(441)	(785)
Cost of interest	(623,396)	(495,584)	(633,134)	(503,502)
Benefits paid	623,436	607,599	629,803	617,217
Actuarial (losses) gains	321,069	883,070	335,185	901,756
Closing balance	(6,529,237)	(6,849,945)	(6,623,425)	(6,954,838)

Changes in fair value of the plan assets were as follows:

		Parent		Consolidated
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Opening balance	7,195,698	7,895,149	7,289,405	8,005,536
Expected return on assets	327,294	(128,990)	341,728	(136,053)
Actual contributions during the year	43,829	37,138	44,188	37,139
Benefits paid	(623,436)	(607,599)	(629,803)	(617,217)
Closing balance	6,943,385	7,195,698	7,045,518	7,289,405

The amounts recognized in the statement of profit or loss are shown below:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current service cost	(401)	(637)	(441)	(785)
Cost of interest	(710,385)	(541,721)	(720,123)	(550,114)
Expected return on assets	656,336	500,143	664,996	507,552
Plan experience adjustment	(1,280)	(907)	(1,280)	(907)
	(55,730)	(43,122)	(56,848)	(44,254)

The charges shown above were recognized in "Other operating income (expenses)" and in "Finance result" in the statement of profit or loss.

Expected contributions to the post-employment benefit plans for 2023 total R$666,957.

Actuarial assumptions

	12/31/2022	12/31/2021
Discount rate	(i)	(i)
Inflation rate	4.00%	4.00%
Expected return on assets – PB1 and PBD	10.34%	9.51%
Expected return on plan assets - USIPREV	10.38%	9.60%
Expected return on plan assets - COSIPREV	10.41%	9.28%
Future salary increases	From 0.50% to 2.90%	From 1.80% to 4.20%
Growth in the Government's Social Security benefits	4.00%	4.00%

(i) At December 31, 2022, the actual discount rate presents the following actuarial assumptions, by plan: PB1, 6.10%; PBD, 6.10%; USIPREV, 6.13%; and COSIPREV, 6.16%.
(ii) At December 31, 2021, the actual discount rate presents the following actuarial assumptions by plan: PB1, 5.31%; PBD, 5.30%; USIPREV, 5.38%; and COSIPREV, 5.08%.

The mortality rate assumptions are based on actuarial advice in accordance with published statistics and experience. (Note 27.5).

27.4 Experience adjustments

The effects of adjustments computed based on experiences for the period were as follows:

	Parent						
	12/31/2022						
	PB1	PBD	USIPREV	COSIPREV	Total retirement plans	Healthcare plan	TOTAL
Present value of defined benefit obligation	(4,030,021)	(1,684,912)	(812,866)	(1,438)	(6,529,237)	(499,948)	(7,029,185)
Fair value of plan assets	4,758,453	1,289,814	881,641	13,477	6,943,385	-	6,943,385
Plan surplus (deficit)	728,432	(395,098)	68,775	12,039	414,148	(499,948)	(85,800)
Experience adjustments on plan liabilities	(95,005)	(56,236)	65,766	100	(85,375)	(9,205)	(94,580)
Return on plan assets higher (lower) than the discount rate	(381,689)	(5,534)	75,777	(3,385)	(314,831)	-	(314,831)

	Parent						
	12/31/2021						
	PB1	PBD	USIPREV	COSIPREV	Total retirement plans	Healthcare plan	TOTAL
Present value of defined benefit obligation	(4,206,816)	(1,746,836)	(894,782)	(1,511)	(6,849,945)	(498,485)	(7,348,430)
Fair value of plan assets	5,073,085	1,307,486	799,591	15,536	7,195,698	-	7,195,698
Plan surplus (deficit)	866,269	(439,350)	(95,191)	14,025	345,753	(498,485)	(152,732)
Experience adjustments on plan liabilities	(348,092)	(147,755)	(66,236)	(67)	(562,150)	(28,506)	(590,656)
Return on plan assets higher (lower) than the discount rate	(376,959)	(140,989)	(128,339)	(4,366)	(650,653)	-	(650,653)

	PB1	PBD	USIPREV	COSIPREV	Total retirement plans	Healthcare plan	TOTAL
							Consolidated
							12/31/2022
Present value of defined benefit obligation	(4,030,021)	(1,684,912)	(907,009)	(1,483)	(6,623,425)	(558,042)	(7,181,467)
Fair value of plan assets	4,758,453	1,289,814	983,749	13,502	7,045,518	-	7,045,518
Plan surplus (deficit)	728,432	(395,098)	76,740	12,019	422,093	(558,042)	(135,949)
Experience adjustments on plan liabilities	(95,005)	(56,236)	65,766	81	(85,394)	(16,674)	(102,068)
Return on plan assets higher (lower) than the discount rate	(381,689)	(5,534)	75,777	(3,369)	(314,815)	-	(314,815)

	PB1	PBD	USIPREV	COSIPREV	Total retirement plans	Healthcare plan	TOTAL
							Consolidated
							12/31/2021
Present value of defined benefit obligation	(4,206,816)	(1,746,836)	(999,652)	(1,534)	(6,954,838)	(548,109)	(7,502,947)
Fair value of plan assets	5,073,085	1,307,486	893,269	15,565	7,289,405	-	7,289,405
Plan surplus (deficit)	866,269	(439,350)	(106,383)	14,031	334,567	(548,109)	(213,542)
Experience adjustments on plan liabilities	(348,092)	(147,755)	(66,236)	(61)	(562,144)	(30,128)	(592,272)
Return on plan assets higher (lower) than the discount rate	(376,959)	(140,989)	(128,339)	(4,386)	(650,673)	-	(650,673)

27.5 Actuarial assumptions and sensitivity analysis

				Parent and Consolidated
				12/31/2022
Significant actuarial assumptions	**PB1**	**PBD**	**USIPREV**	**COSIPREV**
Present value of obligation	(4,030,021)	(1,684,912)	(812,886)	(1,438)
Discount rate applied to plan liabilities	10.34%	10.34%	10.38%	10.41%
Mortality table applied to the plans (i)	BREMS 2015	AT-2000 Basic decreased by 10% (F) and AT-2000 Basic M	AT-2000 and decreased by 40%	AT-2000 and decreased by 30%
Disability mortality table	AT-83 Basic	AT-49	AT-83 Basic	n/a
Sensitivity analysis on plan obligations discount rate				
1% increase on actual rate	329,665	133,369	90,108	44
1% decrease on actual rate	(286,124)	(116,171)	(76,013)	(41)
Sensitivity analysis on Mortality Table				
Reduced by 10%	(4,137,948)	(1,731,961)	(1,002,382)	(1,404)

(i) Tables segregated between male and female participants.

The sensitivity analysis on actuarial obligations was prepared considering solely changes in the discount rate and the mortality table applied to plan liabilities.

27.6 Post-retirement healthcare benefit plans

(a) CoSaúde

Fundação São Francisco Xavier (FSFX) is a private health care plan operator registered with the National Supplementary Health Agency (ANS) that administers individual, family, and corporate plans. FSFX was responsible for the COSIPA Health Fund Regulation (CoSaúde), which encompassed six private self-managed plans (listed below), prior to Law 9656, of June 3, 1998, registered with the ANS, and maintained for the group of beneficiaries linked to the extinguished Companhia Siderúrgica Paulista (COSIPA), who remained in the plan after its merger into Usiminas:

a. CoSaúde A – Blue, SCPA registration No. 03;
b. CoSaúde A – Green, SCPA registration No. 02;
c. CoSaúde B – Blue, SCPA registration No. 05;
d. CoSaúde B – Green, SCPA registration No. 04;
e. CoSaúde C – Blue, SCPA registration No. 07; and
f. CoSaúde C – Green, SCPA registration No. 06.

In view of the significant economic and financial imbalance attested by actuarial studies, and considering the interest of the parties in terminating the plan's management agreement, CoSaúde was discontinued on November 30, 2021, with the subsequent restructuring of group plans to be offered to former beneficiaries, in compliance with the clauses and conditions accepted by the ANS.

The extinction of the referred plan was supported by the decision rendered by the Superior Court of Justice (STJ), which not only recognized the possibility of extinguishing CoSaúde and restructuring new group plans for its beneficiaries, but recommended its extinction, in line with the consolidated case law of that court.

Accordingly, CoSaúde, as well as the six linked plans, was terminated, for all purposes, on November 30, 2021. The former beneficiaries were previously informed and given the opportunity to migrate to the new plans offered or to consider the portability rules set forth in ANS Normative Resolution #438, of December 3, 2018.

All the beneficiaries linked to CoSaúde were allowed to transfer to new plans, as follows:

a. Usisaúde Essencial Rede Empresarial Enfermaria Santos, ANS registration No. 483.715/19-1;
b. Usisaúde Essencial Rede Empresarial Apartamento Santos, ANS registration No. 483.716/19-9;
c. Saúde Usiminas II Enfermaria, ANS registration No. 462.157/10-3; and
d. Saúde Usiminas II Apartamento, ANS registration No. 462.159/10-0.

In view of the above, on December 31, 2021, the Company reversed the entire deficit determined in CoSaúde, recognizing revenue in the amount of R$330,972.

(b) Saúde Usiminas

In 2010, Usiminas established Saúde Usiminas health care plan, which is open for new enrollments to all employees and retirees. Main characteristics of Saúde Usiminas plan:

(i) Plan regulated by Law 9,656/98 covering clinical and hospital procedures, in accordance with the list of covered procedures disclosed by the ANS;
(ii) Prepaid plan contracted with Fundação São Francisco Xavier, a health care plan operator;
(iii) Priced by age; 60, 70 or 80% of the monthly fee is paid by the Company, in accordance with the employee's salary range;
(iv) Terminated or retired employees may continue as members of the Plan, in accordance with articles 30 and 31 of Law 9,656/98, under the condition that they fully pay the monthly fees.

In addition to the characteristics above, the Plan’s key actuarial assumption is the long-term increase in medical services costs, which totaled 8.42% p.a. in the year ended December 31, 2022 (7.38% p.a. at December 31, 2021)

At December 31, 2022, based on an actuarial report, the amounts referring to Saúde Usiminas recognized in non-current liabilities, under Post-employment benefits, were as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance	(498,485)	(739,152)	(548,109)	(780,777)
Current service cost	(846)	281	(1,537)	(1)
Cost of interest	(48,088)	(48,788)	(52,876)	(51,750)
Benefits paid	32,538	13,185	32,538	13,185
Extinction of CoSaúde	-	330,972	11,943	330,972
Actuarial (losses) gains	14,934	(54,983)	-	(59,738)
Closing balance	(499,947)	(498,485)	(558,041)	(548,109)

27.7 Retirement plan assets

Retirement plan assets comprise the following:

	12/31/2022		12/31/2021	
	Amount	%	Amount	%
Company shares	252,753	4	494,933	7
Federal government securities	4,602,666	65	4,652,162	64
Fixed income	1,046,015	14	998,746	13
Investments funds	1,066,266	15	1,102,770	15
Real estate investments	38,140	1	40,750	1
Others	39,678	1	44	-
	7,045,518	100	7,289,405	100

At December 31, 2022, the pension plan assets included 34,109,762 common shares of the Company, at the fair value of R$252,753 (34,109.762 common shares of the Company, at the fair value of R$494,933).

The expected return on plan assets corresponds to the discount rate defined based on long-term federal government bonds, which are bound to the inflation rate, and are in line with the weighted average term of future payment flow of the analyzed benefits.

28 Equity

(a) Share capital

At December 31, 2022, the Company's share capital of R$13,200,295 comprised 1,253,079,108 book entry shares with no par value, divided into 705,260,684 common shares; 547,752,163 Class A preferred shares, and 66,261 Class B preferred shares, as shown below:

	Common shares	Class A Preferred shares	Class B Preferred shares	Total
Total shares at December 31, 2022	705,260,684	547,752,163	66,261	1,253,079,108
Total treasury shares	(2,526,656)	(19,609,792)	-	(22,136,448)
Total shares except treasury shares	702,734,028	528,142,371	66,261	1,230,942,660

In accordance with the bylaws, the Board of Directors is authorized to increase the Company's share capital through the issue of up to 11,396,392 preferred shares of the existing class.

Each common share entitles its holder to one vote at General Meetings. Preferred shares have no vote but are entitled to (i) receive dividends 10% higher than the dividends attributed to common shares; (ii) receive all the bonuses voted in General Meetings, under the same conditions as common shares; (iii) priority in the reimbursement of capital, with no right to premium, in the event of Company liquidation; and (iv) right to vote at meetings if the Company fails to pay preferred dividends during three consecutive years.

Preferred shares may not be converted into common shares.

Holders of Class B preferred shares have priority in the reimbursement of capital, with no right to premium, in the event of Company liquidation. Holders of Class A preferred shares will be entitled to the same priority, however, only after the priority of Class B preferred shares is complied with. Class B preferred shares may be converted into Class A preferred shares at any time, at the exclusive discretion of the stockholder.

The shareholders are entitled to receive mandatory minimum dividends of 25% of the profit for the year, calculated in accordance with the Brazilian Corporate Law.

(b) Reserves

At December 31, 2022, the reserves were as follows:

- Premium on subscription of shares – set up in the merger process, pursuant to Article 14, sole paragraph of Law 6,404/76. This reserve can be used to offset losses which exceed retained earnings and revenue reserves, for the redemption, reimbursement or purchase of shares, redemption by beneficiaries, capital increases and payment of dividends on preferred shares, when applicable (Article 200 of Law 6,404/76).

- Treasury shares - At December 31, 2022, the Company held in treasury 2,526,656 common shares and 19,609,792 Class A preferred shares (2,526,656 common shares and 20,019,445 Class A preferred shares at December 31, 2021).

- Special goodwill reserve - refers to the recognition of the tax benefit from the downstream merger carried out by the subsidiary Mineração Usiminas. This reserve may be used to offset losses exceeding retained earnings and revenue reserves.

- Recognized stock options granted - refers to the recognition of shares granted under the Stock Option Plan (Note 39).

- Legal reserve - credited annually with 5% of profit for the year, up to the 20% of the share capital.

- Reserve for investments and working capital - This reserve cannot exceed 95% of the share capital, and may be used for offsetting losses, dividend distribution, redemptions, reimbursement or purchase of shares or, even, be capitalized.

(c) Carrying value adjustments

Carrying value adjustments refer substantially to:

(i) Result from equity transaction corresponds to changes in shareholding interest without change of control. At December 31, 2022 and 2021, the credit balance of R$845,238 refers mainly to the corporate restructuring of Mineração Usiminas.

(ii) Actuarial gains and losses are calculated in accordance with CPC 33 and IAS 19 (Note 27). At December 31, 2022, the debit balance of this account totaled R$818,364 (R$997,597 at December 31, 2021).

(iii) Indexation of property, plant and equipment corresponds to the application of IAS 29. This adjustment is based on the useful life of property, plant and equipment items against retained earnings. At December 31, 2022, the credit balance of this account totaled R$64,936 (R$69,521 at December 31, 2021).

(iv) Application of hedge accounting corresponds to 70% of the balance of hedge accounting operations of the subsidiary Mineração Usiminas. At December 31, 2022, the debit balance of this account totaled R$11,270 (R$5,621 at December 31, 2021).

(d) Dividends and interest on capital

The dividends proposed for 2022 are shown below:

	12/31/2022	12/31/2021
Profit for the year	1,615,538	9,070,524
Transfer to legal reserve (5%)	(80,778)	(453,526)
Calculation basis of dividends and interest on capital	1,534,760	8,616,998
Minimum dividends (25%) and interest on capital proposed net of income tax (IRRF)	383,689	2,154,249
Proposed dividends	383,689	1,564,111
Proposed interest on capital	-	673,812
Total dividends and interest on capital, gross	383,689	2,237,923
IRRF on interest on capital	-	(83,674)
Total dividends and interest on capital, net	383,689	2,154,249
Amount per common share (i)	R$0.298879	R$1.678073
Amount per preferred share (i)	R$0.328767	R$1.845881

(i)At December 31, 2022, calculated based on the net amount of R$383,689 and according to the shareholding composition on the closing date of the year (net amount of R$2,154,249 at December 31, 2021).

Changes in dividends payable were as follows:

	Parent		Consolidated	
Nature	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Dividends payable at the beginning of the year	737,058	160,315	968,984	324,728
Payment of dividends and interest on capital	(733,182)	(1,577,423)	(1,233,223)	(1,849,264)
Dividends proposed and interest on capital	383,689	2,237,923	737,127	2,586,277
IRRF on interest on capital	-	(83,674)	-	(92,674)
Expired dividends	(248)	(83)	(2,289)	(83)
Total net dividends payable at the end of the year	387,317	737,058	470,599	968,984

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

29 Segment reporting

Usiminas has three reportable operating segments, which offer different products and services and are managed separately. These segments are determined based on different legal entities; there are no different segments within the same company.

A summary of the main operations of each of the reportable segments of Usiminas follows:

Reportable segments	Operations
Mining and Logistics	Extraction and processing of iron ore as pellet feed, sinter feed and granulated iron ore. Storage, handling, cargo transportation, 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 segments of steel transformation and the subsidiary Usiminas Mecânica.
Steel Transformation	Transformation and distribution of steel products.

Management reviews periodically the internal managerial reports for each segment.

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

						12/31/2022
	Mining and Logistics	**Steel Metallurgy**	**Steel Transformation**	**Sub-total**	**Eliminations and adjustments**	**Total**
Gross sales revenue from products and services	3,880,956	34,372,778	11,509,192	49,762,926	(10,996,842)	38,766,084
Sales of products	3,880,956	34,362,199	11,459,856	49,703,011	(10,998,894)	38,704,117
Sales of services	-	10,579	49,336	59,915	2,052	61,967
Deductions	(263,248)	(5,676,901)	(2,124,696)	(8,064,845)	1,769,271	(6,295,574)
Revenue	3,617,708	28,695,877	9,384,496	41,698,081	(9,227,571)	32,470,510
Cost of sales	(2,265,310)	(25,095,880)	(8,731,697)	(36,092,887)	9,302,052	(26,790,835)
Gross profit (loss)	1,352,398	3,599,997	652,799	5,605,194	74,481	5,679,675
Operating expenses	(99,099)	(1,574,667)	(150,850)	(1,824,616)	(1,188,638)	(3,013,254)
Selling expenses	(353,687)	(218,466)	(57,341)	(629,494)	-	(629,494)
General and administrative expenses	(42,014)	(490,014)	(75,844)	(607,872)	19,065	(588,807)
Other income (expenses)	183,359	(2,151,736)	(17,665)	(1,986,042)	(29,836)	(2,015,878)
Share of results of subsidiaries, jointly-controlled	113,243	1,285,549	-	1,398,792	(1,177,867)	220,925
Operating profit	1,253,299	2,025,330	501,949	3,780,578	(1,114,157)	2,666,421
Finance result	308,947	329,489	(9,755)	628,681	(16,188)	612,493
Profit (loss) before income tax and social contribution	1,562,246	2,354,819	492,194	4,409,259	(1,130,345)	3,278,914
Income tax and social contribution	(401,574)	(687,963)	(61,564)	(1,151,101)	(34,924)	(1,186,025)
Profit (loss) for the year	1,160,672	1,666,856	430,630	3,258,158	(1,165,269)	2,092,889
Attributable to						
owners of the parent	817,342	1,666,856	296,609	2,780,807	(1,165,269)	1,615,538
Non-controlling interests	343,330	-	134,021	477,351	-	477,351
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

	Mining and Logistics	Steel Metallurgy	Steel Transformation	Sub-total	Eliminations and adjustments	Total
						12/31/2021
Gross sales revenue from products and services	6,229,143	34,480,874	10,579,892	51,289,909	(10,893,263)	40,396,646
Sales of products	6,229,143	34,441,644	10,522,923	51,193,710	(10,892,929)	40,300,781
Sales of services	-	39,230	56,969	96,199	(334)	95,865
Deductions	(374,097)	(6,123,772)	(2,063,499)	(8,561,368)	1,901,686	(6,659,682)
Revenue	5,855,046	28,357,102	8,516,393	42,728,541	(8,991,577)	33,736,964
Cost of sales	(2,072,141)	(21,356,821)	(7,511,164)	(30,940,126)	8,477,490	(22,462,636)
Gross profit (loss)	3,782,905	7,000,281	1,005,229	11,788,415	(514,087)	11,274,328
Operating expenses	(354,224)	2,451,778	(77,975)	2,019,579	(1,803,445)	216,134
Selling expenses	(313,690)	(183,228)	(73,757)	(570,675)	-	(570,675)
General and administrative expenses	(38,130)	(420,233)	(61,650)	(520,013)	16,899	(503,114)
Other income (expenses)	(96,292)	1,114,640	57,432	1,075,780	(4,645)	1,071,135
Share of results of subsidiaries, jointly-controlled	93,888	1,940,599	-	2,034,487	(1,815,699)	218,788
Operating profit	3,428,681	9,452,059	927,254	13,807,994	(2,317,532)	11,490,462
Finance result	144,121	655,700	53,145	852,966	(7,151)	845,815
Profit (loss) before income tax and social contribution	3,572,802	10,107,759	980,399	14,660,960	(2,324,683)	12,336,277
Income tax and social contribution	(1,073,487)	(1,159,647)	(197,925)	(2,431,059)	154,736	(2,276,323)
Profit (loss) for the year	2,499,315	8,948,112	782,474	12,229,901	(2,169,947)	10,059,954
Attributable to						
owners of the parent	1,753,410	8,948,109	538,952	11,240,471	(2,169,947)	9,070,524
Non-controlling interests	745,905	3	243,522	989,430	-	989,430
Assets	9,215,607	34,909,942	3,609,566	47,735,115	(8,253,546)	39,481,569
Total assets include:						
Investments in associates (except goodwill and investment properties	545,384	54,630	-	600,014	-	600,014
Additions to non-current assets (except financial instruments and deferred tax assets)	337,439	1,181,225	17,321	1,535,985	(18,472)	1,517,513
Current and non-current liabilities	2,097,339	13,113,907	1,998,924	17,210,170	(2,087,104)	15,123,066

Sales between segments were carried out at arm's length.

The sales are broadly dispersed. The Company and its subsidiaries do not have third-party customers that individually represent more than 10% of their billings.

30 Revenue

In accordance with the accounting standards, the Company must disclose revenue by product and geographic area, unless the necessary information is not available or the cost of its preparation is excessive. As most of the Parent and Consolidated net revenue comes from the domestic market, management believes that information by product and geographic area within the Brazilian territory is not significant for decision making and, therefore, cannot be used as an analysis tool for determining trends and historical development. In view of this scenario and considering that the breakdown of revenue by product and geographic area is not maintained by the Company on a consolidated basis, and that management does not use this information on a managerial basis, such information is not disclosed in these financial statements.

The reconciliation between gross and net revenue is as follows:

		Parent		Consolidated
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Sales of products				
Domestic market	30,426,412	31,610,407	31,957,479	32,515,306
Foreign market	3,934,176	2,818,842	6,747,442	7,784,465
	34,360,588	34,429,249	38,704,921	40,299,771
Sales of services				
Domestic market	5,444	28,992	59,919	91,293
Foreign market	1,244	5,582	1,244	5,582
	6,688	34,574	61,163	96,875
Gross revenue	34,367,276	34,463,823	38,766,084	40,396,646
Deductions from gross revenue				
Taxes	(5,399,374)	(5,964,508)	(5,852,651)	(6,212,237)
Other deductions	(279,169)	(152,310)	(442,923)	(447,445)
	(5,678,543)	(6,116,818)	(6,295,574)	(6,659,682)
Net revenue	28,688,733	28,347,005	32,470,510	33,736,964

31 Expenses by nature

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Depreciation, amortization and depletion	(658,023)	(781,479)	(902,681)	(982,741)
Employee benefit expenses	(1,174,037)	(700,608)	(1,767,363)	(1,179,831)
Raw materials and consumables	(20,823,242)	(18,166,806)	(20,068,685)	(16,988,485)
Scheduled maintenance	(507,867)	(261,973)	(499,849)	(254,550)
Freight charges and insurance	(789,312)	(749,871)	(1,624,483)	(1,475,565)
Distribution costs	(149,194)	(124,891)	(505,833)	(455,485)
Outsourced services	(1,164,650)	(958,591)	(1,647,408)	(1,381,765)
Judicial charges	(15,372)	(14,231)	(22,650)	(26,357)
Litigation income (expenses), net	(67,675)	(183,336)	(76,326)	(169,523)
Gain on sale of excess electricity	(17,813)	3,933	(22,972)	6,006
Result on the sale/reduction of PP&E, intangible Assets, and investments	73,165	49,125	74,212	64,974
Impairment of assets, net	(1,693,408)	(400,287)	(1,396,784)	(397,257)
Recovery of taxes	-	335,425	-	335,425
Inclusion of ICMS in the PIS and COFINS tax base	-	1,389,646	996	1,665,061
Provision for inventory losses/adjustments	(248,480)	(176,835)	(194,353)	(202,444)
Provision for tax losses	-	-	(58,832)	(208,691)
Changes in the provision for impairment of trade receivables	(237)	2,341	2,615	(3,240)
Other	(827,217)	(305,352)	(1,314,618)	(810,822)
	(28,063,362)	(21,043,790)	(30,025,014)	(22,465,290)
Cost of sales	(25,253,132)	(21,548,091)	(26,790,835)	(22,462,636)
Selling expenses	(216,388)	(183,939)	(629,494)	(570,675)
General and administrative expenses	(460,520)	(386,359)	(588,807)	(503,114)
Other operating income (expenses), net	(2,133,322)	1,074,599	(2,015,878)	1,071,135
	(28,063,362)	(21,043,790)	(30,025,014)	(22,465,290)

32 Employee expenses and benefits

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Salaries and social charges	(785,273)	(644,065)	(1,237,367)	(1,006,533)
Social security charges	(147,931)	(132,193)	(228,183)	(192,421)
Retirement plans and post-employment medical benefits	(104,665)	239,345	(111,263)	234,967
Employees' profit sharing	(96,788)	(129,288)	(142,691)	(174,468)
Retirement plan costs	(22,571)	(19,427)	(25,570)	(21,966)
Other	(16,809)	(14,980)	(22,289)	(19,410)
	(1,174,037)	(700,608)	(1,767,363)	(1,179,831)

Employee benefit expenses are recorded under "Cost of sales", "Selling expenses" and "General and administrative expenses", in accordance with the function of each employee.

33 Operating income (expenses)

(a) Selling and general and administrative expenses

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Selling expenses				
Personnel expenses	(33,565)	(34,020)	(76,040)	(72,666)
Outsourced services	(16,029)	(14,599)	(21,866)	(18,872)
Depreciation and amortization	(2,964)	(3,043)	(4,488)	(4,283)
Distribution costs	(149,194)	(124,891)	(505,833)	(455,485)
Provision (reversal of provision) for impairment of trade receivables	(237)	2,341	2,615	(3,240)
General expenses	(14,399)	(9,727)	(23,882)	(16,129)
	(216,388)	(183,939)	(629,494)	(570,675)
General and administrative expenses				
Personnel expenses	(195,229)	(183,335)	(242,915)	(227,112)
Outsourced services	(132,706)	(98,155)	(171,784)	(134,518)
Depreciation and amortization	(34,402)	(30,644)	(39,805)	(35,082)
Management fees	(55,259)	(36,571)	(67,509)	(47,605)
General expenses	(42,924)	(37,654)	(66,794)	(58,797)
	(460,520)	(386,359)	(588,807)	(503,114)

(b) Other operating income (expenses)

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Other finance income				
Revenue from sale of electricity	5,816	11,366	8,661	16,010
Sales of investments, fixed assets and intangible assets	79,049	69,011	86,815	121,714
Recovery of tax contingencies referring to litigation	-	335,425	-	335,425
Recovery of costs	7,122	91,698	14,238	94,769
Recovery of expenses incurred with claims	2,237	4,280	3,634	5,267
Recovery of expenses	4,012	955	6,969	3,057
Revenue from sundry sales	42,895	20,414	45,066	22,786
Reintegra Project	3,997	3,609	3,997	3,609
Inclusion of ICMS in the PIS/COFINS tax base (i)	-	1,389,646	996	1,665,061
Indemnity from Supplier	38,065	-	38,065	-
Recovery of taxes	15,123	-	15,123	-
Other revenue	37,903	24,344	24,876	41,281
	236,219	1,950,748	248,440	2,308,979
Other operating expenses				
Expenses for the sale of electricity	(23,629)	(6,063)	(31,370)	(8,205)
Impairment of assets	(1,693,408)	(400,287)	(1,396,784)	(397,257)
Cost of idleness (ii)	(202,014)	(208,741)	(235,352)	(229,553)
Expenses related to insurance and claims	(4,235)	(2,650)	(4,255)	(2,712)
Judicial charges	(15,372)	(14,231)	(22,650)	(26,357)
Income (expense) from litigation, net	(67,675)	(183,336)	(76,326)	(169,523)
PIS and COFINS on the sale of electricity	-	(1,370)	(263)	(1,799)
Technological research	(29,570)	(28,705)	(29,901)	(28,785)
Profit on the sale/reduction of PP&E, investment and intangible assets	(5,884)	(19,886)	(12,603)	(56,740)
Taxes (INSS, ICMS, Municipal real estate tax (IPTU), etc.)	(20,186)	(7,103)	(47,960)	(38,408)
Environmental control	(5,027)	(1,548)	(5,027)	(1,548)
Post-employment benefits (pension and health care)	(104,665)	239,345	(111,263)	234,967
Inventory adjustment	(56,183)	(114,074)	(56,183)	(114,074)
Provisions for tax losses	-	-	(60,009)	(208,691)
Pre-project expenses	(38,863)	(19,277)	(41,369)	(20,605)
Tax and cultural incentives	(7,000)	(37,159)	(15,130)	(65,932)
Other expenses	(95,830)	(71,064)	(117,873)	(102,622)
	(2,369,541)	(876,149)	(2,264,318)	(1,237,844)
	(2,133,322)	1,074,599	(2,015,878)	1,071,135

(i) As described in Note 25 (c).
(ii) This is the cost of idleness related to temporarily stopped equipment.

34 Finance result

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Finance income				
Interest from customers	24,437	15,682	38,229	26,864
Interest on financial investments	186,493	94,341	548,414	249,417
Tax credits adjusted for inflation - PIS/COFINS	26,245	847,389	41,685	958,411
Inflation indexation on judicial deposits	8,081	5,292	24,053	11,005
Tax credits - PIS/COFINS on depreciation	-	377,475	-	377,475
Interest on tax credits	30,126	10,343	35,749	10,724
Accretion of present value adjustment of trade receivables	388,372	133,142	388,372	133,142
Reversal of the provision/inflation indexation of judicial deposits and litigation-related payments	82,359	38,777	82,394	39,635
Indemnity from supplier adjusted for inflation	94,049	-	94,049	-
Other finance income	7,155	7,562	1,532	2,624
	847,317	1,530,003	1,254,477	1,809,297
Finance costs				
Interest on borrowings (i)	(326,810)	(243,149)	(327,898)	(232,836)
Inflation adjustments on borrowings	(105,465)	(88,198)	(105,465)	(88,198)
PIS/COFINS on other finance income	(24,217)	(64,419)	(46,536)	(79,375)
PIS/COFINS on interest on capital	(19,325)	(17,658)	(19,325)	(17,658)
Inflation adjustment on provisions for litigation	(93,001)	(164,328)	(104,797)	(154,124)
Accretion of present value adjustment of trade payables and forfaiting operations	(117,183)	1,841	(108,244)	(13,839)
Commissions and other borrowing costs	(37,013)	(30,085)	(37,941)	(24,869)
Other finance costs	(37,657)	(14,191)	(115,944)	(62,318)
	(760,671)	(620,187)	(866,150)	(673,217)
Foreign exchange gains (losses), net	228,937	(319,894)	224,166	(290,265)
	315,583	589,922	612,493	845,815

(i) As described in Note 25 (c).

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

35 Earnings (loss) per share

Basic and diluted

Basic and diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to the Company's shareholders 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 28).

The Company does not have debt convertible into shares. The stock option plan does not include potential common or preferred shares for dilution purposes (Note 39).

						Parent and Consolidated
			12/31/2022			12/31/2021
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Basic and diluted						
Basic and diluted numerator						
Profit available to owners of the parent	884,348	731,190	1,615,538	4,965,218	4,105,306	9,070,524
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	528,003,805	1,230,737,833
Earnings per share (R$) - basic and diluted	1.26	1.38	-	7.07	7.78	-

36 Commitments

At December 31, 2022, the Company's commitments with third parties totaled R$7,487,322 in the Parent and R$7,073,968 in the Consolidated. The expected due dates of these commitments are as follows:

	Parent				
	Expected due dates				
	Less than 1 year	From 1 to 3 years	From 4 to 5 years	Over 5 years	Total
Acquisition of PP&E	1,443,348	86,715	904	-	1,530,967
Trade payables	2,200,623	2,308,483	497,739	949,510	5,956,355
	3,643,971	2,395,198	498,643	949,510	7,487,322

	Consolidated				
	Expected due dates				
	Less than 1 year	From 1 to 3 years	From 4 to 5 years	Over 5 years	Total
Acquisition of PP&E	1,581,912	86,715	904	-	1,669,531
Trade payables	1,689,747	768,845	497,739	949,510	3,905,841
Leases	86,596	260,000	260,000	892,000	1,498,596
	3,358,255	1,115,560	758,643	1,841,510	7,073,968

(a) Commitments for acquisition of assets

At December 31, 2022, capital commitments for acquisition of property, plant and equipment totaled, R$1,530,967 in the Parent and R$1,669,531 in the Consolidated and were mainly intended for adaptations, refurbishment and improvements in the primary areas of Ipatinga plant, quality improvement, cost reduction, maintenance, technological update of equipment, and environmental protection projects.

(b) Commitments with suppliers – trade payables

At December 31, 2022, commitments with suppliers totaling R$5,956,355 in the Parent and R$3,905,841 in the Consolidated related mainly to take-or-pay arrangements, and contracts for purchase of electricity and raw materials.

(c) Commitments with mining rights contracts

The subsidiary Mineração Usiminas has long-term contractual obligations with third parties on the acquired mining rights, including take or pay obligations. At December 31, 2022, the commitments with mineral rights leases of the subsidiary Mineração Usiminas, total R$1,498,596 in the Consolidated.

37 Related-party transactions

The Company's shareholding is as follows:

12/31/2022

Shareholder	Common shares		Preferred shares		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
Nippon Steel Corporation (i)	220,320,979	31.24	3,138,758	0.57	223,459,737	17.83
Ternium Investments S.A.R.L. (i)	198,766,651	28.18	6,987,367	1.28	205,754,018	16.42
Confab Industrial S.A. (i)	36,502,746	5.18	1,283,203	0.23	37,785,949	3.02
Previdencia Usiminas (i)	34,109,762	4.84	-	-	34,109,762	2.72
Prosid Investments S.C.A. (i)	29,202,198	4.14	1,026,563	0.19	30,228,761	2.41
Ternium Argentina S.A. (i)	14,601,097	2.07	513,281	0.09	15,114,378	1.21
Mitsubishi Corporation (i)	7,449,544	1.05	-	-	7,449,544	0.59
Metal One Corporation (i)	759,248	0.11	-	-	759,248	0.06
Usiminas S.A. in treasury	2,526,656	0.36	19,609,792	3.58	22,136,448	1.77
Other shareholders	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

12/31/2021

Shareholder	Common shares		Preferred shares		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
Nippon Steel Corporation (i)	220,320,979	31.24	3,138,758	0.57	223,459,737	17.83
Ternium Investments S.A.R.L. (i)	198,766,651	28.18	6,987,367	1.28	205,754,018	16.42
Confab Industrial S.A. (i)	36,502,746	5.18	1,283,203	0.23	37,785,949	3.02
Previdencia Usiminas (i)	34,109,762	4.84	-	-	34,109,762	2.72
Prosid Investments S.C.A. (i)	29,202,198	4.14	1,026,563	0.19	30,228,761	2.41
Ternium Argentina S.A. (i)	14,601,097	2.07	513,281	0.09	15,114,378	1.21
Mitsubishi Corporation (i)	7,449,544	1.05	59,048	0.01	7,508,592	0.60
Metal One Corporation (i)	759,248	0.11	-	-	759,248	0.06
Usiminas S.A. in treasury	2,526,656	0.36	19,609,792	3.58	22,136,448	1.77
Other shareholders	161,021,803	22.83	515,200,412	94.05	676,222,215	53.96
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

Main balances and transactions with related parties:

(a) Assets

						Parent
			12/31/2022			12/31/2021
	Trade receivables	**Dividends receivable**	**Other receivables**	**Trade trade receivables**	**Dividends receivable**	**Other receivables**
Controlling interests	196,297	-	2,414	8,361	-	28
Subsidiaries	1,167,919	190,285	100,269	1,079,816	536,057	24,815
Jointly-controlled subsidiaries	682	-	-	293	-	-
Associates	5,760	580	-	7,700	464	-
Other related parties (i)	210,918	-	-	143,138	-	2,707
Total	1,581,576	190,865	102,683	1,239,308	536,521	27,550
Current	1,581,576	190,865	76,556	1,239,308	536,521	1,189
Non-current (ii)	-	-	26,127	-	-	26,361
Total	1,581,576	190,865	102,683	1,239,308	536,521	27,550

(i) At December 31, 2022, the balance of trade receivables relates mainly to the sale of flat-rolled products to the Ternium Group in the amount of R$205,995 (R$117,136 at December 31, 2021).
(ii) At December 31, 2022, the amount of R$2,385 in "Other receivables" relates to an advance of property, plant, and equipment (R$2,709 at December 31, 2021).

						Consolidated
			12/31/2022			12/31/2021
	Trade receivables	**Dividends receivable**	**Other receivables**	**Trade trade receivables**	**Dividends receivable**	**Other receivables**
Controlling interests	196,297	-	2,401	8,361	-	28
Jointly-controlled subsidiaries	729	-	-	803	-	-
Associates	5,760	22,729	-	7,700	18,182	-
Other related parties (i)	211,429	-	-	143,649	-	2,707
Total	414,215	22,729	2,401	160,513	18,182	2,735
Current	414,215	22,729	16	160,513	18,182	26
Non-current (ii)	-	-	2,385	-	-	2,709
Total	414,215	22,729	2,401	160,513	18,182	2,735

(i) At December 31, 2022, the balance of trade receivables relates mainly to the sale of flat-rolled products to the Ternium Group in the amount of R$205,995 (R$117,647 at December 31, 2021).
(ii) At December 31, 2022, the amount of R$2,385 in "Other receivables" relates to an advance of property, plant, and equipment (R$2,709 at December 31, 2021).

Receivables from related parties mainly arise from sales transactions. The receivables are unsecured in nature and are subject to interest. At December 31, 2022 and 2021, no provisions were recorded for receivables from related parties.

Usiminas does not hold any collateral for these receivables.

(b) Liabilities

						Parent
			12/31/2022			12/31/2021
	Payables	Other payables	Borrowings	Payables	Other payables	Borrowings
Controlling interests	20,617	1,731	-	926	1,248	-
Subsidiaries	390,739	40,533	4,015,010	302,402	147	4,292,360
Jointly-controlled subsidiaries	59,008	-	-	63,208	-	-
Associates	2,379	-	-	1,819	-	-
Other related parties (i)	168,659	221	-	295,916	-	-
Total	641,402	42,485	4,015,010	664,271	1,395	4,292,360
Current	641,402	31,085	110,151	664,271	1,395	117,806
Non-current	-	11,400	3,904,859	-	-	4,174,554
Total	641,402	42,485	4,015,010	664,271	1,395	4,292,360

				Consolidated
		12/31/2022		12/31/2021
	Payables	Other payables	Payables	Other payables
Controlling interests	20,617	1,731	926	1,248
Non-controlling interests	238	20,616	370	113,977
Jointly-controlled subsidiaries	60,033	-	64,504	-
Associates	42,563	74,581	11,469	91,911
Other related parties (i)	168,659	42,883	295,916	77,242
Total	292,110	139,811	373,185	284,378
Current	292,110	66,878	373,185	192,930
Non-current	-	72,933	-	91,448
Total	292,110	139,811	373,185	284,378

(i) At December 31, 2022, the balance payable relates mainly to the purchase of steel plates from Ternium Brasil in the amount of R$168,655 (R$293,322 at December 31, 2021) in the Parent and Consolidated.

(c) Results

						Parent
			12/31/2022			12/31/2021
	Sales	Purchases	Finance and operating result	Sales	Purchases	Finance and operating result
Controlling interests	907,867	17,277	(16,431)	197,887	3,569	(2,840)
Subsidiaries	10,010,234	1,345,386	3,408	9,705,143	1,412,037	(539,407)
Jointly-controlled subsidiaries	-	392,677	(1,517)	-	408,510	(3,399)
Associates	25,754	152,027	-	52,270	161,785	-
Other related parties (i) (ii)	1,235,722	4,485,688	5,384	555,787	6,031,105	1,193
Total	12,179,577	6,393,055	(9,156)	10,511,087	8,017,006	(544,453)

(i) At December 31, 2022, total sales to other related parties refer mainly to sales by Usiminas S.A. to the Ternium Group, amounting to R$1,104,949 (R$424,695 at December 31, 2021).

Finance result from transactions with related parties refers mainly to charges on borrowings between the Company and its subsidiary Usiminas International (Note 20.1 (a) (ii)).

						Consolidated
			12/31/2022			12/31/2021
	Sales	Purchases	Finance and operating result	Sales	Purchases	Finance and operating result
Controlling interests	907,867	17,277	(16,393)	197,887	3,569	(2,876)
Non-controlling interests	-	8,539	-	-	33,755	-
Jointly-controlled subsidiaries	4,988	399,627	(2,049)	4,852	414,827	(3,820)
Associates	25,754	458,592	-	52,939	428,097	-
Other related parties (i) (ii)	1,235,722	4,492,752	6,147	555,787	6,031,105	6,745
Total	2,174,331	5,376,787	(12,295)	811,465	6,911,353	49

(i) At December 31, 2022, total sales to other related parties refer mainly to sales by Usiminas S.A. to the Ternium Group, amounting to R$1,104,949 (R$424,695 at December 31, 2021).
(ii) At December 31, 2022, total purchases from other related parties refer mainly to the purchase of steel plates from Ternium Brasil Ltda. in the amount of R$3,808,483 (R$6,027,223 at December 31, 2021), in the Parent and Consolidated.

The nature of the most significant transactions with related parties is described in Note 37(e).

Transactions with related parties are carried out under competitive and transparent conditions, in accordance with the Company's applicable policies and practices. Mentioned operations are previously approved by the Executive Board and reported to the Board of Directors through the necessary information and supporting documents.

(d) Remuneration of the key management personnel

The remuneration paid or payable to key management personnel, which includes the Company`s Executive Board, Board of Directors, and Statutory Audit Board, is shown below:

	Parent	
	12/31/2022	12/31/2021
Fees	(28,243)	(14,978)
Social charges	(7,240)	(3,274)
Retirement plans	(580)	(596)
Changes in the provision for variable compensation	(19,196)	(17,723)
	(55,259)	(36,571)

(e) Nature of transactions with related parties

The most significant transactions between the Company and related parties are shown below:

- Sale of products to Confab intended for the production of large diameter ducts and industrial equipment.
- Purchases of services from Nippon Steel & Sumitomo Metal Corporation, including the provision of advanced industrial technology, technical support services and training courses for employees.
- Sale of products to Ternium Argentina S.A.
- Purchase of iron ore from Mineração Usiminas to be used in the production process.
- Sale of products to Soluções Usiminas for transformation and distribution.
- Sale of products to Usiminas Mecânica S.A. and purchase of services, such as the manufacture of steel products and equipment.
- Purchase of services from Unigal, related to hot-dip galvanizing and cooling for the production of hot-rolled galvanized steel sheets and coils.
- Purchase of services related to texturing and chrome plating of cylinders used in the rolling processes of Usiroll.
- Purchase of railway transportation services from MRS for the transportation of iron ore.
- Purchase of services related to storage and loading of iron ore from Modal and Terminal Sarzedo.
- Borrowing from Usiminas International Ltd. (Note 20).
- Sale of iron ore from Mineração Usiminas to Sumitomo Corporation.
- Purchase of plates from Ternium Brasil Ltda.

38 Insurance

The insurance policies taken out by the Company and some subsidiaries provide coverage considered sufficient by management.

At December 31, 2022 and 2021, these policies covered buildings, products and raw materials, equipment, machinery, furniture, objects, fittings and installations at the insured establishments and respective facilities of the Company and Unigal, with value at risk of US$11,076,532 (US$10,710,788 at December 31, 2021), and an "All Risks" policy with a maximum indemnity of US$600,000 per claim. At December 31, 2022 and 2021, the maximum deductible for material damages was US$10,000 and the cover for loss of profits had a deductible term of 45 days (waiting period). This insurance coverage expires on March 30, 2023.

At December 31, 2022, the Company had insurance indemnity receivable related to an accident on August 10, 2018 in one of the four gasometers located at the Ipatinga plant. This indemnity for property damage and additional operating expenses totaling R$352,661 (R$349,031 at December 31, 2021), was recorded in non-current assets. At December 31, 2022, the Company received the amount of R$271,051 (R$116,219 at December 31, 2021) as an advance payment of the insurance indemnity. The remaining balance of R$81,610 is expected to be received as the supporting documentation is provided to the insurance companies, according to the contract.

39 Stock option plan

The Company's stock option plan ("Plan") is overseen by the Board of Directors.

Over the term of the Plan, the Company offers to its executive officers stock options through the 2011, 2012, 2013 and 2014 programs.

On November 30, 2020, the 2014 Program was terminated, at the end of the seven-year term established in the Plan. Therefore, at December 31, 2022, the Company did not have a stock option program in place.

At December 31, 2021, the exercise of the remaining options of the 2014 Program resulted in an impact of R$1,577 on the Company's capital reserves. During the year, the exercise of 468,259 options remaining from the 2014 Program resulted in a decrease by the same number in preferred shares held in treasury within equity.

40 Collateral

The following assets were pledged as collateral:

		Parent		Consolidated	
Assets pledged as collateral	**Liabilities secured**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Cash and cash equivalents	Litigation	40,000	41,106	40,000	41,106
Inventories	Litigation	1,373	1,093	1,373	1,093
Property, plant and equipment	Litigation	121,477	177,739	143,453	203,678
Property, plant and equipment	Borrowings	-	-	11,351	11,437
Property, plant and equipment	Actuarial liability	1,331,339	1,331,339	1,331,339	1,331,339
		1,494,189	1,551,277	1,527,516	1,588,653

41 Non-cash transactions

At December 31, 2022 investment and financing transactions with no cash effect were carried out, as shown below:

	Parent		Consolidated	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Addition to property, plant and equipment through capitalization of interest	88,056	29,954	88,056	29,954
Remeasurement and addition to right-of-use assets	15,347	27,388	81,861	50,137
Offset of judicial deposits against provision for litigation	(21,756)	(22,740)	(21,835)	(23,923)
Offset of tax credits against taxes payable	(760,249)	(1,503,452)	(824,089)	(1,592,775)
	(678,602)	(1,468,850)	(676,007)	(1,536,607)

Board of Directors

Sergio Leite de Andrade
Chairman

Edílio Ramos Veloso
Board Member

Elias de Matos Brito
Board Member

Fabrício Santos Debortoli
Board Member

Hiroshi Ono
Board Member

Oscar Montero Martinez
Board Member

Roberto Luis Prosdocimi Maia
Board Member

Ruy Roberto Hirschheimer
Board Member

Yuichi Akiyama
Board Member

Statutory Audit Board

Paulo Frank Coelho da Rocha
Chairman

Paulo Roberto Bellentani Brandão
Board Member

Sérgio Carvalho Campos
Board Member

Tácito Barbosa Coelho Monteiro Filho
Board Member

Wanderley Rezende de Souza
Board Member

Executive Board

Alberto Akikazu Ono
CEO

Américo Ferreira Neto
Vice-President - Industrial Area

Gino Ritagliati
Vice-President - Corporate Planning

Miguel Angel Homes Camejo
Vice-President - Commercial Area

Thiago da Fonseca Rodrigues
Vice-President - Finance and Investor Relations

Toshihiro Miyakoshi
Vice-President - Technology and Quality

Adriane Vieira Oliveira
Accountant
CRC MG 070.852/0