

# **Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS**

**Quarterly Information (ITR) at  
March 31, 2021 and report on review of  
quarterly information**



(A free translation of the original in Portuguese)

## **Report on review of quarterly information**

To the Board of Directors and Stockholders  
Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2021, comprising the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

### **Scope of review**

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

### **Conclusion on the interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

## **Other matters**

### **Statements of value added**

The quarterly information referred to above includes the parent company and consolidated statements of value added for the quarter ended March 31, 2021. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, April 23, 2021

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

Guilherme Campos e Silva  
Contador CRC 1SP218254/O-1

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## Company Information / Capital Breakdown

<b>Number of shares (units)</b>	<b>Current quarter 03/31/2021</b>
Common Shares - Paid-in Capital	705,260,684
Preferred Shares - Paid-in Capital	547,818,424
Total - Paid-in Capital	1,253,079,108
Common Treasury Shares	2,526,656
Preferred Treasury Shares	19,933,468
Total Treasury Shares	22,460,124

## Parent Company Financial Statements / Balance sheet - Assets

(In thousands of reais)

Account Code	Account description	Current quarter 03/31/2021	Prior year 12/31/2020
1	Total Assets	28,354,590	26,662,013
1.01	Current Assets	9,440,519	8,302,795
1.01.01	Cash and Cash Equivalents	1,374,738	1,848,310
1.01.02	Financial investments	428,959	716,308
1.01.03	Trade Receivables	2,553,280	1,561,483
1.01.04	Inventories	4,113,456	3,315,958
1.01.08	Other Current Assets	970,086	860,736
1.01.08.03	Other	970,086	860,736
1.01.08.03.01	Taxes Recoverable	260,729	251,782
1.01.08.03.02	Prepaid Income Tax and Social Contribution	-	30,883
1.01.08.03.03	Dividends Receivable	271,443	380,516
1.01.08.03.04	Advances to Suppliers	197,219	84,013
1.01.08.03.07	Other	240,695	113,542
1.02	Noncurrent Assets	18,914,071	18,359,218
1.02.01	Long-term Receivables	3,355,866	3,344,307
1.02.01.04	Accounts Receivable	235,485	277,731
1.02.01.04.01	Trade Accounts Receivable	136,822	87,321
1.02.01.04.02	Other Accounts Receivable	98,663	190,410
1.02.01.07	Deferred Taxes	2,240,983	2,220,876
1.02.01.09	Receivables from Related Parties	23,145	23,086
1.02.01.10	Other Noncurrent Assets	856,253	822,614
1.02.01.10.03	Judicial Deposits	349,712	352,615
1.02.01.10.04	Properties for Sale	27,345	27,353
1.02.01.10.06	Taxes Recoverable	172,703	169,463
1.02.01.10.08	Insurance Indemnity to Receive	295,387	262,077
1.02.01.10.09	Other	11,106	11,106
1.02.02	Investments	5,820,022	5,282,942
1.02.02.01	Ownership Interests	5,719,203	5,182,120
1.02.02.01.01	Interest Held in Associates	43,661	42,526
1.02.02.01.02	Interest Held in Subsidiaries	5,136,942	4,623,913
1.02.02.01.03	Interest Held in Jointly-Controlled Subsidiaries	538,600	515,681
1.02.02.02	Investment Property	100,819	100,822
1.02.03	Property, Plant and Equipment (PPE)	9,627,824	9,627,857
1.02.03.01	Property, Plant and Equipment in Use	8,529,105	8,645,358
1.02.03.03	Construction in Progress	1,098,719	982,499
1.02.04	Intangible Assets	110,359	104,112

## Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2021	Prior year 12/31/2020
2	Total Liabilities and Equity	28,354,590	26,662,013
2.01	Current Liabilities	3,718,391	3,647,035
2.01.01	Social and Labor Liabilities	146,278	141,490
2.01.02	Trade Payables	2,161,250	1,966,924
2.01.03	Tax Liabilities	207,134	105,330
2.01.03.01	Federal Tax Liabilities	207,134	105,330
2.01.03.01.01	Income tax and social contribution payable	34,789	-
2.01.03.01.02	Taxes payable	172,345	105,330
2.01.04	Borrowings	57,553	132,824
2.01.04.01	Borrowings	57,184	113,610
2.01.04.02	Debentures	369	19,214
2.01.05	Other Liabilities	1,146,176	1,300,467
2.01.05.02	Other	1,146,176	1,300,467
2.01.05.02.01	Dividends and Interest on Capital Payable	160,312	160,315
2.01.05.02.04	Accounts Payable	117,538	184,043
2.01.05.02.05	Taxes Payable in Installments	4,388	4,378
2.01.05.02.07	Advances from Customers	37,294	64,305
2.01.05.02.08	Accounts Payable - Forfeiting	820,738	880,711
2.01.05.02.09	Lease Liabilities	5,906	6,715
2.02	Noncurrent Liabilities	8,870,815	8,147,512
2.02.01	Borrowings	6,206,230	5,827,754
2.02.01.01	Borrowings	4,219,833	3,842,360
2.02.01.02	Debentures	1,986,397	1,985,394
2.02.02	Other Liabilities	314,375	247,904
2.02.02.02	Other	314,375	247,904
2.02.02.02.05	Lease Liabilities	14,111	766
2.02.02.02.06	Other Accounts Payable	300,264	247,138
2.02.04	Provisions	2,350,210	2,071,854
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil		
	Contingencies	2,119,404	2,071,854
2.02.04.01.02	Provisions for Employee Benefits	1,465,182	1,415,432
2.02.04.01.05	Contingent Liabilities	654,222	656,422
2.02.04.02	Other Provision	230,806	-
2.03	Equity	15,765,384	14,867,466
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	311,843	311,366
2.03.04	Profit Reserves	1,472,967	1,472,967
2.03.04.01	Legal reserve	92,286	92,286
2.03.04.10	Investments and working capital	1,380,681	1,380,681
2.03.05	Retained Earnings (Accumulated Losses)	935,563	-
2.03.06	Equity Adjustments	-155,284	-117,162



## Parent Company Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current period 01/01/2021 to 03/31/2021	Prior period 01/01/2020 to 03/31/2020
3.01	Revenue	5,762,015	3,249,892
3.02	Cost of Sales and/or Services	-4,500,834	-2,997,914
3.03	Gross Profit	1,261,181	251,978
3.04	Operating Income (Expenses)	277,344	27,486
3.04.01	Selling Expenses	-28,259	-39,493
3.04.02	General and Administrative Expenses	-85,548	-84,453
3.04.04	Other Operating Income	46,977	34,840
3.04.05	Other Operating Expenses	-193,875	-41,362
3.04.06	Equity in Results of Investees	538,049	157,954
3.05	Income Before Financial Income (Expense) and Taxes	1,538,525	279,464
3.06	Finance result, Net	- 467,643	-981,725
3.07	Income Before Income Taxes	1,070,882	-702,261
3.08	Income Tax and Social Contribution	- 139,087	225,694
3.08.01	Current	-159,196	-
3.08.02	Deferred	20,109	225,694
3.09	Net Income (loss) from Continuing Operations	931,795	-476,567
3.11	Net Income/Loss for the Period	931,795	-476,567
3.99	Earnings (Loss) per Share (Reais / Shares)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common Shares (RCS)	0.73000	-0.39000
3.99.01.02	Registered Preferred Shares (RPS)	0.80000	-0.39000
3.99.02	Diluted Earnings per Share		
3.99.02.01	RCS	0.73000	-0.39000
3.99.02.02	RPS	0.80000	-0.39000

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

**(In thousands of reais)**

<b>Account code</b>	<b>Account description</b>	<b>Current period 01/01/2021 to 03/31/2021</b>	<b>Prior period 01/01/2020 to 03/31/2020</b>
4.01	Net Income for the Period	931,795	-476,567
4.02	Other Comprehensive Income (Loss)	-34,765	476,831
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-34,765	473,318
4.02.03	Hedge Accounting	-	3,513
4.03	Comprehensive Income (Loss) for the Period	897,030	264

## Parent Company Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2021 to 03/31/2021	Prior period 01/01/2020 to 03/31/2020
6.01	Net Cash from Operating Activities	-659,719	683,628
6.01.01	Cash From Operations	975,918	204,349
6.01.01.01	Net Income (Loss) for the Period	931,795	-476,567
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	308,362	831,587
6.01.01.03	Interest Expenses	72,268	71,249
6.01.01.04	Depreciation and Amortization	203,050	205,434
6.01.01.05	Gain/Loss on Sale of Property, Plant and Equipment	-3,355	-530
6.01.01.06	Equity in Results of Investees	-538,049	-157,954
6.01.01.08	Deferred Income Tax and Social Contribution	- 20,109	-225,694
6.01.01.09	Set up (Reversal) of Provisions	-1,302	-63,710
6.01.01.10	Actuarial Gains (Losses)	23,258	20,534
6.01.02	Changes in Assets and Liabilities	-1,448,485	253,481
6.01.02.01	Trade Receivables	-1,040,581	-229,068
6.01.02.02	Inventories	-732,564	75,380
6.01.02.03	Taxes Recoverable	-14,869	-18,447
6.01.02.04	Receivables from Related Parties	6,338	37,204
6.01.02.05	Judicial Deposits	-100	-8,122
6.01.02.06	Other Increase (Decrease) In Assets	-181,595	-100,074
6.01.02.07	Accounts Payable, Contractors and Freight	194,326	199,430
6.01.02.08	Advances from Customers	-27,011	-771
6.01.02.09	Payables to Related Parties	-58	62,912
6.01.02.10	Taxes Payable	219,644	105,988
6.01.02.11	Accounts Payable – Forfeiting	-59,973	102,528
6.01.02.13	Other Increase (Decrease) in Liabilities	187,958	26,521
6.01.03	Other	-187,152	225,798
6.01.03.01	Actuarial Liabilities	-8,396	-5,742
6.01.03.02	Actuarial Liability Received – PB1	-	393,933
6.01.03.03	Interest Paid	-166,633	-152,413
6.01.03.04	Prepaid Income Tax and Social Contribution	-12,123	-9,980
6.02	Net Cash from Investing Activities	213,819	-144,901
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	3,414	530
6.02.02	Purchases of Property, Plant and Equipment	-178,441	-138,917
6.02.04	Dividends Received	110,061	-
6.02.06	Marketable securities	287,349	-
6.02.07	Purchase of Software	-8,564	-6,514
6.03	Net Cash from Financing Activities	-1,014	-1,057
6.03.02	Repayment of Borrowings	-1,011	-1,052
6.03.05	Prepaid Capital Contribution	- 3	-5
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	-26,658	17,895
6.05	Increase (Decrease) in Cash and Cash Equivalents	-473,572	555,565
6.05.01	Cash and Cash Equivalents at the beginning of Period	1,848,310	901,864
6.05.02	Cash and cash Equivalents at end of Period	1,374,738	1,457,429

**Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2021 to 03/31/2021**
**(In thousands of reais)**

<b>Account code</b>	<b>Account description</b>	<b>Paid-in capital</b>	<b>Capital reserves, options granted and treasury shares</b>	<b>Revenue reserves</b>	<b>Retained earnings (accumulated losses)</b>	<b>Other Comprehensive Income (loss)</b>	<b>Equity</b>
5.01	Opening balances	13,200,295	311,366	1,472,967	-	-117,162	14,867,466
5.03	Adjusted Opening Balances	13,200,295	311,366	1,472,967	-	-117,162	14,867,466
5.04	Capital Transactions with Shareholders	-	477	-	3,768	-3,357	888
5.04.03	Recognized Options Granted	-	-411	-	411	-	-
5.04.05	Treasury Stock Sold	-	888	-	-	-	888
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	3,357	-3,357	-
5.05	Total Comprehensive Income	-	-	-	931,795	-34,765	897,830
5.05.01	Net Income for the Period	-	-	-	931,795	-	931,795
5.05.02	Other Comprehensive Income	-	-	-	-	-34,765	-34,765
5.05.02.06	Actuarial Gain and Loss on Retirement Benefits	-	-	-	-	-34,765	-34,765
5.07	Closing Balances	13,200,295	311,843	1,472,967	935,563	-155,284	15,765,384

**Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2020 to 03/31/2020**
**(In thousands of reais)**

<b>Account code</b>	<b>Account description</b>	<b>Paid-in capital</b>	<b>Capital reserves, options granted and treasury shares</b>	<b>Revenue reserves</b>	<b>Retained earnings (accumulated losses)</b>	<b>Other Comprehensive Income (loss)</b>	<b>Equity</b>
5.01	Opening balances	13,200,295	307,033	943,132	-	-407,037	14,043,423
5.03	Adjusted Opening Balances	13,200,295	307,033	943,132	-	-407,037	14,043,423
5.04	Capital Transactions with Shareholders	-	-	-	2,939	-2,939	-
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	2,939	-2,939	-
5.05	Total Comprehensive Income	-	-	-	-476,567	476,831	264
5.05.01	Net Income for the Period	-	-	-	-476,567	-	-476,567
5.05.02	Other Comprehensive Income	-	-	-	-	476,831	476,831
5.05.02.06	Actuarial gain and loss on retirement benefits	-	-	-	-	473,318	473,318
5.05.02.07	Constitution of Hedge Accounting	-	-	-	-	3,513	3,513
5.07	Closing Balances	13,200,295	307,033	943,132	-473,628	66,855	14,043,687

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

<b>Account code</b>	<b>Account description</b>	<b>Current period 01/01/2021 to 03/31/2021</b>	<b>Prior period 01/01/2020 to 03/31/2020</b>
7.01	Revenue	7,069,016	3,920,485
7.01.01	Sales of Goods, Products and Services	7,065,381	3,916,441
7.01.02	Other Revenues	2,514	2,633
7.01.04	Allowance (Reversal of) for Doubtful Accounts	1,121	1,411
7.02	Inputs Acquired from Third Parties	-5,841,905	-3,071,490
7.02.01	Costs of Products Goods and Services Sold	-5,668,772	-3,022,478
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	-173,133	-49,012
7.03	Gross Value Added	1,227,111	848,995
7.04	Retentions	-203,050	-205,434
7.04.01	Depreciation, Amortization and Depletion	-203,050	-205,434
7.05	Net Value Added Produced	1,024,061	643,561
7.06	Value Added Received in Transfer	579,488	286,207
7.06.01	Equity in earnings	538,049	157,954
7.06.02	Financial Revenues	36,920	39,345
7.06.03	Other	4,519	88,908
7.06.03.01	Actuarial Gains (Losses)	-23,258	-20,534
7.06.03.02	Exchange Variations	27,777	109,442
7.07	Total Value Added to be Distributed	1,603,549	929,768
7.08	Distribution of Value Added	1,603,549	929,768
7.08.01	Personnel	169,936	172,245
7.08.01.01	Direct Compensation	132,741	141,906
7.08.01.02	Benefits	23,566	16,074
7.08.01.03	Unemployment Compensation Fund (FGTS)	13,629	14,265
7.08.02	Taxes, Rates and Contributions	-30,522	103,578
7.08.02.01	Federal	-399,400	-131,242
7.08.02.02	State	350,759	217,331
7.08.02.03	Municipal	18,119	17,489
7.08.03	Remuneration of Third Parties	532,340	1,130,512
7.08.03.01	Interest	97,406	133,457
7.08.03.03	Other	434,934	997,055
7.08.03.03.01	Hedge	-	-438
7.08.03.03.02	Foreign Exchange Variations	434,934	997,493
7.08.04	Equity Remuneration	931,795	-476,567
7.08.04.03	Retained Earnings (Accumulated Losses)	931,795	-476,567

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

<b>Account code</b>	<b>Account description</b>	<b>Current quarter - 03/31/2021</b>	<b>Prior period - 12/31/2020</b>
1	Total Assets	31,865,269	29,952,137
1.01	Current Assets	13,678,033	11,829,602
1.01.01	Cash and Cash Equivalents	4,004,384	3,261,288
1.01.02	Financial investments	596,719	1,606,816
1.01.03	Trade Receivables	3,231,783	2,372,791
1.01.04	Inventories	4,850,314	3,889,695
1.01.08	Other Current Assets	994,833	699,012
1.01.08.03	Other	994,833	699,012
1.01.08.03.01	Taxes Recoverable	533,960	441,572
1.01.08.03.02	Prepaid Income Tax and Social Contribution	-	35,780
1.01.08.03.03	Dividends Receivable	11,188	11,686
1.01.08.03.04	Advances to Suppliers	199,829	86,177
1.01.08.03.07	Other Accounts Receivable	249,856	123,797
1.02	Noncurrent Assets	18,187,236	18,122,535
1.02.01	Long-term Receivables	4,334,320	4,295,372
1.02.01.04	Accounts Receivable	216,319	258,411
1.02.01.04.01	Trade Accounts Receivable	136,822	87,321
1.02.01.04.02	Other Accounts Receivable	79,497	171,090
1.02.01.07	Deferred Taxes	2,938,218	2,914,338
1.02.01.10	Other Noncurrent Assets	1,179,783	1,122,623
1.02.01.10.03	Judicial Deposits	544,628	543,408
1.02.01.10.05	Taxes Recoverable	177,231	174,004
1.02.01.10.08	Insurance Indemnity to Receive	295,387	262,077
1.02.01.10.09	Other	162,537	143,134
1.02.02	Investments	1,255,733	1,222,930
1.02.02.01	Ownership Interest	1,091,514	1,058,708
1.02.02.01.01	Interests Held in Associates	546,067	535,977
1.02.02.01.04	Other Ownership Interests	545,447	522,731
1.02.02.02	Investment Property	164,219	164,222
1.02.03	Property, Plant and Equipment (PP&E)	10,997,265	11,006,034
1.02.03.01	Property, Plant and Equipment in Use	9,593,526	9,697,130
1.02.03.03	Construction in Progress	1,403,739	1,308,904
1.02.04	Intangible Assets	1,599,918	1,598,199

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

<b>Account code</b>	<b>Account description</b>	<b>Current quarter - 03/31/2021</b>	<b>Prior period - 12/31/2020</b>
2	Total Liabilities and Equity	31,865,269	29,952,137
2.01	Current Liabilities	4,509,443	4,479,098
2.01.01	Social and Labor Liabilities	193,981	180,757
2.01.02	Trade Payables	2,137,223	1,917,690
2.01.03	Tax Liabilities	642,217	610,804
2.01.03.01	Federal Tax Liabilities	642,217	610,804
2.01.03.01.01	Income and Social Contribution Taxes Payable	401,143	445,842
2.01.03.01.02	Taxes Payable	241,074	164,962
2.01.04	Borrowings	60,767	135,952
2.01.04.01	Borrowings	60,398	116,738
2.01.04.02	Debentures	369	19,214
2.01.05	Other Liabilities	1,475,255	1,633,895
2.01.05.02	Other	1,475,255	1,633,895
2.01.05.02.01	Dividends and Interest on Capital Payable	276,536	324,728
2.01.05.02.04	Taxes Payable in Installments	4,390	4,380
2.01.05.02.06	Advances from Customers	152,468	139,678
2.01.05.02.08	Accounts Payable	193,405	257,611
2.01.05.02.09	Accounts Payable - Forfeiting	820,738	880,711
2.01.05.02.10	Lease Liabilities	27,718	26,787
2.02	Noncurrent Liabilities	9,346,595	8,634,869
2.02.01	Borrowings	6,209,967	5,832,410
2.02.01.01	Borrowings	4,223,570	3,847,016
2.02.01.02	Debentures	1,986,397	1,985,394
2.02.02	Other Liabilities	376,374	301,055
2.02.02.01	Payables to related companies	82,753	80,042
2.02.02.02	Other	293,621	221,013
2.02.02.02.06	Lease Liabilities	57,784	37,920
2.02.02.02.07	Other	235,837	183,093
2.02.04	Provisions	2,760,254	2,501,404
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	2,295,566	2,271,402
2.02.04.01.02	Post-employment benefits	1,522,646	1,471,801
2.02.04.01.05	Provision for litigation	772,920	799,601
2.02.04.02	Other Provisions	464,688	230,002
2.03	Equity	18,009,231	16,838,170
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	311,843	311,366
2.03.04	Revenue Reserves	1,472,967	1,472,967
2.03.04.01	Legal Reserve	92,286	92,286
2.03.04.10	Investments and working capital	1,380,681	1,380,681
2.03.05	Retained Earnings (Accumulated Losses)	935,563	-
2.03.06	Carrying value adjustments	-155,284	-117,162
2.03.09	Non-controlling interests	2,243,847	1,970,704



## Consolidated Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current period 01/01/2021 to 03/31/2021	Prior period current quarter 01/01/2020 to 03/31/2020
3.01	Revenue	7,065,832	3,807,855
3.02	Cost of Sales and/or Services	-4,602,450	-3,295,002
3.03	Gross Profit	2,463,382	512,853
3.04	Operating Income (Expenses)	-301,118	-222,330
3.04.01	Selling expenses	-98,709	-99,807
3.04.02	General and Administrative Expenses	-115,412	-109,377
3.04.04	Other Operating Income	139,368	39,673
3.04.05	Other Operating Expenses	- 263,069	-68,166
3.04.06	Equity in Results of Investees	36,704	15,347
3.05	Income Before Financial Income (Expense) and Taxes	2,162,264	290,523
3.06	Finance result, Net	-375,741	-857,631
3.07	Income Before Income Taxes	1,786,523	-567,108
3.08	Income Tax and Social Contribution	-581,626	143,128
3.08.01	Current	-605,508	-65,658
3.08.02	Deferred	23,882	208,786
3.09	Net income (loss) from Continuing Operations	1,204,897	-423,980
3.11	Net Income/Loss for the Period	1,204,897	-423,980
3.11.01	Attributed to Shareholders of Parent Company	931,795	-476,567
3.11.02	Attributed to Noncontrolling Shareholders	273,102	52,587
3.99	Earnings (Loss) per Share (Reais / Shares)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common Shares (RCS)	0.73000	-0.39000
3.99.01.02	Registered Preferred Shares (RPS)	0.80000	-0.39000
3.99.02	Diluted Earnings per Share		
3.99.02.01	RCS	0.73000	-0.39000
3.99.02.02	RPS	0.80000	-0.39000

**Consolidated Financial Statements / Statement of Comprehensive Income (loss)**

**(In thousands of reais)**

<b>Account code</b>	<b>Account description</b>	<b>Current quarter 01/01/2021 to 03/31/2021</b>	<b>Current period 01/01/2020 to 03/31/2020</b>
4.01	Consolidated Net Income for the Period	1,204,897	-423,980
4.02	Other Comprehensive Income (Loss)	-34,724	478,339
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-34,724	473,320
4.02.03	Hedge Accounting	-	5,019
4.03	Consolidated Comprehensive Income (Loss) for the Period	1,170,173	54,359
4.03.01	Attributed to Shareholders of Parent Company	897,030	264
4.03.02	Attributed to Noncontrolling Shareholders	273,143	54,095

## Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2021 to 03/31/2021	Prior period 01/01/2020 to 03/31/2020
6.01	Net Cash from Operating Activities	-6,562	617,318
6.01.01	Cash From Operations	2,154,243	586,988
6.01.01.01	Net Income (Loss) for the Period	1,204,897	-423,980
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	287,538	873,489
6.01.01.03	Interest Expenses	69,571	82,217
6.01.01.04	Depreciation and Amortization	248,637	248,705
6.01.01.05	Gain/Loss on sale of Property, Plant and Equipment	-16,783	-868
6.01.01.06	Equity in Results of Investees	-36,704	-15,347
6.01.01.08	Deferred Income Tax and Social Contribution	-23,882	-208,786
6.01.01.09	Set up (Reversal) of Provisions	396,617	10,038
6.01.01.10	Actuarial Gains (Losses)	24,352	21,520
6.01.02	Changes in Assets and Liabilities	-1,496,945	-163,442
6.01.02.01	Trade Receivables	-911,799	-321,324
6.01.02.02	Inventories	-900,390	61,773
6.01.02.03	Taxes Recoverable	-94,275	-38,981
6.01.02.04	Judicial Deposits	-3,097	-18,392
6.01.02.05	Receivables from Related Parties	-	1,651
6.01.02.06	Other (Increase) Decrease in Assets	-205,573	-93,632
6.01.02.07	Accounts Payable, Contractors and Freight	219,533	-7,307
6.01.02.08	Advances from Customers	12,790	10,147
6.01.02.09	Payables to Related Parties	2,711	-14,184
6.01.02.10	Taxes Payable	252,468	125,002
6.01.02.11	Accounts Payable – Forfeiting	-59,973	102,528
6.01.02.14	Other Increase (Decrease) in Liabilities	190,660	29,277
6.01.03	Other	-663,860	193,772
6.01.03.01	Actuarial Liability Paid	-8,396	-5,742
6.01.03.02	Actuarial Liability Received – PB1	-	393,933
6.01.03.03	Interest Paid	-162,357	-152,559
6.01.03.04	Income and Social Contribution Taxes Paid	-493,107	-41,860
6.02	Net Cash from Investing Activities	826,451	-82,257
6.02.02	Purchases of Property, Plant and Equipment	-229,952	-175,821
6.02.03	Proceeds from the Sale of Property, Plant and Equipment	50,379	881
6.02.05	Dividends Received	4,592	2,093
6.02.06	Marketable Securities	1,010,097	97,235
6.02.07	Purchase of Software	-8,665	-6,645
6.03	Net Cash from Financing Activities	-50,135	-3,396
6.03.02	Repayment of Borrowings	-1,943	-3,391
6.03.05	Dividends and Interest on Equity Paid	-48,192	-5
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	-26,658	17,895
6.05	Increase (Decrease) in Cash and Cash Equivalents	743,096	549,560
6.05.01	Cash and Cash Equivalents at Beginning of Period	3,261,288	1,252,966
6.05.02	Cash and cash Equivalents at End of Period	4,004,384	1,802,526

**Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2021 to 03/31/2021**
**(In thousands of reais)**

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	311,366	1,472,967	-	-117,162	14,867,466	1,970,704	16,838,170
5.03	Adjusted Opening Balances	13,200,295	311,366	1,472,967	-	-117,162	14,867,466	1,970,704	16,838,170
5.04	Capital Transactions with Shareholders	-	477	-	3,768	-3,357	888	-	888
5.04.03	Recognized Options Granted	-	-411	-	411	-	-	-	-
5.04.05	Treasury Stock Sold	-	888	-	-	-	888	-	888
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	3,357	-3,357	-	-	-
5.05	Total Comprehensive Income (Loss)	-	-	-	931,795	-34,765	897,030	273,143	1,170,173
5.05.01	Net Income (Loss) for the Period	-	-	-	931,795	-	931,795	273,102	1,204,897
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	-34,765	-34,765	41	-34,724
5.05.02.06	Actuarial loss on retirement benefits	-	-	-	-	-34,765	-34,765	41	-34,724
5.07	Closing Balances	13,200,295	311,843	1,472,967	935,563	-155,284	15,765,384	2,243,847	18,009,231

**Consolidated Financial Statements / Statement of Changes in Equity - 01/01/20120 to 03/31/20**
**(In thousands of reais)**

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	307,033	943,132	-	-407,037	14,043,423	1,522,261	15,565,684
5.03	Adjusted Opening Balances	13,200,295	307,033	943,132	-	-407,037	14,043,423	1,522,261	15,565,684
5.04	Capital Transactions with Shareholders	-	-	-	2,939	-2,939	-	-	-
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	2,939	-2,939	-	-	-
5.05	Total Comprehensive Income (Loss)	-	-	-	-476,567	476,831	264	54,095	54,359
5.05.01	Net Income (Loss) for the Period	-	-	-	-476,567	-	-476,567	52,587	-423,980
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	476,831	476,831	1,508	478,339
5.05.02.06	Actuarial loss on retirement benefits	-	-	-	-	473,318	473,318	2	473,320
5.05.02.07	Hedge Accounting	-	-	-	-	3,513	3,513	1,506	5,019
5.07	Closing Balances	13,200,295	307,033	943,132	-473,628	66,855	14,043,687	1,576,356	15,620,043

**Consolidated Financial State-ments / Statement of Value Added****(In thousands of reais)**

<b>Account code</b>	<b>Account description</b>	<b>Current period 01/01/2021 to 03/31/2021</b>	<b>Prior period 01/01/2020 to 03/31/2020</b>
7.01	Revenue	8,858,081	4,740,600
7.01.01	Sales of Goods, Products and Services	8,857,256	4,739,637
7.01.02	Other Revenues	3,727	2,789
7.01.04	Allowance (Reversal of) for Doubtful Accounts	-2,902	-1,826
7.02	Inputs Acquired from Third Parties	-6,376,888	-3,585,069
7.02.01	Costs of Products Goods and Services Sold	-6,157,305	-3,458,628
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	- 219,583	-126,441
7.03	Gross Value Added	2,481,193	1,155,531
7.04	Retentions	-248,637	-248,705
7.04.01	Depreciation, Amortization and Depletion	-248,637	-248,705
7.05	Net Value Added Produced	2,232,556	906,826
7.06	Value Added Received in Transfer	175,330	256,385
7.06.01	Equity in Results of Investees	36,704	15,347
7.06.02	Financial Revenues	76,040	57,754
7.06.03	Other	62,586	183,284
7.06.03.01	Actuarial Gains and Losses	-24,352	-21,520
7.06.03.02	Foreign Exchange Gains/losses	86,938	204,804
7.07	Total Value Added to be Distributed	2,407,886	1,163,211
7.08	Distribution of Value Added	2,407,886	1,163,211
7.08.01	Personnel	257,062	242,754
7.08.01.01	Direct Compensation	209,224	202,199
7.08.01.02	Benefits	29,907	20,254
7.08.01.03	Unemployment Compensation Fund (FGTS)	17,931	20,301
7.08.02	Taxes, Rates and Contributions	407,208	224,248
7.08.02.01	Federal	-101,064	-94,718
7.08.02.02	State	488,221	297,472
7.08.02.03	Municipal	20,051	21,494
7.08.03	Remuneration of Third Parties	538,719	1,120,189
7.08.03.01	Interest	96,456	141,165
7.08.03.03	Other	442,263	979,024
7.08.03.03.01	Hedge	-	-438
7.08.03.03.02	Exchange variation	442,263	979,462
7.08.04	Equity Remuneration	1,204,897	-423,980
7.08.04.03	Retained Earnings (Accumulated Losses)	931,795	-476,567
7.08.04.04	Noncontrolling Interests in Retained Profits	273,102	52,587

## **Notes**

### **1 Operations**

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

The Company and its subsidiaries, jointly-controlled subsidiaries and associates (Usiminas) operate in the steel industry and related activities, such as iron ore extraction, steel transformation, production of capital assets and logistics. It currently operates two steel mills with nominal production capacity of 9.5 million (not reviewed by auditor) metric tons per annum of flat-rolled products, located in the Cities of Ipatinga, State of Minas Gerais, and Cubatão, State of São Paulo, in addition to iron ore reserves, service and distribution centers, maritime ports and cargo terminals, strategically located in several Brazilian cities.

The Company holds, directly or indirectly, interest in subsidiaries, jointly-controlled subsidiaries and associates, as described in Note 1 to the financial statements for the year ended December 31, 2020.

### **2 Interim accounting information**

The issue and disclosure of the interim accounting information included in this Quarterly Information Form (ITR) on the Company and Consolidated accounts was approved by the Board of Directors at a meeting held on April 22, 2021.

### **3 Summary of significant accounting policies**

The significant accounting policies applied in the preparation of this interim accounting information are consistent with those adopted and presented in the Company’s financial statements for the year ended December 31, 2020.

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

### **3.1 Basis of preparation and statement of compliance**

This interim accounting information for the quarter ended March 31, 2021, should be read together with the Company's financial statements for the year ended December 31, 2020.

Considering that there were no material changes in the composition and nature of the balances presented in the financial statements for the year ended December 31, 2020, the following Notes are presented in a condensed manner for the quarter ended March 31, 2021.

- 3 Summary of significant accounting policies;
- 4 Financial risk management objectives and policy;
- 11 Income tax and social contribution;
- 12 Judicial deposits;
- 13 Investments;
- 14 Property, plant and equipment;
- 15 Impairment of non-financial assets;
- 16 Intangible assets;
- 17 Borrowings and debentures;
- 19 Taxes payable in installments;
- 21 Provision for litigation;
- 22 Retirement benefit obligations;
- 23 Equity;
- 29 Transactions with related parties; and
- 30 Stock option plan.

#### **Parent company and consolidated interim accounting information**

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

### **3.2 Standards, amendments to and interpretations of existing standards**

In the quarter ended March 31, 2021, no new standards, amendments to or interpretations of existing standards were issued.



## 4 Financial risk management objectives and policy

At March 31, 2021, there were no significant changes in financial risk policies and management in relation to those disclosed in the Company's financial statements for the year ended December 31, 2020.

### 4.1 Foreign exchange risk

#### (i) Foreign exchange exposure

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

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Assets in foreign currency				
Cash and cash equivalents	92,636	128,916	367,833	397,051
Marketable securities	-	-	39,013	32,120
Trade receivables	77,478	47,353	635,081	262,589
Advances to suppliers	-	-	15	1,364
	<u>170,114</u>	<u>176,269</u>	<u>1,041,942</u>	<u>693,124</u>
Liabilities in foreign currency				
Borrowings	(4,266,071)	(3,944,010)	(4,266,071)	(3,944,010)
Trade payables, contractors and freight charges	(742,276)	(607,429)	(757,298)	(618,415)
Advances from customers	(9,326)	(10,682)	(17,692)	(20,074)
Other payables	(4,155)	(2,793)	(4,147)	(2,787)
	<u>(5,021,828)</u>	<u>(4,564,914)</u>	<u>(5,045,208)</u>	<u>(4,585,286)</u>
Currency exposure	<u>(4,851,714)</u>	<u>(4,388,645)</u>	<u>(4,003,266)</u>	<u>(3,892,162)</u>

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

The Company prepares a sensitivity analysis of outstanding assets and liabilities denominated in foreign currency at the end of the period, considering the foreign exchange rate at March 31, 2021. Scenario I considered a depreciation of the Brazilian Real of 5% when compared to the current scenario. Scenarios II and III were stressed based on factors of 25% and 50%, respectively, on the amount of the foreign currency at March 31, 2021.

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

Currency	Foreign exchange rate at the end of the period	3/31/2021		
		Scenario I	Scenario II	Scenario III
US\$	5.6973	5.9822	7.1216	8.5460
Euro	6.6915	7.0261	8.3644	10.0373
Yen	0.0515	0.0541	0.0644	0.0773

Potential effects on the finance result, considering Scenarios I, II and III, are shown below:

Currency	Consolidated		
	3/31/2021		
	Scenario I	Scenario II	Scenario III
US\$	(199,954)	(999,770)	(1,999,540)
Euro	169	845	1,690
Yen	(378)	(1,892)	(3,784)

## 4.2 Cash flow or fair value interest rate risk

### (i) Composition of borrowings and debentures by interest type

The interest rate risk arises from interest rates used in financial investments, borrowings and debentures.

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

	Parent company		Consolidated	
	3/31/2021	%	12/31/2020	%
<b>Borrowings</b>				
Fixed	4,277,017	68	3,955,970	66
	4,283,968	68	3,963,754	66
<b>Debentures</b>				
CDI	1,986,766	32	2,004,608	34
	6,263,783	100	5,960,578	100
	6,270,734	100	5,968,362	100

**(ii) Sensitivity analysis of changes in interest rates**

The Company prepares a sensitivity analysis of outstanding assets and liabilities indexed to interest rates at the end of the period, considering the rate prevailing at March 31, 2021 for the probable scenario. Scenario I considers a 5% increase on the average interest rate applicable to the floating portion of its current debt. Scenarios II and III were stressed based on factors of 25% and 50%, respectively, on the amounts of that rate at March 31, 2021.

The rate used and its related scenarios are shown below:

<b>Index</b>	<b>3/31/2021</b>			
	<b>Rate at the end of the period (i)</b>	<b>Scenario I</b>	<b>Scenario II</b>	<b>Scenario III</b>
CDI	2.7%	2.8%	3.3%	4.0%

(i) Annual rate.

Potential effects on the finance result, considering Scenarios I, II and III, are shown below:

<b>Index</b>	<b>Consolidated</b>		
	<b>3/31/2021</b>		
	<b>Scenario I</b>	<b>Scenario II</b>	<b>Scenario III</b>
CDI	2,844	14,222	28,443

The interest rates to which the Company is exposed, related to debentures, are presented in Note 21 to the financial statements for the year ended December 31, 2020, and, at March 31, 2021, mainly comprise Interbank Deposit Certificates (CDI).

### 4.3 Capital management

The objectives for managing capital are to safeguard the ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure at optimum costs.

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

	<b>Parent company</b>		<b>Consolidated</b>	
	<b><u>3/31/2021</u></b>	<b><u>12/31/2020</u></b>	<b><u>3/31/2021</u></b>	<b><u>12/31/2020</u></b>
Total borrowings, debentures and taxes payable in installments	6,268,171	5,964,956	6,275,124	5,972,742
Less: cash and cash equivalents and marketable securities	<u>(1,803,697)</u>	<u>(2,564,618)</u>	<u>(4,601,103)</u>	<u>(4,868,104)</u>
Net debt	<u>4,464,474</u>	<u>3,400,338</u>	<u>1,674,021</u>	<u>1,104,638</u>
Total equity	15,765,384	14,867,466	18,009,231	16,838,170
Total capitalization	<u>20,229,858</u>	<u>18,267,804</u>	<u>19,683,252</u>	<u>17,942,808</u>
Gearing ratio	<u>22%</u>	<u>19%</u>	<u>9%</u>	<u>6%</u>

**5 Derivative financial instruments**

At March 31, 2021 and December 31, 2020, the Company and its subsidiaries did not have outstanding transactions with derivative financial instruments.

At March 31, 2020, transactions with derivative financial instruments entered into by the Company totaled R\$438.

**6 Cash and cash equivalents**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>12/31/2020</b>	<b>3/31/2021</b>	<b>12/31/2020</b>
Bank accounts	37,826	27,391	60,857	43,264
Bank accounts abroad	92,636	128,916	367,833	397,051
Bank Deposit Certificates (CDB) and repurchase transactions	1,244,276	1,692,003	3,575,694	2,820,973
	<b>1,374,738</b>	<b>1,848,310</b>	<b>4,004,384</b>	<b>3,261,288</b>

Financial investments in Bank Deposit Certificates (CDB) and repurchase transactions have immediate liquidity, and earn on average 106.05% (December 31, 2020 - 104.24%) of the CDI rate in the Parent company and 105.94% (December 31, 2020 – 103.98%) of the CDI rate in Consolidated.

At March 31, 2021, Usiminas does not use overdraft accounts.

**7 Marketable securities**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>12/31/2020</b>	<b>3/31/2021</b>	<b>12/31/2020</b>
Bank Deposit Certificates (CDB)	428,959	716,308	557,706	1,574,696
Financial investments abroad	-	-	39,013	32,120
	<u>428,959</u>	<u>716,308</u>	<u>596,719</u>	<u>1,606,816</u>

Financial investments in Bank Deposit Certificates (CDB) earn on average 106,05% (December 31, 2020 – 104.24%) of the CDI rate in the Parent company and 105.94% (December 31, 2020 – 103.98%) of the CDI rate in Consolidated.

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

Financial investments mainly comprise Bank Deposit Certificates (CDB) at prime financial institutions.

**8 Trade receivables**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>12/31/2020</b>	<b>3/31/2021</b>	<b>12/31/2020</b>
Trade receivables:				
In Brazil	1,960,415	1,354,497	2,902,401	2,381,091
Abroad	22,041	34,191	579,644	249,427
Provision for impairment of trade receivables (i)	(136,491)	(137,208)	(201,134)	(197,946)
Trade receivables, net	1,845,965	1,251,480	3,280,911	2,432,572
Receivables from related parties				
In Brazil	784,103	379,969	27,660	10,185
Abroad	60,034	17,355	60,034	17,355
Receivables from related parties	844,137	397,324	87,694	27,540
	<u>2,690,102</u>	<u>1,648,804</u>	<u>3,368,605</u>	<u>2,460,112</u>
Current assets	2,553,280	1,561,483	3,231,783	2,372,791
Non-current assets	136,822	87,321	136,822	87,321

(i) Of the total provision for impairment of trade receivables in Parent company and Consolidated accounts, the balance of R\$4,597 (December 31, 2020 - R\$4,193) refers to trade receivables denominated in foreign currency.

The ageing analysis of trade receivables was as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>12/31/2020</b>	<b>3/31/2021</b>	<b>12/31/2020</b>
Amounts not yet due	2,665,947	1,641,529	3,338,629	2,270,168
Amounts past due:				
Up to 30 days	51,992	38,153	52,302	211,221
From 31 to 60 days	770	4,124	2,229	5,557
From 61 to 90 days	1,071	1,925	2,236	7,717
From 91 to 180 days	6,146	2,486	11,650	5,073
Over 181 days	100,667	97,795	162,693	158,322
(-) Provision for impairment of trade receivables	(136,491)	(137,208)	(201,134)	(197,946)
	<u>2,690,102</u>	<u>1,648,804</u>	<u>3,368,605</u>	<u>2,460,112</u>

At March 31, 2021, trade receivables amounting to R\$24,155 in the Parent company and R\$29,976 in Consolidated were past due but not impaired (December 31, 2020 – R\$7,275 and R\$189,944, respectively). These receivables relate to customers for which there is no recent history of default, or the outstanding balances of which are supported by guarantees.

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

	<b>Parent company</b>		<b>Consolidated</b>	
	<b><u>3/31/2021</u></b>	<b><u>12/31/2020</u></b>	<b><u>3/31/2021</u></b>	<b><u>12/31/2020</u></b>
Brazilian Real	2,612,624	1,601,451	2,733,524	2,197,523
U.S. Dollar	70,608	46,048	628,211	261,284
Euro	<u>6,870</u>	<u>1,305</u>	<u>6,870</u>	<u>1,305</u>
	<u>2,690,102</u>	<u>1,648,804</u>	<u>3,368,605</u>	<u>2,460,112</u>

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

	<b><u>Parent company</u></b>	<b><u>Consolidated</u></b>
At December 31, 2020	<u>(137,208)</u>	<u>(197,946)</u>
(Additions to) Reversals from profit or loss	1,121	(2,902)
Write-off against trade receivables	-	118
Foreign exchange gains/losses	<u>(404)</u>	<u>(404)</u>
At March 31, 2021	<u>(136,491)</u>	<u>(201,134)</u>

The additions to and reversal of the provision for impairment of trade receivables have been included in Selling expenses in the statement of income. Usiminas does not hold any collateral for trade receivables.



**9 Inventories**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>12/31/2020</b>	<b>3/31/2021</b>	<b>12/31/2020</b>
Current assets				
Finished products	898,416	669,208	1,028,520	786,763
Work in progress	1,650,717	1,257,692	1,669,092	1,274,666
Raw materials	821,935	685,879	1,350,933	1,072,102
Supplies and spare parts	511,940	484,788	575,654	546,827
Imports in transit	211,583	160,446	212,997	160,520
Provision for losses (i)	(156,939)	(120,836)	(162,686)	(129,964)
Other	175,804	178,781	175,804	178,781
	<u>4,113,456</u>	<u>3,315,958</u>	<u>4,850,314</u>	<u>3,889,695</u>

(i) Refers to fair value adjustments and obsolescence of certain inventory items.

**10 Taxes recoverable**

	<b>Parent company</b>		<b>Parent company</b>	
	<b>3/31/2021</b>		<b>12/31/2020</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Social Integration Program (PIS) (i)	11,387	13,837	20,809	13,798
Social Contribution on Revenues (COFINS) (i)	40,727	104,181	80,986	103,940
Value-Added Tax on Sales and Services (ICMS)	152,042	33,824	114,000	30,926
Excise Tax (IPI)	55,333	-	34,923	-
Special System for Refund of Tax Amounts to Exporting Companies (Reintegra) - credit	1,196	18,996	1,040	18,934
Other	44	1,865	24	1,865
	<b>260,729</b>	<b>172,703</b>	<b>251,782</b>	<b>169,463</b>
	<b>Consolidated</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>		<b>12/31/2020</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
PIS (i)	29,451	14,391	36,283	14,353
COFINS (i)	122,874	106,870	159,117	106,633
ICMS	231,451	34,954	176,309	32,064
IPI	136,474	-	64,694	-
Reintegra - credit	1,196	18,996	1,040	18,934
National Institute of Social Security (INSS)	2,288	-	2,809	-
Other	5,077	2,020	1,320	2,020
	<b>528,811</b>	<b>177,231</b>	<b>441,572</b>	<b>174,004</b>

(i) The balance of non-current assets refers mainly to ICMS on the PIS/COFINS calculation basis, as described on Note 25 (c) of the financial statements of December 31, 2020.

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

Income tax expenses differ from the theoretical values that would have been obtained using the statutory nominal rates applied to profit before taxation, in Parent company and Consolidated accounts, as shown below:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>03/31/2020</b>	<b>3/31/2021</b>	<b>03/31/2020</b>
Profit (loss) before income tax and social contribution	1,070,882	(702,261)	1,786,523	(567,108)
Nominal rates	34%	34%	34%	34%
Income taxes at nominal rates	<u>(364,100)</u>	<u>238,768</u>	<u>(607,418)</u>	<u>192,817</u>
Adjustments to determine taxable profit:				
Equity in the results of investees (i)	224,290	61,735	12,479	5,219
Permanent exclusions (additions)	(2,139)	(1,904)	(1,844)	(5,539)
Unrecognized tax credits	-	(72,905)	8,028	(65,750)
Tax incentives	2,862	-	3,443	1,137
Non-taxable income and rate differences of foreign subsidiaries	<u>-</u>	<u>-</u>	<u>3,686</u>	<u>15,244</u>
Taxes on profit determined	<u>(139,087)</u>	<u>225,694</u>	<u>(581,626)</u>	<u>143,128</u>
Current	(159,196)	-	(605,508)	(65,658)
Deferred	<u>20,109</u>	<u>225,694</u>	<u>23,882</u>	<u>208,786</u>
Tax (expense) credit in the statement of income	<u>(139,087)</u>	<u>225,694</u>	<u>(581,626)</u>	<u>143,128</u>
Income tax	(101,511)	165,951	(426,466)	105,583
Social contribution	<u>(37,576)</u>	<u>59,743</u>	<u>(155,160)</u>	<u>37,545</u>

(i) Net of unrealized inventory profit.

**(b) Deferred income tax and social contribution**

Changes in deferred income tax and social contribution, net, for the quarter ended March 31, 2021, were as follows:

	<b>Assets</b>	
	<b>Parent company</b>	<b>Consolidated</b>
At December 31, 2020	2,220,876	2,914,338
Deferred taxes in the statement of income, net	20,109	23,882
Other	(2)	(2)
At March 31, 2021	2,240,983	2,938,218

The composition of deferred income tax and social contribution assets and liabilities is as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>12/31/2020</b>	<b>3/31/2021</b>	<b>12/31/2020</b>
Deferred assets arising from income tax and social contribution losses	2,468,517	2,537,974	2,608,422	2,691,854
Deferred assets arising from temporary differences	1,066,862	931,319	1,855,849	1,711,646
Deferred liabilities arising from temporary differences	(436,399)	(390,420)	(469,485)	(424,566)
Unrecognized deferred income tax and social contribution	(857,997)	(857,997)	(1,056,568)	(1,064,596)
	<u>2,240,983</u>	<u>2,220,876</u>	<u>2,938,218</u>	<u>2,914,338</u>

In the quarter ended March 31, 2021, the Company's management reversed a provision for tax credit losses of R\$8,028 in Consolidated only (December 31, 2020 – reversal of R\$39,078 in the Parent company and recording of a provision of R\$5,488 in Consolidated). Deferred tax credits not recognized in the financial statements totaled R\$857,997 in the Parent company and R\$1,056,568 in Consolidated (December 31, 2020 – R\$857,997 and R\$1,064,596, respectively). The Company's management will continue monitoring this unrecognized amount, which may be accounted for as soon as its use becomes probable.

According to the projections approved by the Company's management and the balance of deferred income tax assets (tax losses and temporary differences) at March 31, 2021, the expected realization of the taxes was as follows:

	<u>Parent company</u>	<u>Consolidated</u>
2021	162,613	238,912
2022	234,641	263,848
2023	244,333	273,518
2024	245,117	274,316
2025	277,244	306,426
2026 to 2028	879,919	978,193
2029 to 2031	873,749	962,140
2032 to 2034	617,763	683,571
After 2035 (i)	-	483,347
Total	<u>3,535,379</u>	<u>4,464,271</u>
Unrecognized tax credits	<u>(857,997)</u>	<u>(1,056,568)</u>
Assets	<u>2,677,382</u>	<u>3,407,703</u>
Liabilities	<u>(436,399)</u>	<u>(469,485)</u>
Net position	<u>2,240,983</u>	<u>2,938,218</u>

(i) In Consolidated, the amounts refer mainly to tax credits from goodwill on Mineração Usiminas downstream merger. 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 income, reviewed by the Statutory Audit Board and approved by the Board of Directors of the Company. The study to determine the expected future taxable income adopts the same data and assumptions as those adopted in the impairment test of assets (Note 17 to the financial statements at December 31, 2020).

As the income tax and social contribution taxable bases arise not only from 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 forecast profit and the income subject to income tax and social contribution. Accordingly, the projected tax credit offsets should not be considered as the only indication of the future profitability of Usiminas.

**12 Judicial deposits**

At March 31, 2021, changes in judicial deposits were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2020 (i)	<u>549,507</u>	<u>740,300</u>
Additions	2,625	9,212
Interest/inflation indexation	1,274	2,413
Reversals	<u>(6,802)</u>	<u>(10,405)</u>
Subtotal	<u>546,604</u>	<u>741,520</u>
(-) Offset against taxes payable in installments	<u>(196,892)</u>	<u>(196,892)</u>
At March 31, 2021	<u>349,712</u>	<u>544,628</u>

(i) To the total amount of judicial deposits presented in the balance sheet at December 31, 2020, the amount of R\$196,892 must be added, related to the offset of taxes payable in installments.

At March 31, 2021, additions in the Parent company refer to tax proceedings (R\$2,553). In Consolidated, in addition to the events considered in the Parent company, additions refer mainly to the Financial Compensation for Mineral Resources Exploration (CFEM) in the subsidiary Mineração Usiminas (R\$6,243).

At March 31, 2021, reversals in the Parent company and Consolidated refer mainly to labor claims.

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

	<u>12/31/2020</u>	<u>Equity in the results of investees (i)</u>	<u>Interest on capital and dividends</u>	<u>Unrealized inventory profit</u>	<u>Actuarial liability</u>	<u>Other</u>	<u>3/31/2021</u>
<b>Subsidiaries</b>							
Mineração Usiminas	3,666,557	483,826	-	-	97	-	4,150,480
Soluções Usiminas	701,100	116,039	-	(121,626)	-	-	695,513
Usiminas International	73,163	10,841	-	-	-	-	84,004
Usiminas Mecânica	21,702	22,737	-	-	-	-	44,439
Usiminas Participações e Logística S.A. (UPL)	84,474	1,409	-	-	27	-	85,910
Goodwill on subsidiaries	76,917	-	-	-	-	(321)	76,596
	<u>4,623,913</u>	<u>634,852</u>	<u>-</u>	<u>(121,626)</u>	<u>124</u>	<u>(321)</u>	<u>5,136,942</u>
<b>Jointly-controlled subsidiaries</b>							
Unigal	503,078	23,294	-	-	-	-	526,372
Usiroll	12,603	625	(1,000)	-	-	-	12,228
	<u>515,681</u>	<u>23,919</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,600</u>
<b>Associates</b>							
Codeme	30,504	908	-	-	-	-	31,412
MRS	12,022	208	12	-	7	-	12,249
	<u>42,526</u>	<u>1,116</u>	<u>12</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>43,661</u>
	<u>5,182,120</u>	<u>659,887</u>	<u>(988)</u>	<u>(121,626)</u>	<u>131</u>	<u>(321)</u>	<u>5,719,203</u>

- (i) In the equity in the results of investees presented in the statement of income and the statement of cash flows of the Parent company, which totals R\$538,049 when compared with the income of R\$659,887 in changes in investments, the results related to net capital deficiency of the subsidiary Rios Unidos totaling R\$212 and unrealized inventory profit of R\$121,626 determined in the subsidiaries Soluções Usiminas and Usiminas Mecânica must be considered.

**(ii) Consolidated**

	<u>12/31/2020</u>	<u>Equity in the results of investees</u>	<u>Interest on capital and dividends</u>	<u>Actuarial liability</u>	<u>3/31/2021</u>
<b>Jointly-controlled subsidiaries</b>					
Investments in jointly-controlled subsidiaries	518,063	24,685	(1,969)	-	540,779
Goodwill on jointly-controlled subsidiaries	<u>4,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,668</u>
	522,731	24,685	(1,969)	-	545,447
<b>Associates</b>					
Investments in associates	528,777	12,019	(2,104)	175	538,867
Goodwill on associates	<u>7,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,200</u>
	<u>535,977</u>	<u>12,019</u>	<u>(2,104)</u>	<u>175</u>	<u>546,067</u>
Total	<u>1,058,708</u>	<u>36,704</u>	<u>(4,073)</u>	<u>175</u>	<u>1,091,514</u>



**14 Property, plant and equipment**

Changes in property, plant and equipment were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2020	<u>9,627,857</u>	<u>11,006,034</u>
Additions	178,441	229,952
Disposals	(59)	(33,596)
Depreciation (i)	(198,327)	(239,285)
Interest and indexation charges/foreign exchange gains or losses capitalized (ii)	7,861	7,861
Transfers	(2,406)	(2,406)
Addition/Remeasurement - IFRS 16 (Right of use)	14,846	29,094
Other	<u>(389)</u>	<u>(389)</u>
At March 31, 2021	<u>9,627,824</u>	<u>10,997,265</u>

- (i) Includes right-of-use depreciation of R\$2,175 in the Parent company and R\$12,513 in Consolidated (IFRS16 adoption).  
(ii) These charges were capitalized at the contracted rates, which are described in Note 20 to the financial statements for the year ended December 31, 2020.

In the quarter ended March 31, 2021, additions to property, plant and equipment refer to expenses incurred to keep the Company's production capacity.

At March 31, 2021, interest and foreign exchange gains/losses on borrowings in the amount of R\$7,861 were capitalized in property, plant and equipment, in the Parent company and in Consolidated.

At March 31, 2021, depreciation in the Parent company was recognized in "Cost of sales", "Other operating income (expenses)", "Selling expenses" and "General and administrative expenses", in the amounts of R\$145,987, R\$48,701, R\$751 and R\$2,888 (March 31, 2020 - R\$146,701, R\$50,159, R\$747 and R\$2,446), respectively. In Consolidated, depreciation was recognized in "Cost of sales", "Other operating income (expenses)", "Selling expenses" and "General and administrative expenses" in the amounts of R\$182,026, R\$52,837, R\$1,027 and R\$3,395 (March 31, 2020 - R\$182,997, R\$53,283, R\$1,013 and R\$3,288), respectively.

Certain property, plant and equipment items are pledged as collateral of borrowings and judicial proceedings (Note 31).

## **15 Impairment of non-financial assets**

For calculation of the recoverable amount of each business segment, Usiminas uses the discounted cash flow method based on the economic and financial projections of each segment. The projections take into consideration the changes observed in the economic scenario of the markets in which the companies operate, as well as assumptions of expected results and the history of profitability of each segment.

During the quarter ended March 31, 2021, management monitored the behavior of the main assumptions used in the impairment tests carried out at December 31, 2020 (as described in Note 17 to the financial statements at December 31, 2020), as well as the macroeconomic context of each business segment.

The assumptions and scenarios used are based on the expected improvement of the macroeconomic environment. However, such projections are dependent on factors and market conditions, and may therefore differ from actual figures and results. Therefore, the Company will continue to monitor future developments, continuously assessing the impacts of the spread of the new coronavirus disease (COVID-19) on its operations and, consequently, on its financial statements.

In the quarter ended March 31, 2021, the economic scenario showed evidence of gradual growth. For the Steel metallurgy segment, this growth was reflected in projected results for the period, when compared with the projections of the previous quarter. Therefore, there was no need to perform an impairment test for the period.

As for the Mining and Steel Transformation segments and other long-term assets, there was no need for change in the assumptions used in the preparation of the impairment tests carried out at December 31, 2020.

Management will continue to monitor the key assumptions of each business segment, as well as profit or loss in 2021, which will indicate the reasonableness of the future projections used.

## **16 Intangible assets**

Changes in intangible assets in the quarter ended March 31, 2021 can be summarized as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2020	<u>104,112</u>	<u>1,598,199</u>
Additions	8,564	8,665
Amortization	(4,723)	(9,352)
Transfers	<u>2,406</u>	<u>2,406</u>
At March 31, 2021	<u><u>110,359</u></u>	<u><u>1,599,918</u></u>

**17 Borrowings and debentures****(a) Borrowings**

Changes in borrowings were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2020	<u>3,955,970</u>	<u>3,963,754</u>
Accrued charges	71,982	67,742
Indexation accruals	123	186
Foreign exchange gains/losses	375,450	375,450
Payment of interest	(128,370)	(124,094)
Repayment of principal	(1,011)	(1,943)
Deferral of commissions	<u>2,873</u>	<u>2,873</u>
At March 31, 2021	<u>4,277,017</u>	<u>4,283,968</u>
Current liabilities	57,184	60,398
Non-current liabilities	<u>4,219,833</u>	<u>4,223,570</u>

Long-term amounts fall due as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3/31/2021</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>12/31/2020</u>
2022	2,528	3,378	4,517	6,038
2023	2,976	2,976	4,720	4,968
2024	1,696	1,696	1,700	1,700
2026	<u>4,212,633</u>	<u>3,834,310</u>	<u>4,212,633</u>	<u>3,834,310</u>
	<u>4,219,833</u>	<u>3,842,360</u>	<u>4,223,570</u>	<u>3,847,016</u>

**(b) Debentures**

At March 31, 2021, changes in debentures were as follows:

	<b>Parent company and consolidated</b>
At December 31, 2020	<u>2,004,608</u>
Accrued charges	10,624
Indexation accruals	9,797
Payment of interest	<u>(38,263)</u>
At March 31, 2021 (i)	<u><u>1,986,766</u></u>
Current liabilities	369
Non-current liabilities	<u>1,986,397</u>

(i) Balance presented net, after deducting the amount of R\$13,603 related to the deferral of transaction costs, in accordance with Technical Pronouncement CPC 08 - Transaction Costs and Premiums on Issue of Securities.

At March 31, 2021, debenture charges of R\$369 are recorded in current liabilities (December 31, 2020 - R\$19,214).

Long-term amounts fall due as follows:

	<b>Parent company and consolidated</b>	
	<u><b>3/31/2021</b></u>	<u><b>12/31/2020</b></u>
2023	695,239	694,888
2024	645,579	645,253
2025	<u>645,579</u>	<u>645,253</u>
	<u><u>1,986,397</u></u>	<u><u>1,985,394</u></u>

**(c) Covenants**

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

(i) Net debt / Adjusted EBITDA:

- less than 3.5 times in the quarterly measurements for Bonds and in the half-yearly measurements (December and June) for debentures.

At March 31, 2021, the Company determined the following ratio:

Indicator	Contracted ratio	Determined ratio
Net debt / Adjusted EBITDA	< 3.5	0.3

With respect to non-financial covenants, the Company has monitoring controls and, for the quarter ended March 31, 2021, no breaches of these covenants were found.

**18 Taxes payable**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>12/31/2020</b>	<b>3/31/2021</b>	<b>12/31/2020</b>
ICMS	90,359	48,378	104,993	57,415
IPI	62,367	37,866	65,774	41,127
Withholding Income Tax (IRRF)	13,977	9,954	16,028	11,977
Services Tax (ISS)	1,822	1,353	4,729	4,554
PIS and COFINS	2,558	1,897	4,231	3,485
CFEM	-	-	41,200	37,927
Other	1,262	5,882	4,119	8,477
	<u>172,345</u>	<u>105,330</u>	<u>241,074</u>	<u>164,962</u>

**19 Taxes payable in installments**

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

	<b>Parent company</b>	<b>Consolidated</b>
At December 31, 2020 (i)	<u>201,270</u>	<u>201,272</u>
Provision for interest	<u>10</u>	<u>10</u>
Subtotal	<u>201,280</u>	<u>201,282</u>
Balance of judicial deposit offset	<u>(196,892)</u>	<u>(196,892)</u>
At March 31, 2021 (ii)	<u>4,388</u>	<u>4,390</u>

(i) To the total amount of taxes payable in installments presented in the balance sheet, the amount of R\$196,892, which refers to offset against judicial deposits, must be added in Parent company and Consolidated accounts.

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

**20 Lease liabilities**

At March 31, 2021, the Company estimated discount rates, based on risk-free interest rates observable in the Brazilian market, for the term of its agreements. The rates used in the calculation ranged from 7.34% to 10.53% per annum.

At March 31, 2021, changes in lease liabilities are shown below:

	<b>Parent company</b>	<b>Consolidated</b>
	<b>3/31/2021</b>	<b>3/31/2021</b>
Opening balance	7,481	64,707
Additions/Remeasurements of contracts	14,846	29,095
Reductions	(2,498)	(10,031)
Interest	188	1,731
Closing balance	20,017	85,502
Current	5,906	27,718
Non-current	14,111	57,784

At March 31, 2021, the estimated future minimum payments related to lease agreements were as follows:

	<b>Parent company</b>		
	Less than one year	From one to two years	From two to five years
Lease agreements	7,416	2,533	18,050
Present value adjustment	(1,510)	(1,228)	(5,244)
	5,906	1,305	12,806
	<b>20,017</b>		
	<b>Consolidated</b>		
	Less than one year	From one to two years	From two to five years
Lease agreements	34,474	26,113	45,467
Present value adjustment	(6,757)	(4,880)	(8,915)
	27,717	21,233	36,552
	<b>85,502</b>		

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:

	<b>Parent company</b>		<b>Consolidated</b>	
<b>Cash flow</b>	<b>Nominal</b>	<b>Adjusted to present value</b>	<b>Nominal</b>	<b>Adjusted to present value</b>
Lease consideration	9,029	18,165	96,244	77,593
Potential PIS/COFINS (9.25%)	920	1,852	9,810	7,909
	9,949	20,017	106,054	85,502



**21 Provision for litigation**

	Parent company					
	3/31/2021			12/31/2020		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
INSS	53,042	-	53,042	51,692	-	51,692
ICMS	51,516	-	51,516	52,564	-	52,564
Labor	392,207	(121,469)	270,738	399,329	(126,811)	272,518
Civil	157,457	(24,354)	133,103	152,837	(24,064)	128,773
	<u>654,222</u>	<u>(145,823)</u>	<u>508,399</u>	<u>656,422</u>	<u>(150,875)</u>	<u>505,547</u>

  

	Consolidated					
	3/31/2021			12/31/2020		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
INSS	62,825	-	62,825	52,364	(58)	52,306
ICMS	52,681	-	52,681	53,640	(1,254)	52,386
PIS and COFINS	2,055	-	2,055	2,049	-	2,049
Labor	474,883	(125,148)	349,735	491,105	(177,526)	313,579
Civil	168,662	(38,821)	129,841	189,510	(40,695)	148,815
Other	11,814	-	11,814	10,933	(2,747)	8,186
	<u>772,920</u>	<u>(163,969)</u>	<u>608,951</u>	<u>799,601</u>	<u>(222,280)</u>	<u>577,321</u>

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

At March 31, 2021, changes in the provision for litigation were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2020	<u>656,422</u>	<u>799,601</u>
Additions	29,838	31,952
Interest/inflation indexation	11,967	2,608
Payments/reductions	(36,711)	(37,100)
Reversal of principal	(2,804)	(19,264)
Reversal of interest	<u>(4,490)</u>	<u>(4,877)</u>
At March 31, 2021	<u>654,222</u>	<u>772,920</u>

The 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 counsel.

In the quarter ended March 31, 2021, in the Parent company, additions refer to labor claims (R\$10,011) and civil proceedings (R\$19,630). The payments/reductions refer to payments made in connection with civil proceedings (R\$17,155) and labor claims (R\$19,554).

In the quarter ended March 31, 2021, in Consolidated, additions refer to labor claims (R\$11,102) and civil proceedings (R\$20,921). The payments/reductions refer to payments made in connection with civil proceedings (R\$22,848) and labor claims (R\$29,472).

**(a) Possible loss contingencies**

In the quarter ended March 31, 2021, Usiminas was the defendant in proceedings involving risks of losses classified as possible by management, based on the advice of its legal counsel, totaling R\$6,568,357 (December 31, 2020 – R\$6,546,379). At March 31, 2021, these proceedings, for which no provision was recorded, related to civil matters - R\$567,211; environmental matters - R\$39,342; labor matters - R\$946,354; and tax matters - R\$5,015,450 (December 31, 2020 – civil matters - R\$568,630; environmental matters - R\$17,673; labor matters - R\$929,854 and tax matters - R\$5,030,221).

**(b) Contingent assets**

At March 31, 2021, the main proceeding in which the Company is the plaintiff is presented below:

**Inclusion of ICMS in PIS and COFINS calculation bases**

At the end of 2020, a final and unappealable decision favorable for the subsidiary Soluções em Aço Usiminas S.A. was issued with respect to the action that challenged the inclusion of the Value-Added Tax on Sales and Services (ICMS) in PIS and COFINS calculation bases.

The subsidiary determined, together with its external consultants, that the amounts of taxes overpaid be supplemented by interest/indexation accruals as per the quantification of credits guidelines, especially Private Letter Ruling No. 13 - COSIT of the Brazilian Federal Revenue Secretariat. Accordingly, at March 31, 2021, the amount of R\$45,480 was recorded in Consolidated.

**22 Retirement benefit obligations**

The amounts and information on retirement benefit obligations were as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>12/31/2020</b>	<b>3/31/2021</b>	<b>12/31/2020</b>
Balance sheet obligations for:				
Pension benefits	713,551	676,280	714,878	691,024
Post-employment medical benefits	751,631	739,152	807,768	780,777
	<u>1,465,182</u>	<u>1,415,432</u>	<u>1,522,646</u>	<u>1,471,801</u>
	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>03/31/2020</b>	<b>3/31/2021</b>	<b>03/31/2020</b>
Income (expenses) recognized in the statement of income				
Pension benefits	(10,781)	(8,334)	(11,027)	(8,599)
Post-employment medical benefits	<u>(12,477)</u>	<u>(12,200)</u>	<u>(13,325)</u>	<u>(12,921)</u>
	<u>(23,258)</u>	<u>(20,534)</u>	<u>(24,352)</u>	<u>(21,520)</u>

At March 31, 2021, changes in actuarial gains and losses recognized in other comprehensive income were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
Actuarial gains (losses) recognized directly in other comprehensive income	(8,681)	(8,722)
Actuarial gains (losses) on loans recognized directly in other comprehensive income - CPC 33 and IFRIC 14	43,446	43,446
Accumulated actuarial gains (losses) recognized in other comprehensive income (i)	<u>34,765</u>	<u>34,724</u>

(i) At March 31, 2021, total balance in the Parent company includes the amount of R\$131 (total balance in Consolidated includes the amount of R\$175) related to actuarial gains (losses) of subsidiaries and jointly-controlled subsidiaries, recorded by the equity method of accounting.

### Changes in retirement benefit obligations

Pursuant to CPC 33 (R1) and IAS 19, the actuarial study carried out by an independent actuary as at December 31, 2020 presented liabilities of R\$1,415,432 in the Parent company and R\$1,471,801 in Consolidated. Changes in retirement benefit obligations are presented below:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2020	<u>1,415,432</u>	<u>1,471,801</u>
Amortization	(8,396)	(8,396)
Amounts recognized in the statement of income	23,258	24,352
Actuarial losses recognized directly in other comprehensive income	34,888	34,889
At March 31, 2021	<u>1,465,182</u>	<u>1,522,646</u>

**23 Equity****(a) Share capital**

At March 31, 2021, the Company's capital is as follows:

	<u>Common shares</u>	<u>Class A Preferred shares</u>	<u>Class B Preferred shares</u>	<u>Total</u>
Total shares at March 31, 2021	<u>705,260,684</u>	<u>547,752,163</u>	<u>66,261</u>	<u>1,253,079,108</u>
Total treasury shares	<u>(2,526,656)</u>	<u>(19,933,468)</u>	<u>-</u>	<u>(22,460,124)</u>
Total shares except treasury shares	<u>702,734,028</u>	<u>527,818,695</u>	<u>66,261</u>	<u>1,230,618,984</u>

**(b) Reserves**

At March 31, 2021, there were no changes in the nature and conditions of reserves in relation to those described in Note 28 (b) to the Company's financial statements for the year ended December 31, 2020. Disclosures have not been repeated in this interim accounting information.

## **24 Segment reporting**

As disclosed in Note 1 (e) to the financial statements for the year ended December 31, 2020, the Company's management has restructured the activities carried out by its subsidiary Usiminas Mecânica S.A., which started to render services exclusively to Usiminas, specially to the Parent company.

At March 31, 2021, as a result of the restructuring, the presentation by business segment started to include the subsidiary Usiminas Mecânica S.A. in the Steel metallurgy segment, and no longer in the Capital assets segment, which will no longer be presented.

As established in CPC 22 - Segment Reporting, information for prior periods were restated based on the Company's new business structure.

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

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

Management reviews the internal managerial reports for each segment periodically.

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

						3/31/2021
	Mining and logistics	Steel metallurgy	Steel transformation	Subtotal	Eliminations and adjustments	Total
Gross sales revenue from products and services	1,554,739	7,104,398	2,157,920	10,817,057	(2,363,543)	8,453,514
Sales of products	1,554,739	7,092,582	2,144,128	10,791,449	(2,363,810)	8,427,639
Sales of services	-	11,816	13,792	25,608	267	25,875
Deductions	(75,684)	(1,328,382)	(415,118)	(1,819,184)	431,502	(1,387,682)
<b>Net revenue</b>	<b>1,479,055</b>	<b>5,776,016</b>	<b>1,742,802</b>	<b>8,997,873</b>	<b>(1,932,041)</b>	<b>7,065,832</b>
Cost of sales	(365,907)	(4,458,829)	(1,502,496)	(6,327,232)	1,724,782	(4,602,450)
<b>Gross profit (loss)</b>	<b>1,113,148</b>	<b>1,317,187</b>	<b>240,306</b>	<b>2,670,641</b>	<b>(207,259)</b>	<b>2,463,382</b>
Operating income (expenses)	(61,618)	212,689	656	151,727	(452,845)	(301,118)
Selling expenses	(51,066)	(28,550)	(19,093)	(98,709)	-	(98,709)
General and administrative expenses	(7,545)	(95,672)	(14,478)	(117,695)	2,283	(115,412)
Other income (expenses)	(14,695)	(144,460)	34,227	(124,928)	1,227	(123,701)
Share of results of subsidiaries, jointly-controlled subsidiaries and associates	11,688	481,371	-	493,059	(456,355)	36,704
Operating profit (loss)	1,051,530	1,529,876	240,962	2,822,368	(660,104)	2,162,264
Finance result	58,404	(447,040)	13,129	(375,507)	(234)	(375,741)
Profit (loss) before income tax and social contribution	1,109,934	1,082,836	254,091	2,446,861	(660,338)	1,786,523
Income tax and social contribution	(372,960)	(192,393)	(85,620)	(650,973)	69,347	(581,626)
Profit (loss) for the period	736,974	890,443	168,471	1,795,888	(590,991)	1,204,897
Attributable to						
Controlling interests	516,304	890,443	116,039	1,522,786	(590,991)	931,795
Non-controlling interests	220,670	-	52,432	273,102	-	273,102
Assets	7,541,634	28,585,475	2,499,882	38,626,991	(6,761,722)	31,865,269
Total assets include:						
Investments in associates (except goodwill and investment properties)	492,837	46,030	-	538,867	-	538,867
Additions to non-current assets (except financial instruments and deferred tax assets)	50,849	190,476	7,320	248,645	(816)	247,829
Current and non-current liabilities	1,395,425	12,775,790	1,131,861	15,303,076	(1,447,038)	13,856,038

	03/31/2020					
	Mining and logistics	Steel metallurgy	Steel transformation	Subtotal	Eliminations and adjustments	Total
Gross sales revenue from products and services	631,253	3,970,516	1,128,061	5,729,830	(1,138,038)	4,591,792
Sales of products	631,253	3,914,821	1,118,262	5,664,336	(1,138,038)	4,526,298
Sales of services	-	55,695	9,799	65,494		65,494
Deductions	(49,787)	(690,293)	(226,640)	(966,720)	182,783	(783,937)
<b>Net revenue</b>	<b>581,466</b>	<b>3,280,223</b>	<b>901,421</b>	<b>4,763,110</b>	<b>(955,255)</b>	<b>3,807,855</b>
Cost of sales	(334,898)	(2,996,388)	(852,716)	(4,184,002)	889,000	(3,295,002)
<b>Gross profit (loss)</b>	<b>246,568</b>	<b>283,835</b>	<b>48,705</b>	<b>579,108</b>	<b>(66,255)</b>	<b>512,853</b>
Operating Income (expenses)	(76,985)	(46,246)	(31,321)	(154,552)	(67,778)	(222,330)
Selling expenses	(44,677)	(42,140)	(12,990)	(99,807)	-	(99,807)
General and administrative expenses	(5,668)	(93,222)	(13,811)	(112,701)	3,324	(109,377)
Other income (expenses)	(18,825)	(3,635)	(4,520)	(26,980)	(1,513)	(28,493)
Share of results of subsidiaries, jointly-controlled	(7,815)	92,751	-	84,936	(69,589)	15,347
Operating profit (loss)	169,583	237,589	17,384	424,556	(134,033)	290,523
Finance result	80,261	(936,511)	(414)	(856,664)	(967)	(857,631)
Profit (loss) before income tax and social contribution	249,844	(698,922)	16,970	(432,108)	(135,000)	(567,108)
Income tax and social contribution	(87,622)	214,213	(6,015)	120,576	22,552	143,128
Profit (loss) for the period	162,222	(484,709)	10,955	(311,532)	(112,448)	(423,980)
Attributable to						
Controlling interests	113,044	(484,709)	7,546	(342,119)	(112,448)	(476,567)
Non-controlling interests	49,178	-	3,409	52,587	-	52,587
						<b>31/12/2020</b>
Assets	7,032,637	26,930,196	1,874,809	35,837,642	(5,885,505)	29,952,137
Total assets include:						
Investments in associates (except goodwill and investment properties)	483,861	44,916	-	528,777	-	528,777
Additions to non-current assets (except financial instruments and deferred tax assets)	237,814	612,145	21,986	871,946	(15,226)	856,719
Current and non-current liabilities	1,623,569	12,015,617	675,259	14,314,445	(1,200,478)	13,113,967

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

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



**25 Revenue**

Reconciliation of gross to net revenue was as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>03/31/2020</b>	<b>3/31/2021</b>	<b>03/31/2020</b>
Sales of products				
Domestic market	6,744,407	3,513,280	6,797,545	3,614,888
Foreign market	331,248	409,571	1,630,094	870,370
	<u>7,075,655</u>	<u>3,922,851</u>	<u>8,427,639</u>	<u>4,485,258</u>
Sales of services				
Domestic market	8,472	8,328	24,698	104,631
Foreign market	1,177	1,903	1,177	1,903
	<u>9,649</u>	<u>10,231</u>	<u>25,875</u>	<u>106,534</u>
Gross revenue	<u>7,085,304</u>	<u>3,933,082</u>	<u>8,453,514</u>	<u>4,591,792</u>
Deductions from revenue	<u>(1,323,289)</u>	<u>(683,190)</u>	<u>(1,387,682)</u>	<u>(783,937)</u>
Net revenue	<u>5,762,015</u>	<u>3,249,892</u>	<u>7,065,832</u>	<u>3,807,855</u>

**26 Expenses by nature**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>03/31/2020</b>	<b>3/31/2021</b>	<b>03/31/2020</b>
Depreciation, amortization and depletion	(203,050)	(205,434)	(248,637)	(248,705)
Employee benefit expenses	(226,042)	(225,749)	(327,409)	(314,611)
Raw materials and consumables	(3,791,988)	(2,250,441)	(3,505,478)	(2,364,907)
Scheduled maintenance	(63,130)	(34,336)	(61,979)	(27,388)
Freight charges and insurance	(140,121)	(105,569)	(276,169)	(182,023)
Distribution costs	(14,443)	(26,479)	(69,649)	(71,804)
Third-party services	(204,466)	(221,596)	(300,719)	(243,959)
Judicial charges	(1,195)	(2,300)	(11,006)	(3,932)
Income (expenses) in litigation, net	(27,034)	54,761	(12,603)	52,391
Gain/loss on the sale/write-off of PP&E, intangible assets and investments	3,355	530	16,783	868
Inclusion of ICMS in PIS and COFINS calculation bases	-	-	42.639	4.113
Other	(93.425)	(111.769)	(186.045)	(132.722)
	<u>(4.761.539)</u>	<u>(3.128.382)</u>	<u>(4.940.272)</u>	<u>(3.532.679)</u>
Cost of sales	(4.500.834)	(2.997.914)	(4.602.450)	(3.295.002)
Selling expenses	(28.259)	(39.493)	(98.709)	(99.807)
General and administrative expenses	(85.548)	(84.453)	(115.412)	(109.377)
Other operating expenses, net	<u>(146.898)</u>	<u>(6.522)</u>	<u>(123.701)</u>	<u>(28.493)</u>
	<u>(4.761.539)</u>	<u>(3.128.382)</u>	<u>(4.940.272)</u>	<u>(3.532.679)</u>

**27 Finance income (costs)**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>3/31/2021</b>	<b>03/31/2020</b>	<b>3/31/2021</b>	<b>03/31/2020</b>
<b>Finance income</b>				
Interest from customers	2,206	3,375	4,170	6,976
Income from financial investments	82	4,239	4,503	7,802
Indexation accruals	17,227	4,344	27,203	9,367
Indexation of PIS/COFINS credits	-	-	20,158	-
Indexation of judicial deposits	1,274	1,672	2,413	2,759
Interest on tax credits	543	-	543	-
Accretion of present value adjustment of trade receivables	11,063	13,569	11,063	13,569
Reversal of provision / inflation indexation on judicial deposits and litigation	4,489	9,586	4,867	9,564
Other finance income	36	2,560	1,120	7,717
	<u>36,920</u>	<u>39,345</u>	<u>76,040</u>	<u>57,754</u>
<b>Finance costs</b>				
Interest on borrowings and taxes payable in installments	(67,567)	(70,831)	(62,493)	(70,895)
Result of swap and hedge transactions	-	438	-	438
Indexation accruals	(9,563)	(14,630)	(13,952)	(18,803)
Indexation of provisions for litigation-related payments	(11,967)	(13,872)	(2,608)	(15,426)
Accretion of present value adjustment of trade payables	2,240	(10,039)	(1,619)	(15,729)
Commissions and other costs on borrowings	(7,959)	(12,978)	(7,232)	(10,018)
Other finance costs	(2,590)	(11,107)	(8,552)	(10,294)
	<u>(97,406)</u>	<u>(133,019)</u>	<u>(96,456)</u>	<u>(140,727)</u>
Foreign exchange gains/losses, net	<u>(407,157)</u>	<u>(888,051)</u>	<u>(355,325)</u>	<u>(774,658)</u>
	<u>(467,643)</u>	<u>(981,725)</u>	<u>(375,741)</u>	<u>(857,631)</u>

The Company segregates the Extended Consumer Price Index (IPCA) in borrowings and financial investments which are indexed to the CDI rate and TR interest. Therefore, the IPCA portion is segregated from interest on borrowings and earnings on financial investments and included in "Indexation accruals".

**28 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 stockholders by the weighted average number of common and preferred shares issued during the period excluding common shares acquired by the Company and held in treasury (Note 23).

	Parent company					
	3/31/2021			03/31/2020		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
<b>Basic and diluted numerator</b>						
Profit (loss) available to owners of the Parent company	510,207	421,588	931,795	(272,367)	(204,200)	(476,567)
<b>Basic and diluted denominator</b>						
Weighted average number of shares, excluding treasury shares	702,734,028	527,841,967	1,230,575,995	702,734,028	526,856,057	1,229,590,085
<b>Basic and diluted earnings (loss) per share - R\$</b>	0.73	0.80	-	(0.39)	(0.39)	-

**29 Transactions with related parties**

The main balances and transactions with related parties are as follows:

**(a) Assets**

	Parent company			Parent company		
	3/31/2021			12/31/2020		
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	12,811	-	28	1,253	-	28
Subsidiaries	757,269	271,158	26,200	370,331	380,218	27,396
Jointly-controlled subsidiaries	72	-	-	73	-	-
Associates	8,009	285	-	6,181	298	-
Other related parties (i)	65,976	-	5,181	19,486	-	5,181
<b>Total</b>	<b>844,137</b>	<b>271,443</b>	<b>31,409</b>	<b>397,324</b>	<b>380,516</b>	<b>32,605</b>
Current	844,137	271,443	3,079	397,324	380,516	4,334
Non-current (ii)	-	-	28,330	-	-	28,271
<b>Total</b>	<b>844,137</b>	<b>271,443</b>	<b>31,409</b>	<b>397,324</b>	<b>380,516</b>	<b>32,605</b>

(i) At March 31, 2021, the balance of trade receivables mainly refers to the sale of flat-rolled products to the Ternium Group in the amount of R\$58,186 (December 31, 2020 – R\$16,029).

(ii) At March 31, 2021 and December 31, 2020, non-current includes advances on property, plant and equipment in the amount of R\$5,185).

	Consolidated			Consolidated		
	3/31/2021			12/31/2020		
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	12,811	-	28	1,253	-	28
Jointly-controlled subsidiaries	212	-	-	110	-	-
Associates	8,184	11,188	-	6,181	11,686	-
Other related parties (i)	66,487	-	5,181	19,997	-	5,181
<b>Total</b>	<b>87,694</b>	<b>11,188</b>	<b>5,209</b>	<b>27,541</b>	<b>11,686</b>	<b>5,209</b>
Current	87,694	11,188	24	27,541	11,686	24
Non-current	-	-	5,185	-	-	5,185
<b>Total</b>	<b>87,694</b>	<b>11,188</b>	<b>5,209</b>	<b>27,541</b>	<b>11,686</b>	<b>5,209</b>

(i) At March 31, 2021, the balance of trade receivables mainly refers to the sale of flat-rolled products to the Ternium Group in the amount of R\$58,697 (December 31, 2020 – R\$16,540).

(ii) At March 31, 2021 and December 31, 2020, total non-current refers to advances on property, plant and equipment in the amount of R\$5,185.

Trade receivables classified as related parties are unsecured by nature and bear interest. At March 31, 2021 and at December 31, 2020, no provisions were recorded for receivables from related parties.

**(b) Liabilities**

	Parent company					
	3/31/2021			12/31/2020		
	Trade payables	Other payables	Borrowings	Trade payables	Other payables	Borrowings
Controlling interests	656	4,658	-	585	3,253	-
Subsidiaries	274,706	20,835	4,313,789	309,730	20,835	3,994,000
Jointly-controlled subsidiaries	64,119	-	-	66,212	-	-
Associates	1,853	-	-	2,706	-	-
Other related parties (i)	464,608	-	-	463,127	-	-
<b>Total</b>	<b>805,942</b>	<b>25,493</b>	<b>4,313,789</b>	<b>842,360</b>	<b>24,088</b>	<b>3,994,000</b>
Current	805,942	25,493	53,438	842,360	24,088	109,700
Non-current	-	-	4,260,351	-	-	3,884,300
<b>Total</b>	<b>805,942</b>	<b>25,493</b>	<b>4,313,789</b>	<b>842,360</b>	<b>24,088</b>	<b>3,994,000</b>

  

	Consolidated			
	3/31/2021		12/31/2020	
	Trade payables	Other payables	Trade payables	Other payables
Controlling interests	812	4,658	596	3,253
Non-controlling interests	5,590	98,582	-	151,096
Jointly-controlled subsidiaries	64,809	-	67,277	-
Associates	8,181	84,547	11,456	81,058
Other related parties (i)	464,608	13,774	463,127	11,305
<b>Total</b>	<b>544,000</b>	<b>201,561</b>	<b>542,456</b>	<b>246,712</b>
Current	544,000	118,808	542,456	166,670
Non-current	-	82,753	-	80,042
<b>Total</b>	<b>544,000</b>	<b>201,561</b>	<b>542,456</b>	<b>246,712</b>

(i) At March 31, 2021, the balance of trade payables refers mainly to the purchase of plates from Ternium Brasil in the amount of R\$464,249 (December 31, 2020 – R\$463,123) in the Parent company and in Consolidated.

**(c) Results**

	<b>Parent company</b>			<b>Consolidated</b>		
	<b>3/31/2021</b>			<b>03/31/2020</b>		
	<b>Sales</b>	<b>Purchases</b>	<b>Finance and operating result</b>	<b>Sales</b>	<b>Purchases</b>	<b>Finance and operating result</b>
Controlling interests	60,409	984	(824)	96,789	1,597	(31)
Subsidiaries	2,116,278	309,653	(446,546)	990,725	213,021	(962,055)
Jointly-controlled subsidiaries	-	105,540	2	-	98,737	(22)
Associates	9,379	42,078	-	6,020	36,609	55
Other related parties (i) (ii)	134,291	1,387,751	6,331	45,306	768,941	4,201
<b>Total</b>	<b>2,320,357</b>	<b>1,846,006</b>	<b>(441,037)</b>	<b>1,138,840</b>	<b>1,118,905</b>	<b>(957,852)</b>

  

	<b>3/31/2021</b>			<b>03/31/2020</b>		
	<b>Sales</b>	<b>Purchases</b>	<b>Finance and operating result</b>	<b>Sales</b>	<b>Purchases</b>	<b>Finance and operating result</b>
Controlling interests	60,409	984	(824)	96,789	1,597	(31)
Non-controlling interests	-	20,180	-	-	-	-
Jointly-controlled subsidiaries	1,046	106,865	2	1,036	100,098	(22)
Associates	9,554	98,985	-	6,020	88,930	55
Other related parties (i) (ii)	134,291	1,387,751	6,297	46,251	768,941	4,201
<b>Total</b>	<b>205,300</b>	<b>1,614,765</b>	<b>5,475</b>	<b>150,096</b>	<b>959,566</b>	<b>4,203</b>

(i) At March 31, 2021, total sales to other related parties refer mainly to sales by Usiminas to the Ternium Group, amounting to R\$112,166 in the Parent company and in Consolidated (March 31, 2020 – R\$37,216 in the Parent company and R\$38,161 in Consolidated).

(ii) At March 31, 2021, total purchases from other related parties refer mainly to the purchase of steel plates from Ternium Brasil Ltda. in the amount of R\$1,387,751 (March 31, 2020 – R\$763,756) in the Parent company and in Consolidated.

The nature of the more significant related-party transactions is described in Note 37(e) to the financial statements for the year ended December 31, 2020.

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

**(d) Remuneration of the key management personnel**

The remuneration paid or payable to key management personnel, which includes the Executive Board, the Board of Directors and the Statutory Audit Board of the Company was as follows:

	<b>Parent company and consolidated</b>	
	<b><u>3/31/2021</u></b>	<b><u>03/31/2020</u></b>
Fees	(3,526)	(3,538)
Social charges	(779)	(684)
Retirement plans	(147)	(86)
Changes in the provision for variable compensation	<u>(2,598)</u>	<u>637</u>
	<b><u>(7,050)</u></b>	<b><u>(3,671)</u></b>

The Company has a stock option plan in place, as described in Note 30.



### 30 Stock option plan

The Company has a stock option plan. Oversight of the plan is provided by the Company's Board of Directors and managed with the support of the Human Resources Committee, under the parameters of the plan.

No changes have been identified in the Plan's characteristics and guidelines in relation to those described in Note 39 to the financial statements at December 31, 2020.

At March 31, 2021, the Company's Program 2014 plan, which was launched on November 27, 2014, is in force.

The fair value of the options granted is determined based on the Black-Scholes methodology and recorded as an expense over the vesting period.

In the quarter ended March 31, 2021, there was an impact of R\$477 from the Stock Option Plan on the capital reserves set up by the Company (March 31, 2020 - no impact).

In the quarter ended March 31, 2021, 144,583 options were exercised, resulting in a decrease by the same number in preferred shares in treasury within equity.

### 31 Guarantees

The composition of the assets pledged as collateral was as follows:

Assets pledged as collateral	Liabilities secured	Parent company		Consolidated	
		3/31/2021	12/31/2020	3/31/2021	12/31/2020
Cash and cash equivalents	Litigation	40,891	40,692	40,891	40,692
Inventories	Litigation	850	710	850	710
Property, plant and equipment	Litigation	337,574	359,846	366,530	390,027
Property, plant and equipment	Borrowings	-	-	724	724
Property, plant and equipment	Actuarial liability	375,266	383,222	375,266	383,222
		<u>754,581</u>	<u>784,470</u>	<u>784,261</u>	<u>815,375</u>

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

Pursuant to CVM/SNC/SEP Circular Letter No. 003/2011, the Company discloses Notes it considers material under CPC 00 - "Conceptual Framework for Financial Reporting". All information the omission or misstatement of which could affect the economic decisions of users was properly disclosed in this interim accounting information, which should be read together with the financial statements for the year ended December 31, 2020.

The Notes for which information has not been repeated in this interim accounting information, considering that no significant changes were made to the nature and conditions of these Notes in relation to those disclosed in the Company's financial statements for the year ended December 31, 2020 are listed below:

Note 04 - Significant accounting judgments, estimates and assumptions;  
Note 07 - Financial instruments by category;  
Note 19 - Trade payables, contractors and freight charges;  
Note 26 - Provision for environmental recovery;  
Note 32 - Employee benefits and expenses;  
Note 33 – Operating income (expenses);  
Note 36 - Commitments; and  
Note 38 - Insurance.

### **Board of Directors**

Ruy Roberto Hirschheimer  
Chairman

Edílio Ramos Veloso  
Board Member

Elias de Matos Brito  
Board Member

Hiroshi Ono  
Board Member

Oscar Montero Martinez  
Board Member

Rita Rebelo Horta de Assis Fonseca  
Board Member

Ronald Seckelmann  
Board Member

Yuichi Akiyama  
Board Member

### **Statutory Audit Board**

Wanderley Rezende de Souza  
Chairman

Fabricio Santos Debortoli  
Board Member

Paulo Frank Coelho da Rocha  
Board Member

Sérgio Carvalho Campos  
Board Member

### **Executive Board**

Sergio Leite de Andrade  
CEO

Alberto Akikazu Ono  
Vice-President - Finance and Investor Relations

Américo Ferreira Neto  
Vice-President - Industrial Area

Kohei Kimura  
Vice-President - Technology and Quality

Miguel Angel Homes Camejo  
Vice-President - Commercial Area

Yoshiaki Shimada  
Vice-President - Corporate Planning

Lucas Marinho Sizenando Silva  
Accountant CRC-MG 080.788/O