Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Financial statements

at December 31, 2023
and independent auditor's report

USIMINAS

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Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS

Balance sheet
In thousands of reais

	Note	Parent company 12/31/2023	Parent company 12/31/2022	Consolidated 12/31/2023	Consolidated 12/31/2022
Assets					
Current assets					
Cash and cash equivalents	8	3,706,445	1,822,191	4,655,038	2,916,047
Marketable securities	9	274,061	246,349	1,354,795	2,156,314
Trade receivables	10	3,109,342	3,579,107	3,509,027	3,547,946
Inventories	11	6,346,943	8,603,074	7,492,964	9,965,172
Taxes recoverable	12	336,561	537,758	555,553	748,983
Prepaid income tax and social contribution	13	122,587	128,292	165,812	163,436
Dividends receivable	15	70,423	190,865	32,879	22,729
Advances to suppliers	19	3,239	622,004	5,613	623,381
Other receivables		163,418	264,656	159,967	214,653
Total current assets		14,133,019	15,994,296	17,931,648	20,358,661
Noncurrent assets					
Long-term receivables					
Trade receivables	10	55	33,907	7,848	48,982
Deferred income tax and social contribution	13	2,337,840	1,747,016	3,100,369	2,410,456
Receivables from related companies	37	24,029	23,742	-	-
Judicial deposits	14	224,439	271,421	514,476	513,777
Taxes recoverable	12	856,216	950,870	1,364,359	1,398,912
Income tax and social contribution recoverable	25	298,402	269,620	348,073	314,416
Insurance claim receivable	38	63,413	352,661	63,413	352,661
Other receivables		202,524	214,490	534,762	453,242
		4,006,918	3,863,727	5,933,300	5,492,446
Investments	15	7,055,614	6,913,101	1,303,981	1,211,337
Investment properties	3.12	77,139	81,206	149,550	141,496
Property, plant and equipment	16	11,104,865	9,152,916	12,878,818	10,820,571
Intangible assets	18	157,835	138,118	1,964,454	1,975,940
Total noncurrent assets		22,402,371	20,149,068	22,230,103	19,641,790
Total assets		36,535,390	36,143,364	40,161,751	40,000,451

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

Balance sheet
In thousands of reais

	Note	Parent company 12/31/2023	Parent company 12/31/2022	Consolidated 12/31/2023	Consolidated 12/31/2022
Liabilities and equity					
Liabilities					
Current liabilities					
Trade payables, contractors and freight charges	19	2,593,629	2,821,618	2,623,848	2,838,631
Borrowings	20	103,905	113,139	103,909	113,155
Debentures	21	18,978	17,820	18,978	17,820
Advances from customers		31,848	50,748	81,362	108,813
Notes payable - Forfaiting	19	1,577,209	935,375	1,577,209	935,375
Salaries and social charges		239,378	297,453	369,758	422,709
Taxes payable	22	114,501	92,668	180,060	143,311
Taxes payable in installments	23	5,004	4,720	5,004	4,722
Lease liabilities	24	8,505	8,239	45,073	34,043
Income tax and social contribution payable	13	-	-	8,511	47,901
Derivative financial instruments	6	18,054	-	29,967	100,678
Proposed dividends and interest on capital payable	28	334,422	387,317,	362,460,	470,599
Other payables		53,966	71,866,	108,250,	154,869
Total current liabilities		5,099,399	4,800,963	5,514,389	5,392,626
Noncurrent liabilities					
Borrowings	20	3,602,240	3,874,743	3,600,471	3,874,747
Debentures	21	2,192,752	2,191,835	2,192,752	2,191,835
Payables to related companies	37	8,944	11,400	51,780	72,933
Lease liabilities	24	23,020	24,062	62,190	85,137
Provision for litigation	25	835,155	757,444	1,014,223	892,157
Provision for environmental restoration and asset retirement obligation	26	-	-	290,795	283,060
Post-employment benefits	27	741,540	894,791	774,637	952,905
Other payables		176,690	433,101	111,077	367,301
Total noncurrent liabilities		7,580,341	8,187,376	8,097,925	8,720,075
Total liabilities		12,679,740	12,988,339	13,612,314	14,112,701
Equity	28				
Share capital		13,200,295	13,200,295	13,200,295	13,200,295
Capital reserves		312,665	312,665	312,665	312,665
Revenue reserves		10,626,711	9,561,524	10,626,711	9,561,524
Carrying value adjustments		(284,021)	80,541	(284,021)	80,541
Equity attributed to owners of the parent		23,855,650	23,155,025	23,855,650	23,155,025
Noncontrolling interests		-	-	2,693,787	2,732,725
Total equity		23,855,650	23,155,025	26,549,437	25,887,750
Total liabilities and equity		36,535,390	36,143,364	40,161,751	40,000,451

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

Statement of income

In thousands of reais unless otherwise stated

	Note	Parent company Years ended 12/31/2023	Parent company Years ended 12/31/2022	Consolidated Years ended 12/31/2023	Consolidated Years ended 12/31/2022
Continuing operations					
Revenue	30	23,614,929	28,688,733	27,638,348	32,470,510
Cost of sales	31	(23,289,503)	(25,253,132)	(25,850,518)	(26,790,835)
Gross profit (loss)		325,426	3,435,601	1,787,830	5,679,675
Operating income (expenses)					
Selling expenses	33	(135,169)	(216,388)	(500,195)	(629,494)
General and administrative expenses	33	(487,603)	(460,520)	(634,021)	(588,807)
Other operating income (expenses), net	33	(37,092)	(2,133,322)	(123,177)	(2,015,878)
Share of profit (loss) of subsidiaries, jointly-controlled subsidiaries and associates	15	939,647	1,382,009	268,999	220,925
		279,783	(1,428,221)	(988,394)	(3,013,254)
Operating profit (loss)		605,209	2,007,380	799,436	2,666,421
Finance result	34	193,996	315,583	366,389	612,493
Profit before income tax and social contribution		799,205	2,322,963	1,165,825	3,278,914
Income tax and social contribution	13				
Current		-	(290,017)	(235,441)	(653,386)
Deferred		591,721	(417,408)	709,984	(532,639)
		591,721	(707,425)	474,543	(1,186,025)
Profit for the year		1,390,926	1,615,538	1,640,368	2,092,889
Attributable to:					
Owners of the parent		1,390,926	1,615,538	1,390,926	1,615,538
Non-controlling interests		-	-	249,442	477,351
Basic and diluted earnings per common share (in reais)	35	R$ 1.08	R$ 1.26	R$ 1.08	R$ 1.26
Basic and diluted earnings per preferred share (in reais)	35	R$ 1.19	R$ 1.38	R$ 1.19	R$ 1.38

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

Statement of comprehensive income

In thousands of reais

	Note	Parent company Years ended 12/31/2023	Parent company Years ended 12/31/2022	Consolidated Years ended 12/31/2023	Consolidated Years ended 12/31/2022
Profit for the year		1,390,926	1,615,538	1,640,368	2,092,889
Other components of comprehensive income					
Actuarial gain (loss) on retirement benefits	27	(371,528)	179,233	(369,656)	179,257
(Application) reversal of hedge accounting	6	11,499	(5,648)	16,427	(8,069)
Total other comprehensive income		(360,029)	173,585	(353,229)	171,188
Total comprehensive income for the year		1,030,897	1,789,123	1,287,139	2,264,077
Attributable to:					
Owners of the parent		1,030,897	1,789,123	1,030,897	1,789,123
Noncontrolling interests		-	-	256,242	474,954

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

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

Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS

Statement of changes in equity

In thousands of reais

		Attributable to owners of the parent											
				Capital reserves			Revenue reserves						
	Note	Share capital	Treasury shares	Premium on share subscription	Premium on the sale of treasury shares	Special goodwill reserve	Legal reserve	Reserve for investments and working capital	Carrying value adjustments	Retained earnings (accumulated deficit)	Total	Noncontrolling interests	Total equity
At December 31, 2022		13,200,295	(98,606)	105,295	27,247	278,729	626,590	8,934,934	80,541	-	23,155,025	2,732,725	25,887,750
Comprehensive income for the year													
Profit for the year		-	-	-	-	-	-	-	-	1,390,926	1,390,926	249,442	1,640,368
Actuarial gain on retirement benefits	27	-	-	-	-	-	-	-	(371,528)	-	(371,528)	1,872	(369,656)
Application of hedge accounting		-	-	-	-	-	-	-	11,499	-	11,499	4,928	16,427
Total comprehensive income for the year		-	-	-	-	-	-	-	(360,029)	1,390,926	1,030,897	256,242	1,287,139
Allocation of profit (loss) for for the year	28												
Transfer to reserves		-	-	-	-	-	69,546	995,641	-	(1,065,187)	-	-	-
Proposed dividends and interest on capital		-	-	-	-	-	-	-	-	(330,345)	(330,345)	(295,180)	(625,525)
Transfer of retained earnings													
Expired dividends		-	-	-	-	-	-	-	-	73	73	-	73
Adjustment to PP&E under IAS 29	28	-	-	-	-	-	-	-	(4,533)	4,533	-	-	-
At December 31, 2023		13,200,295	(98,606)	105,295	27,247	278,729	696,136	9,930,575	(284,021)	-	23,855,650	2,693,787	26,549,437

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

Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS

Statement of changes in equity

In thousands of reais

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

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

Statement of cash flows
In thousands of reais

	Note	Parent company Years ended 12/31/2023	Parent company Years ended 12/31/2022	Consolidated Years ended 12/31/2023	Consolidated Years ended 12/31/2022
Cash flows from operating activities					
Profit for the year		1,390,926	1,615,538	1,640,368	2,092,889
Adjustments to reconcile profit or loss					
Charges and monetary/ foreign exchange variations, net		(43,407)	(212,242)	(35,641)	(216,839)
Interest expenses		392,125	354,894	400,165	363,995
Depreciation, amortization and depletion		701,920	658,023	1,061,970	902,681
Profit on the sale/reduction of PP&E/Investment		(2,990)	(73,165)	(11,658)	(74,212)
Impairment of assets (reversal of impairment loss)	17	-	1,693,408	(3,534)	1,396,784
Share of profit (loss) of subsidiaries, jointly-controlled subsidiaries and associates	15	(939,647)	(1,382,009)	(268,999)	(220,925)
Derivative financial instruments	6	18,054	-	175,211	(15,263)
Deferred income tax and social contribution	13	(591,721)	417,408	(709,984)	532,639
Current income tax and social contribution	13	-	290,017	235,441	653,386
Increase (decrease) in provisions		99,349	(178,465)	38,529	(160,217)
Actuarial losses (gains)	27	(441,485)	104,665	(434,814)	111,263
(Increase) decrease in assets					
Trade receivables		821,863	438,925	359,198	473,085
Inventories		2,071,343	(2,216,478)	2,271,346	(2,496,568)
Taxes recoverable		140,559	(271,515)	(16,974)	(545,857)
Receivables from related companies		(287)	(90)	-	-
Judicial deposits		(15,691)	8,892	(42,272)	(22,243)
Advances to suppliers		618,765	(621,273)	617,768	(620,917)
Other		393,524	(96,188)	234,898	(90,394)
Increase (decrease) in liabilities					
Trade payables, contractors and freight charges		(397,554)	400,418	(371,542)	97,592
Advances from customers		(18,900)	(68,797)	(27,451)	(45,454)
Payables to related companies		(2,456)	11,400	(21,153)	(18,515)
Notes payable - Forfaiting		641,834	219,824	641,834	219,824
Taxes payable		280,087	483,955	373,444	552,767
Actuarial liability received (paid)		(119,458)	(76,368)	(119,637)	(76,368)
Other		(403,643)	11,099	(432,572)	(25,804)
Income tax and social contribution paid		(54,469)	(93,540)	(258,522)	(1,185,780)
Interest paid		(555,145)	(582,960)	(555,159)	(584,431)
Settlement of derivative transactions		-	-	(172,183)	8,482
Net cash provided by operating activities		3,983,496	835,376	4,568,077	1,005,600
Cash flows from investing activities					
Marketable securities	9	(27,712)	(154,106)	801,519	(1,473,782)
Purchases of property, plant and equipment	16	(2,541,725)	(1,739,238)	(2,930,287)	(2,026,636)
Proceeds from sale of PP&E		7,410	79,870	19,934	87,573
Purchases of intangible assets	18	(42,076)	(48,363)	(53,891)	(65,240)
Dividends received	15	925,821	1,234,476	161,459	137,255
Capital increase in subsidiaries		-	-	-	(67)
Net cash provided by (used in) investing activities		(1,678,282)	(627,361)	(2,001,266)	(3,340,897)

Statement of cash flows

In thousands of reais

	Note	Parent company Years ended 12/31/2023	Parent company Years ended 12/31/2022	Consolidated Years ended 12/31/2023	Consolidated Years ended 12/31/2022
Cash flows from financing activities					
New borrowings and debentures		-	2,200,000	-	2,200,000
Repayment of borrowings and debentures		(2,977)	(2,003,379)	(2,993)	(2,007,026)
Payment of lease liabilities		(11,876)	(12,163)	(46,264)	(56,261)
Dividends and interest on capital paid	28	(383,167)	(733,182)	(726,529)	(1,233,223)
Net cash provided by (used in) financing activities		(398,020)	(548,724)	(775,786)	(1,096,510)
Foreign exchange gains (losses) on cash and cash equivalents		(22,940)	6,837	(52,034)	6,837
Increase (decrease) in cash and cash equivalents		1,884,254	(333,872)	1,738,991	(3,424,970)
Cash and cash equivalents at the beginning of the year	8	1,822,191	2,156,063	2,916,047	6,341,017
Cash and cash equivalents at the end of the year	8	3,706,445	1,822,191	4,655,038	2,916,047
Net increase (decrease) in cash and cash equivalents		1,884,254	(333,872)	1,738,991	(3,424,970)

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

Statement of value added

In thousands of reais (Continued)

	Note	Parent company Years ended		Consolidated Years ended	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Revenue					
Sales of goods, products, and services		28,032,929	34,088,107	32,568,693	40,061,815
Set up (reversal) of provision for expected credit losses	31	1,905	(237)	11,650	2,615
Other income		50,458	48,711	52,468	53,727
		28,085,292	34,136,581	32,632,811	40,118,157
Inputs acquired from third parties					
Cost of sales of goods and services		(22,922,958)	(24,957,587)	(26,404,456)	(28,127,923)
Materials, electricity, outsourced services and others		(781,843)	(678,688)	(1,237,017)	(1,257,306)
Impairment of assets (reversal of impairment loss)		-	(1,693,408)	1,562	(1,396,784)
		(23,704,801)	(27,329,683)	(27,639,911)	(30,782,013)
Gross value added		4,380,491	6,806,898	4,992,900	9,336,144
Depreciation, amortization and depletion	31	(701,920)	(658,023)	(1,061,970)	(902,681)
Net value added generated by the Company		3,678,571	6,148,875	3,930,930	8,433,463
Value added received through transfer					
Share of results of subsidiaries, jointly-controlled subsidiaries, and associates	15	939,647	1,382,009	268,999	220,925
Finance income	34	818,648	847,317	1,118,332	1,254,477
Foreign exchange gains	34	(57,767)	30,669	(114,999)	26,076
Actuarial (losses) gains	27	441,485	(104,665)	434,814	(111,263)
		2,142,013	2,155,330	1,707,146	1,390,215
Value added to distribute		5,820,584	8,304,205	5,638,076	9,823,678

Statement of value added

In thousands of reais (Continued)

	Parent company		Consolidated	
	Years ended		Years ended	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Personnel and payroll charges				
Salaries and social charges	695,240	670,290	1,313,079	1,083,331
Government Severance Indemnity Fund for Employees (FGTS)	67,960	59,724	107,813	86,527
Management compensation	52,356	55,259	70,579	67,509
Employees' profit sharing	60,649	96,788	112,097	142,691
Retirement plans	12,620	22,571	14,528	25,570
	888,825	904,632	1,618,096	1,405,628
Taxes and contributions				
Federal (i)	(206,521)	3,209,237	(1,556,266)	2,830,948
State	3,083,767	1,910,659	3,176,836	2,700,500
Municipal	94,154	79,145	111,393	92,182
Tax incentives	2,548	22,591	10,705	33,471
	2,973,948	5,221,632	1,742,668	5,657,101
Remuneration of third parties' capital				
Interest	893,353	760,671	966,236	866,150
Foreign exchange expenses	(344,522)	(198,268)	(347,346)	(198,090)
Derivative financial instruments	18,054	-	18,054	-
	566,885	562,403	636,944	668,060
Remuneration of own capital				
Dividends and interest on capital	330,345	383,689	625,525	735,086
Retained earnings	1,060,581	1,231,849	1,060,581	1,231,849
Noncontrolling interests in retained earnings	-	-	(45,738)	125,954
	1,390,926	1,615,538	1,640,368	2,092,889
Value added distributed	5,820,584	8,304,205	5,638,076	9,823,678

(i) Includes social security charges.

1 Operations

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("USIMINAS", "Usiminas", "Parent company" or "Company"), headquartered in Belo Horizonte, State of Minas Gerais, is a publicly-held company with shares traded on the Brazilian stock exchange (B3 – Brasil, Bolsa, Balcão) under the tickers USIM3, USIM5 and USIM6. In the parent company and consolidated financial statements at December 31, 2023, Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS is the controlling entity, as well as the ultimate parent entity of the group.

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

The Company´s interest, either direct or indirect, in subsidiaries, jointly-controlled subsidiaries and associated companies is shown below:

(a) Subsidiaries

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

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

(b) Joint ventures

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

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

(c) Investments in associates

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

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

2 Approval of the financial statements

The issue of these financial statements was authorized by the Board of Directors on February 8, 2024.

3 Significant accounting policies

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

Accounting policies related to transactions deemed immaterial were not included in these financial statements.

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

3.1 Basis of preparation and statement of compliance

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

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

The parent company and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), and the accounting practices adopted in Brazil, issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM). Disclosures are limited to all information of significance to the financial statements, being consistent with that used by management in the performance of its duties.

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

3.2 Basis of consolidation and investments in subsidiaries

(a) Subsidiaries

Subsidiaries are entities over which the Company has control, which is achieved when it is exposed or has rights to variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Usiminas, and are deconsolidated from the date that control ceases. In the parent company financial statements, the financial information of subsidiaries is recorded under the equity accounting method.

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

(b) Jointly-controlled subsidiaries and associates

The Company classifies its investments as follows:

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

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

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

The reporting dates of the associates and jointly-controlled subsidiaries are the same as those of USIMINAS. However, except for the associates Codeme, Terminal Paraopeba, and Terminal Sarzedo, and for the jointly-controlled subsidiary Modal, the Company used the financial statements prepared at November 30, 2023 for equity accounting purposes, pursuant to CPC 18 (R2) and IAS 28. Accordingly, in line with item 34 of CPC 18 - IAS 28, no adjustments were made to the respective financial statements, considering that there were no effects from significant transactions and events.

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

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

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

Dilution gains and losses arising on investments in associates are recognized in the statement of income.

(c) Transactions with non-controlling interests

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

3.3 Segment reporting

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

3.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

3.5 Cash and cash equivalents and marketable securities

(a) Cash and cash equivalents

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

(b) Marketable securities

These are highly liquid investments, which are not intended to meet short-term commitments.

3.6 Financial assets

(a) Classification

Upon initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

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

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved through both the collection of contractual cash flows and the sale of financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that represent payments of principal and interest on the principal amount outstanding.

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

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

(b) Recognition and measurement

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

(c) Impairment of non-financial assets

Assets carried at amortized cost

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

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

(d) Derecognition of financial assets

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

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

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

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

(e) Offsetting of financial assets

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

3.7 Financial liabilities

(b) Recognition and measurement

A financial liability is classified as measured at fair value through profit or loss if it is held for trading or designated as such on initial recognition. Transaction costs are recognized in profit or loss as incurred. These financial liabilities are measured at fair value and any changes in fair value are recognized in the statement of income for the year.

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

(b) Subsequent measurement

After initial recognition, borrowings, debentures, trade and other payables are subsequently measured at amortized cost, using the effective interest rate method. Management estimated the discount rates based on risk-free interest rates observable in the Brazilian market plus a spread and adjusted for the term of the Company's lease agreements.

(c) Borrowing costs

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

(d) Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such a replacement or modification is treated as settlement of the original liability and recognition of a new liability, and the difference in the corresponding book values is recognized in the statement of income.

(e) Offsetting of financial liabilities

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

3.8 Derivative financial instruments and hedging activities

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

3.9 Inventories

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

The storeroom houses maintenance and replacement materials, which are available for immediate consumption regardless of turnover, which can exceed 12 months in some strategic situations.

The cost of acquisition and production is increased by expenses relating to transportation, storage and non-recoverable taxes. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and directly related selling expenses. The net realizable value of certain inventories held in the storeroom was based on the estimated selling price in the normal course of business.

3.10 Judicial deposits

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

3.11 Property, plant and equipment

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

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

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

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

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

At the initial adoption of IFRS, the Company's management applied IAS 29, Accounting in Hyperinflationary Economies, more specifically to the adjustment for inflation of property, plant and equipment, which had not been accounted for in the period from 1995 to 1997.

3.12 Investment properties

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

3.13 Intangible assets

(a) Mineral rights

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

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

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

(b) Software

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

3.14 Impairment of non-financial assets

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

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

3.15 Provisions for litigation

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

3.16 Provision for environmental restoration and asset retirement obligation

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

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

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

3.17 Current and deferred income tax and social contribution

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

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

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

3.18 Employee benefits

(a) Supplementary retirement plan

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

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

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

(b) Post-retirement health care plan

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

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

These obligations are valued annually by independent actuaries.

(c) Profit sharing

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

3.19 Revenue recognition

Sales revenues are recognized and measured on the basis of the customer's sales order, which includes performance obligations and the price to be allocated for each transaction. The performance obligation is satisfied when the delivery conditions previously agreed with the customer are met.

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

(a) Sales of products

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

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

(b) Sales of services

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

The related service revenue is recognized based on the services rendered up to the balance sheet date.

(c) Finance income

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

(d) Finance costs

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

3.20 Distribution of dividends and interest on capital

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

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

3.21 Leases

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

3.22 Pronouncements issued but not yet effective at December 31, 2023

The Company does not expect that the adoption of the standards described below will have a material impact on the parent company and consolidated financial statements in future periods.

Amendments to IFRS 16	Lease Liabilities in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current
Amendments to IAS 7 and IFRS 7	Supplier Financing Agreements

4 Significant accounting judgments, estimates and assumptions

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

4.1 Judgments

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

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

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

(b) Classification of investment control

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

4.2 Estimates and assumptions

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

(a) Impairment of non-financial assets

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

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

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

(c) Fair value of derivatives and other financial instruments

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

(d) Revenue recognition

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

(e) Pension benefits

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

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

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

(f) Provisions for litigation

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

(g) Provision for environmental restoration and asset retirement obligation

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

(h) Useful lives of property, plant and equipment

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

5 Financial risk management objectives and policies

5.1 Financial risk factors

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

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

5.2 Policy for utilization of financial instruments

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

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

5.3 Financial risk management policy

(a) Credit risk

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

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

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

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

(b) Liquidity risk

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

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

Usiminas invests the cash held in Bank Deposit Certificates (CDB), Repurchase Agreements, and Investment Funds, which are chosen considering appropriate maturities and suitable liquidity (Notes 8 and 9).

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

	Parent company			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At December 31, 2023				
Trade payables, contractors and freight charges	2,593,629	-	-	-
Borrowings	228,866	227,123	3,858,022	-
Debentures	289,587	289,364	1,911,722	1,305,050
Notes payable - Forfaiting	1,577,209	-	-	-
Lease liabilities	11,030	7,669	16,603	4,326
Derivative financial instruments	18,054	-	-	-
At December 31, 2022				
Trade payables, contractors and freight charges	2,821,618	-	-	-
Borrowings	247,940	246,525	4,402,755	-
Debentures	322,743	331,282	1,424,132	2,271,045
Notes payable - Forfaiting	935,375	-	-	-
Lease liabilities	10,904	8,613	13,125	8,664

	Consolidated			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At December 31, 2023				
Trade payables, contractors and freight charges	2,623,848	-	-	-
Borrowings	217,308	215,561	3,884,236	-
Debentures	289,587	289,364	1,911,722	1,305,050
Notes payable - Forfaiting	1,577,209	-	-	-
Lease liabilities	53,744	27,640	41,243	5,540
Derivative financial instruments	29,967	-	-	-
At December 31, 2022				
Trade payables, contractors and freight charges	2,838,631	-	-	-
Borrowings	238,628	237,200	4,478,605	-
Debentures	322,743	331,282	1,424,132	2,271,045
Notes payable - Forfaiting	935,375	-	-	-
Lease liabilities	44,632	38,943	53,703	10,184

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

(c) Foreign exchange risk

(i) Foreign exchange exposure

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

	Parent company		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Assets in foreign currency				
Cash and cash equivalents	812,218	492,530	1,344,608	869,979
Marketable securities	-	-	23,447	25,319
Trade receivables (i)	470,577	552,004	946,546	911,231
	1,282,795	1,044,534	2,314,601	1,806,529
Liabilities in foreign currency				
Borrowings and debentures	(3,704,445)	(3,983,198)	(3,702,676)	(3,983,198)
Trade payables, contractors and freight charges	(1,642,707)	(1,133,939)	(1,683,193)	(1,139,247)
Notes payable - Forfaiting	(938,550)	(607,492)	(938,550)	(607,492)
	(6,285,702)	(5,724,629)	(6,324,419)	(5,729,937)
Currency exposure	(5,002,907)	(4,680,095)	(4,009,818)	(3,923,408)
US$	(4,949,512)	(4,659,928)	(3,955,228)	(3,901,611)
Euro	(41,848)	(13,823)	(43,043)	(15,449)
Yen	(11,547)	(6,344)	(11,547)	(6,348)
	(5,002,907)	(4,680,095)	(4,009,818)	(3,923,408)

(i) In the Parent Company and Consolidated, trade receivables are presented net of the provision for credit risk, in the amount of R$4,070 (December 31, 2022 – R$4,210) (Note 10).

The borrowings and debentures are denominated in the following currencies:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Brazilian real	2,213,430	2,214,339	2,213,434	2,214,359
U.S. Dollar	3,704,445	3,983,198	3,702,676	3,983,198
Total borrowings and debentures	5,917,875	6,197,537	5,916,110	6,197,557

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

The Company prepared a sensitivity analysis of outstanding assets and liabilities denominated in foreign currency at year-end, considering the foreign exchange rate at December 31, 2023. The data released by the Brazilian Central Bank's Focus Report on foreign currency exchange rates is used as a reference for the exchange rates included in the sensitivity analysis. Accordingly, scenario I considered a 5% devaluation of the Brazilian currency over the current scenario. Additionally, the exchange rate at December 31, 2023 was stressed by 25% and 50% to calculate scenarios II and III, respectively.

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

		12/31/2023		
Currency	Foreign exchange rate at the end of the year	Scenario I	Scenario II	Scenario III
US$	4.8413	5.0834	6.0516	7.2620
Euro	5.3516	5.6192	6.6895	8.0274
Yen	0.0342	0.0359	0.0428	0.0513

Finance income (costs), considering scenarios I, II and III:

	Parent company			Consolidated		
	12/31/2023			12/31/2023		
Currency	Scenario I	Scenario II	Scenario III	Scenario I	Scenario II	Scenario III
USD	(247,512)	(1,237,353)	(2,474,808)	(197,788)	(988,784)	(1,977,652)
EUR	(2,094)	(10,464)	(20,926)	(2,152)	(10,761)	(21,521)
JPY	(574)	(2,904)	(5,774)	(574)	(2,904)	(5,774)

(d) Cash flow or fair value interest rate risk

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

(i) Composition of assets linked to variable interest rate (Interbank Deposit Certificate (CDI) rate)

Current assets indexed to the CDI rate are shown below:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash and cash equivalents	2,884,689	1,325,802	3,287,114	1,958,198
Marketable securities	274,061	246,349	1,331,348	2,130,995
	3,158,750	1,572,151	4,618,462	4,089,193

(ii) Composition of borrowings by type of interest rate

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

	Parent company				Consolidated			
	12/31/2023	%	12/31/2022	%	12/31/2023	%	12/31/2022	%
Borrowings								
Fixed rate	3,706,145	63	3,987,882	64	3,704,380	63	3,987,902	64
Debentures								
CDI	2,211,730	37	2,209,655	36	2,211,730	37	2,209,655	36
	5,917,875	100	6,197,537	100	5,916,110	100	6,197,557	100

(iii) Sensitivity analysis of changes in interest rates

The Company's management prepared a sensitivity analysis of assets and liabilities indexed to interest rates that are outstanding at the end of the period, considering the rate prevailing on December 31, 2023 for the probable scenario. The data released by the Brazilian Central Bank's Focus Report on the SELIC rate is used as benchmark for the rates included in the sensitivity analysis. Scenario I considered a 5% increase on the average interest rate applicable to the floating portion of the Company's current debt. Additionally, the rate at December 31, 2023 was stressed by 25% and 50% to calculate scenarios II and III, respectively.

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

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
CDI	947,020	(637,504)	2,406,732	1,879,538

The rates in effect and related scenarios at December 31, 2023 are shown below:

		12/31/2023		
Index	Rates at the end of the period)	Scenario I	Scenario II	Scenario III
CDI	11.65%	12.23%	14.56%	17.48%

Finance income (costs), considering scenarios I, II and III:

	Parent			Consolidated		
	12/31/2023			12/31/2023		
Currency	Scenario I	Scenario II	Scenario III	Scenario I	Scenario II	Scenario III
CDI	5,516	27,582	55,164	14,019	70,096	140,192

The Company's debentures are exposed to fluctuations in the Interbank Deposit Certificate (CDI) rate, as disclosed in Note 20 of these financial statements.

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

5.4 Capital management

Usiminas' objectives when managing capital are to safeguard the ability to continue as a going concern, honor its commitments, and increase its earnings in order to provide returns for shareholders and benefits for other stakeholders.

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

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Total borrowings, debentures, and taxes payable in installments	5,922,879	6,202,257	5,921,114	6,202,279
Less: cash and cash equivalents and marketable securities	(3,980,506)	(2,068,540)	(6,009,833)	(5,072,361)
Net debt	1,942,373	4,133,717	(88,719)	1,129,918
Total equity	23,855,650	23,155,025	26,549,437	25,887,750
Total capitalization	25,798,023	27,288,742	26,460,718	27,017,668
Gearing ratio	7.53%	15.15%	(0.34%)	4.18%

5.5 Fair value estimation

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

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

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

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques which maximize the utilization of available market data. At December 31, 2023, the Company's financial instruments comprised investments in CDB and derivative financial instruments (hedge) (Note 6).

At December 31, 2023 and 2022, Usiminas had no financial instruments classified in Levels 1 and 3 of the fair value hierarchy. The table below presents assets measured at fair value through profit or loss:

(i) Parent company

	12/31/2023	12/31/2022
	Level 2	Level 2
Assets		
Marketable securities	274,061	246,349

	12/31/2023	12/31/2022
	Level 2	Level 2
Liabilities		
Derivative financial instruments	18,054	-

(ii) Consolidated

	12/31/2023	12/31/2022
	Level 2	Level 2
Assets		
Marketable securities	685,982	814,402

	12/31/2023	12/31/2022
	Level 2	Level 2
Liabilities		
Derivative financial instruments	29,967	100,678

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

(b) Fair value of borrowings and debentures

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

	Parent company			
	12/31/2023		12/31/2022	
	Carrying amount	Market value	Carrying amount	Market value
Bank loans – local currency	1,700	1,700	4,684	4,684
Debentures - local currency	2,211,730	2,218,955	2,209,655	2,223,000
Bonds	3,704,445	3,561,841	3,983,198	3,802,725
	5,917,875	5,782,496	6,197,537	6,030,409

	Consolidated			
	12/31/2023		12/31/2022	
	Carrying amount	Market value	Carrying amount	Market value
Bank loans – local currency	1,704	1,704	4,704	4,704
Debentures - local currency	2,211,730	2,218,955	2,209,655	2,223,000
Bonds	3,702,676	3,561,841	3,983,198	3,802,725
	5,916,110	5,782,500	6,197,557	6,030,429

(c) Other financial assets and liabilities

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

6 Derivative financial instruments

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

At December 31, 2023, the transactions with derivative financial instruments entered into by Usiminas were as follows:

(a) Parent company

At December 31, 2023, derivative financial instruments entered into by Usiminas were as follows:

Hedged item	Maturity groups month/year	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Gain/loss for the period
				12/31/2023		12/31/2022		12/31/2023	12/31/2022	12/31/2023
		Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset (liability) position	Asset (liability) position	Gain (loss)
COMMODITIES' PRICE HEDGE										
iron ore (CFR China 62% Fe)	01/24	Ore FWD USD 113.07	Ore_Fut_SCOZ3	R$ 89,061	R$ 89,061	-	-	(18,054)	-	(18,054)

Gain (loss) on finance result		(18,054)
Book balance (asset position net of the liability position)	(18,054)	-

(b) Consolidated

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

Hedged item	Maturity groups month/year	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Gain/loss for the period
				12/31/2023		12/31/2022		12/31/2023	12/31/2022	12/31/2023
		Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset (liability) position	Asset (liability) position	Gain (loss)
COMMODITIES' PRICE HEDGE										
iron ore (CFR China 62% Fe)	01/23	Ore FWD USD 111.85	Ore_Fut_SCOZ2	-	-	R$ 56,987	R$ 56,987	-	284	-
iron ore (CFR China 62% Fe)	01/23	Ore FWD USD 114.54	Ore_Fut_SCOZ2	-	-	R$ 29,119	R$ 29,119	-	832	-
iron ore (CFR China 62% Fe)	01/23	Ore FWD USD 90.23	Ore_Fut_SCOZ2	-	-	R$ 69,424	R$ 69,424	-	(16,142)	-
iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 86.30	Ore_Fut_SCOF3	-	-	R$ 48,306	R$ 48,306	-	(17,853)	(20,704)
iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 86.30	Ore_Fut_SCOF3	-	-	R$ 15,629	R$ 15,629	-	(5,680)	(6,588)
iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 90.47	Ore_Fut_SCOF3	-	-	R$ 69,613	R$ 69,613	-	(20,350)	(24,219)
iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 97.30	Ore_Fut_SCOF3	-	-	R$ 77,110	R$ 77,110	-	(15,142)	(19,193)
iron ore (CFR China 62% Fe)	02/23	Ore FWD USD 106.33	Ore_Fut_SCOF3	-	-	R$ 80,135	R$ 80,135	-	(8,251)	(12,543)
iron ore (CFR China 62% Fe)	04/23	Ore FWD USD 107.04	Ore_Fut_SCOH3	-	-	-	-	-	(6,224)	(14,719)
iron ore (CFR China 62% Fe)	05/23	Ore FWD USD 106.45	Ore_Fut_SCOJ3	-	-	-	-	-	(6,129)	(7,003)
iron ore (CFR China 62% Fe)	06/23	Ore FWD USD 105.82	Ore_Fut_SCOK3	-	-	-	-	-	(6,023)	552
iron ore (CFR China 62% Fe)	07/23	Ore FWD USD 124.50	Ore_Fut_SCOM3	-	-	-	-	-	-	8,283
iron ore (CFR China 62% Fe)	07/23	Ore FWD USD 104.40	Ore_Fut_SCOM3	-	-	-	-	-	-	(1,956)
iron ore (CFR China 62% Fe)	07/23	Ore FWD USD 106.40	Ore_Fut_SCOM3	-	-	-	-	-	-	(4,432)
iron ore (CFR China 62% Fe)	08/23	Ore FWD USD 100.30	Ore_Fut_SCON3	-	-	-	-	-	-	(8,626)
iron ore (CFR China 62% Fe)	08/23	Ore FWD USD 103.40	Ore_Fut_SCON3	-	-	-	-	-	-	(1,071)
iron ore (CFR China 62% Fe)	08/23	Ore FWD USD 103.45	Ore_Fut_SCON3	-	-	-	-	-	-	(2,130)
iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 100.20	Ore_Fut_SCOQ3	-	-	-	-	-	-	(3,412)
iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 100.20	Ore_Fut_SCOQ3	-	-	-	-	-	-	(3,412)
iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 100.32	Ore_Fut_SCOQ3	-	-	-	-	-	-	(6,739)
iron ore (CFR China 62% Fe)	09/23	Ore FWD USD 108.55	Ore_Fut_SGX	-	-	-	-	-	-	(628)
iron ore (CFR China 62% Fe)	10/23	Ore FWD USD 103.95	Ore_Fut_SCOU3	-	-	-	-		-	(12,653)
iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	-	-	-	-		-	(534)
iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	-	-	-	-		-	(534)
iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	-	-	-	-		-	(354)
iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	-	-	-	-		-	(2,134)
iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 108.36	Ore_Fut_SGX	-	-	-	-		-	(533)
iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 104.36	Ore_Fut_SGX	-	-	-	-		-	(5,151)
iron ore (CFR China 62% Fe)	11/23	Ore FWD USD 110.58	Ore_Fut_SCOU3						-	(6,322)
iron ore (CFR China 62% Fe)	03/24	Ore FWD USD 130.08	Ore_Fut_SCOG4	R$ 96,387	R$ 96,387	-	-	(6,225)	-	
iron ore (CFR China 62% Fe)	04/24	Ore FWD USD 129.00	Ore_Fut_SCOH4	R$ 7,010	R$ 7,010	-	-	(422)	-	
iron ore (CFR China 62% Fe)	04/24	Ore FWD USD 129.08	Ore_Fut_SCOH4	R$ 87,315	R$ 87,315	-	-	(5,266)	-	
iron ore (CFR China 62% Fe)	01/24	Ore FWD USD 113.07	Ore_Fut_SCOZ3	R$ 89,061	R$ 89,061	-	-	(18,054)	-	(18,054)

Gain (loss) on export revenue for the period	(156,755)
Gain (loss) in finance result	(18,054)
Total gain (loss)	(174,809)

Book balance (asset position net of the liability position)	(29,967)	(100,678)

Book balances of the derivative financial instruments:

	Parent company	Consolidated	
	12/31/2023	12/31/2023	12/31/2022
Current liabilities	18,054	29,967	100,678

	Parent	Consolidated	
	12/31/2023	12/31/2023	12/31/2022
In gross revenue - foreign market (i)	-	156,755	16,559
In finance result (ii)	18,054	-	-

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

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

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

- Entered into some hedging transactions to manage the risk of fluctuations in ore prices, which affect its sales in the foreign market.

- Designated some transactions with derivatives as hedge accounting. Hedge accounting involves the recognition, in the statement of income, of net gains/losses arising from changes in the fair value of the hedging instrument and the hedged item at the same time.

- Performed retrospective and prospective hedge effectiveness tests in accordance with IAS 39/CPC 38, which showed 100% effectiveness for transactions with derivative financial instruments designated as hedge instruments, as well as for exports designated as hedged items.

The commodity price hedge transactions designated as hedging instruments at December 31, 2023 are presented below:

					Consolidated
		Index			
Hedged item	Maturity (year/month)	Asset position	Liability position	Notional amount (amount contracted)	Gain (loss)
Iron ore (CFR China 62% Fe)	03/24	Ore FWD USD 130.08	Ore_Fut_SCOG4	R$ 96,387	(6,225)
Iron ore (CFR China 62% Fe)	04/24	Ore FWD USD 129.00	Ore_Fut_SCOH4	R$ 7,010	(422)
Iron ore (CFR China 62% Fe)	04/24	Ore FWD USD 129.08	Ore_Fut_SCOH4	R$ 87,315	(5,266)
				-	(11,913)

Hedge accounting recognized in equity is shown below:

	Consolidated	
	12/31/2023	12/31/2022
Opening balance recognized in equity (a)	(16,099)	(8,030)
Gain (loss) recognized as hedging instrument in the year	(11,913)	(38,687)
Gain (loss) recognized as hedged item in the year	12,411	26,461
Net gain (loss) recognized in the year	498	(12,226)
Balance before deferred taxes on gain (loss)	(15,601)	(20,256)
Deferred taxes on gain (loss) recognized in the year (34%)	(170)	4,157
Gain (loss) recognized in the year, net of deferred taxes (b)	16,427	(8,069)
Closing balance recognized in equity (a + b)	328	(16,099)
Gain (loss) recycled from equity to export revenue (redemptions)	156,755	16,559

7 Financial instruments by category

(a) Parent company

	12/31/2023			12/31/2022		
	Assets at amortized cost	Assets at fair value through profit or loss	Total	Assets at amortized cost	Assets at fair value through profit or loss	Total
Assets						
Cash and cash equivalents	3,706,445	-	3,706,445	1,822,191	-	1,822,191
Investment funds	-	274,061	274,061	-	246,349	246,349
Trade receivables	3,109,397	-	3,109,397	3,613,014	-	3,613,014
Dividends receivable	70,423	-	70,423	190,865	-	190,865
Insurance claim receivable	54,886	-	54,886	352,661	-	352,661
Other asset financial instruments (excluding prepayments)	427,399	-	427,399	445,619	-	445,619
	7,368,550	274,061	7,642,611	6,424,350	246,349	6,670,699

	12/31/2023			12/31/2022
	Liabilities at fair value through profit or loss	Liabilities at amortized cost	Total	Liabilities at amortized cost
Liabilities				
Borrowings and debentures	-	5,917,875	5,917,875	6,197,537
Trade payables, contractors and freight charges	-	2,593,629	2,593,629	2,821,618
Derivative financial instruments	18,054	-	18,054	-
Notes payable - Forfaiting	-	1,577,209	1,577,209	935,375
Lease liabilities	-	31,525	31,525	32,301
	18,054	10,120,238	10,138,292	9,986,831

(b) Consolidated

	12/31/2023			12/31/2022		
	Assets at amortized cost	Assets at fair value through profit or loss	Total	Assets at amortized cost	Assets at fair value through profit or loss	Total
Assets						
Cash and cash equivalents	4,655,038	-	4,655,038	2,916,047	-	2,916,047
Investment funds	-	662,535	662,535	-	789,083	789,083
Marketable securities	-	692,260	692,260	-	1,367,231	1,367,231
Trade receivables	3,516,875	-	3,516,875	3,596,928	-	3,596,928
Dividends receivable	32,879	-	32,879	22,729	-	22,729
Insurance claim receivable	54,886	-	54,886	352,661	-	352,661
Other asset financial instruments (excluding prepayments)	876,213	-	876,213	758,036	-	758,036
	9,135,891	1,354,795	10,490,686	7,646,401	2,156,314	9,802,715

	12/31/2023		
	Liabilities at amortized cost	Liabilities at fair value through other comprehensive income	Total
Liabilities			
Borrowings and debentures	5,916,110	-	5,916,110
Derivative financial instruments (hedge)	-	29,967	29,967
Trade payables, contractors and freight charges	2,623,848	-	2,623,848
Notes payable - Forfaiting	1,577,209	-	1,577,209
Lease liabilities	107,263	-	107,263
	10,224,430	29,967	10,254,397

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

8 Cash and cash equivalents

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Banks - current accounts	9,538	3,859	23,316	87,870
Bank accounts abroad	666,883	492,530	1,199,273	869,979
Bank Deposit Certificates (CDB) and repurchase commitments	2,884,689	1,325,802	3,287,114	1,958,198
Financial investments abroad	145,335	-	145,335	-
	3,706,445	1,822,191	4,655,038	2,916,047

Financial investments in Bank Deposit Certificates (CDBs) and repurchase transactions have immediate liquidity, and earn on average 103.99% (102.30% at December 31, 2022) of the CDI rate in the Parent company, and 103.78% (103.44% at December 31, 2022) of the CDI rate in the Consolidated.

At December 31, 2023, Usiminas did not have overdraft accounts.

At December 31, 2023 and December 31, 2022, the amount of R$40,000 of total cash and cash equivalents reported in the Parent and Consolidated was pledged as collateral for litigation proceedings in which the Company is involved (Note 39).

9 Marketable securities

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Bank Deposit Certificate (CDB)	-	-	668,813	1,341,912
Financial investments abroad	-	-	23,447	25,319
Investment funds	274,061	246,349	662,535	789,083
	274,061	246,349	1,354,795	2,156,314

At December 31, 2023, financial investments in CDB earn on average 103,99% (102.30% at December 31, 2022) of the CDI rate in the Parent company and 103.78% (103.44% at December 31, 2022) of the CDI rate in the Consolidated.

At December 31, 2023, the amounts in investment funds comprised mainly federal government bonds, financial bills and CDBs, with earnings corresponding to 102.25% of the CDI rate in the Parent and Consolidated (102.81% in the Consolidated, at December 31, 2022). As these investment funds are exclusive to Usiminas, there are no obligations to third parties to be disclosed.

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

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

10 Trade receivables

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Trade receivables:				
In local currency	2,043,828	1,826,202	2,723,049	2,677,831
In foreign currency	354,728	339,344	830,697	698,571
Expected credit losses (ECL) (i)	(129,550)	(134,108)	(173,508)	(193,689)
Trade receivables, net	2,269,006	2,031,438	3,380,238	3,182,713
Receivables from related parties				
In local currency	720,472	1,364,706	16,718	197,345
In foreign currency	119,919	216,870	119,919	216,870
Receivables from related parties	840,391	1,581,576	136,637	414,215
	3,109,397	3,613,014	3,516,875	3,596,928
Current assets	3,109,342	3,579,107	3,509,027	3,547,946
Noncurrent assets	55	33,907	7,848	48,982

(i) Of the total provision for expected credit losses in the Parent company and Consolidated accounts, R$4,070 (R$4,210 at December 31, 2022) relates to trade receivables in foreign currency.

Ageing analysis of trade receivables:

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Amounts not yet due	2,643,875	2,987,021	3,188,173	3,408,974
Amounts past due:				
Up to 30 days	223,825	240,245	129,414	81,489
From 31 to 60 days	72,638	123,600	51,653	118,773
From 61 to 90 days	31,158	204,075	30,901	19,062
From 91 to 180 days	167,973	96,045	145,090	7,567
Over 181 days	99,478	96,136	145,152	154,752
(-) Expected credit losses (ECL)	(129,550)	(134,108)	(173,508)	(193,689)
	3,109,397	3,613,014	3,516,875	3,596,928

At December 31, 2023, trade receivables amounting to R$465,522 in the Parent company and R$328,702 in the Consolidated were past due but not impaired (R$625,993 and R$187,954, respectively, at December 31, 2022). These receivables relate to customers who have no recent history of default, or whose outstanding balances are backed by collateral.

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

At December 31, 2023, there was no expectation of loss on the outstanding balances of receivables from related parties.

Trade receivables are denominated in the following currencies:

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Brazilian Real	2,638,820	3,061,010	2,570,329	2,685,697
U.S. Dollar	470,577	551,841	946,546	911,068
Euro	-	163	-	163
	3,109,397	3,613,014	3,516,875	3,596,928

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

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	(134,108)	(135,177)	(193,689)	(201,241)
(Additions to) reversals from profit or loss	3,415	(237)	13,160	2,615
Write-off against trade receivables	151	1,013	6,028	4,644
Foreign exchange gains	140	293	141	293
Transfer to other receivables	852	-	852	-
Closing balance	(129,550)	(134,108)	(173,508)	(193,689)

At December 31, 2023, additions to and reversals of the provision for expected credit losses were included in “Selling expenses” in the statement of income.

At December 31, 2023, the Company has accounts receivable from customers pledged as collateral, the amount of which is R$365,225, representing 11.7% of the balance of accounts receivable from customers (December 31, 2022 – R$138,323 , representing 3.8%).

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable disclosed.

11 Inventories

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Current assets				
Finished products	1,336,924	1,719,799	1,821,126	2,157,792
Work in progress	2,140,744	2,480,661	2,188,056	2,508,762
Raw materials	1,652,187	3,310,698	2,251,248	4,114,424
Storeroom supplies	678,219	679,025	775,054	775,963
Imports in transit	316,286	405,838	316,888	406,312
Provision for losses	(332,617)	(320,574)	(414,607)	(325,708)
Other	555,200	327,627	555,199	327,627
	6,346,943	8,603,074	7,492,964	9,965,172
Noncurrent assets				
Work in progress (i)	-	-	22,766	-
	6,346,943	8,603,074	7,515,730	9,965,172

(i) Relates to inventories of the subsidiary Mineração Usiminas, expected to be realized in more than 12 months.

Changes in the provision for inventory losses were as follows:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	(320,574)	(185,379)	(325,708)	(214,309)
Provision for adjustment of inventories to realizable value	(210,602)	(222,529)	(292,698)	(225,812)
Reversal of adjustment of inventories to realizable value	198,559	87,334	203,799	114,413
Closing balance	(332,617)	(320,574)	(414,607)	(325,708)

At December 31, 2023, the Company's inventories of coal amounted to R$66,190 (R$253,276 at December 31, 2022) recorded under Raw materials, in the Parent company and Consolidated accounts. Due to the loss of quality of a portion of this input, caused by extended storage time, a provision for inventory losses of R$8,251 (R$52,392 at December 31, 2022) was recorded in the Parent and Consolidated accounts, with a corresponding entry to the statement of income under "Cost of goods and/or services sold".

At December 31, 2023, the provision for inventories of plates and flat-rolled products at market value was R$82,991 (R$84,242 at December 31, 2022). In view of the decrease in the volume of these inventories, the provision of R$1,251 was reversed, in the Parent company and Consolidated, with a corresponding entry to the statement of income under "Cost of goods and/or services sold".

At December 31, 2023 and December 31, 2022, certain inventory items were pledged as collateral for litigation proceedings to which the Company is a party (Note 39).

12 Taxes recoverable

	Parent company			
	12/31/2023		12/31/2022	
	Current	Noncurrent	Current	Noncurrent
Social Integration Program (PIS)	42,104	91,097	50,632	121,649
Social Contribution on Revenues (COFINS)	188,323	411,354	379,071	555,509
State Value-Added Tax (ICMS)	86,210	353,765	77,692	273,712
Excise Tax (IPI)	15,734	-	23,058	-
Export credit - Reintegra	4,190	-	7,289	-
Other	-	-	16	-
	336,561	856,216	537,758	950,870

	Consolidated			
	12/31/2023		12/31/2022	
	Current	Noncurrent	Current	Noncurrent
Social Integration Program (PIS)	53,822	201,243	63,484	194,435
Social Contribution on Revenues (COFINS)	246,567	740,706	451,630	822,339
State Value-Added Tax (ICMS)	115,099	354,864	103,951	274,812
Excise Tax (IPI)	115,136	64,681	109,687	88,526
Export credit - Reintegra	4,190	-	7,289	-
National Institute of Social Security (INSS)	17,085	-	8,538	-
Service Tax (ISS)	2,887	-	2,301	-
Other	767	2,865	2,103	18,800
	555,553	1,364,359	748,983	1,398,912

13 Income tax and social contribution

(a) Taxes on profit

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

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Profit before income tax and social contribution	799,205	2,322,963	1,165,825	3,278,914
Nominal rates	34%	34%	34%	34%
Income tax at nominal rates	(271,730)	(789,807)	(396,381)	(1,114,831)
Adjustments to determine taxable profit:				
Equity in the results of investees	253,471	424,887	91,459	75,113
Interest on capital received	(50,955)	(71,035)	(11,692)	(11,338)
Interest on capital paid	-	-	16,827	25,584
Permanent exclusions (additions)	181,097	95,439	271,597	200,190
Recognized (unrecognized) deferred tax losses (i)	479,838	(379,253)	494,502	(379,047)
Tax incentives	-	12,344	9,149	23,813
Non-taxable profit and rate differences of subsidiaries abroad	-	-	(918)	(5,509)
Taxes on profit	591,721	(707,425)	474,543	(1,186,025)
Current	-	(290,017)	(235,441)	(653,386)
Deferred	591,721	(417,408)	709,984	(532,639)
Taxes on profit (loss) in the statement of income	591,721	(707,425)	474,543	(1,186,025)
Income tax	434,833	(516,892)	351,107	(865,709)
Social contribution	156,888	(190,533)	123,436	(320,316)
Effective rates (ii)	-	30%	-	36%

(i) As described in Note 13 (b.).
(ii) At December 31, 2023, in the Parent Company and Consolidated, due to the positive totals of taxes on profit (loss) in the result, their negative effective rates were not presented.

(b) Deferred income tax and social contribution

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

(i) Parent company

	12/31/2022	Equity/ Comprehensive income	Recognized in profit or loss	12/31/2023
In assets				
Income tax and social contribution				
Tax loss carryforwards	1,079,033	(16,362)	818,127	1,880,798
Loss carryforwards on tax overpayment	539,908	-	-	539,908
Temporary provisions				
Provision for actuarial liability	169,896	15,466	(185,362)	-
Provision for litigation	257,531	-	26,422	283,953
Provision for inventory adjustments	108,996	-	59,566	168,562
Impairment of assets	657,884	-	(23,887)	633,997
Provision for unrealized inventory profit	119,966	-	(66,009)	53,957
Other	136,640	(1)	(19,165)	117,474
Total assets	3,069,854	(897)	609,692	3,678,649
In liabilities				
Income tax and social contribution				
Tax-incentive depreciation	3,237	-	(1,551)	1,686
Tax depreciation (i)	1,226,564	-	(56,647)	1,169,917
Adjustment to property, plant and equipment (IAS 29) (ii)	32,523	-	(2,335)	30,188
Inflation adjustment on judicial deposits	49,341	-	(1,532)	47,809
Other	11,173	-	80,036	91,209
Total liabilities	1,322,838	-	17,971	1,340,809
Total, net	1,747,016	(897)	591,721	2,337,840

(i) Relates to differences between tax and statutory depreciation rates.
(ii) Relates to currency depreciation effects on property, plant and equipment, pursuant to IAS 29.

(ii) Consolidated

	12/31/2022	Equity/ Comprehensive income	Recognized in profit or loss	12/31/2023
In assets				
Income tax and social contribution				
Tax loss carryforwards	1,015,551	(16,362)	932,368	1,931,557
Loss carryforwards on tax overpayment	551,077	-	-	551,077
Temporary provisions				
Provision for actuarial liability	189,655	4,753	(183,223)	11,185
Provision for litigation	353,649	-	1,706	355,355
Provision for inventory adjustments	118,230	-	86,717	204,947
Goodwill/acquisition of companies	283,571	-	(5,232)	278,339
Impairment of assets	768,023	-	(28,799)	739,224
Provision for unrealized inventory profit	119,966	-	(66,009)	53,957
Hedge accounting	8,293	(8,293)	-	-
Other	368,147	-	(7,867)	360,280
Total assets	3,776,162	(19,902)	729,661	4,485,921
In liabilities				
Income tax and social contribution				
Tax-incentive depreciation	3,237	-	(1,551)	1,686
Tax depreciation rate (i)	1,239,667	-	(58,469)	1,181,198
Adjustment to property, plant and equipment (IAS 29) (ii)	32,523	-	(2,335)	30,188
Inflation adjustment on judicial deposits	70,815	-	5,992	76,807
Other	19,464	169	76,040	95,673
Total liabilities	1,365,706	169	19,677	1,385,552
Total, net	2,410,456	(20,071)	709,984	3,100,369

(i) Relates to differences between tax and statutory depreciation rates.
(ii) Relates to currency depreciation effects on property, plant and equipment, pursuant to IAS 29.

In the year ended December 31, 2023, the Company's Management recognized unrecognized tax credits in the amount of R$479,838 in the Parent Company and R$494,502 in the Consolidated (December 31, 2022 – provision of R$379,253 and R$379,047, respectively). The total deferred tax credits not recognized in the financial statements was R$317,918 in the Parent Company and R$493,171 in the Consolidated (December 31, 2022 – R$797,756 and R$987,673, respectively). The Company's Management will continue to monitor this topic, which may be recorded as soon as its use is likely.

At December 31, 2023, the expected realization of deferred taxes was as follows:

	Parent company	Consolidated
2024	696,391	794,860
2025	279,023	373,673
2026	333,945	375,226
2027	340,855	382,132
2028 to 2030	958,516	1,099,663
2031 to 2033	1,069,919	1,209,152
2034 to 2036	-	48,161
After 2037 (i)	-	203,054
Assets	3,678,649	4,485,921
Liabilities	(1,340,809)	(1,385,552)
Net position	2,337,840	3,100,369

(i) In the 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 profit, reviewed by the Statutory Audit Board and approved by the Board of Directors. The study uses the same data and assumptions as those adopted in the impairment test of assets (Note 17).

As the income tax and social contribution taxable bases arise not only from the projected taxable profit, but also from non-taxable income, non-deductible expenses, tax incentives and other variables, there is no direct correlation between the Company's profit and the income tax and social contribution expense. Accordingly, the projected tax credit offsets should not be considered as the only indication of the future profitability of Usiminas.

(c) Income tax and social contribution in current liabilities

	Parent company		Consolidated
	12/31/2022	12/31/2023	12/31/2022
Income tax			
Current income (expenses)	(210,299)	(170,683)	(474,386)
Prepayments and offsets in the year	210,299	167,590	430,564
	-	(3,093)	(43,822)
Social contribution			
Current income (expenses)	(79,718)	(64,758)	(179,000)
Prepayments and offsets in the year	79,718	59,340	174,921
	-	(5,418)	(4,079)
Total income tax and social contribution payable	-	(8,511)	(47,901)

At December 31, 2023, the Parent company had no income tax and social contribution balance in current liabilities.

(d) Income tax and social contribution recoverable

At December 31, 2023, the balance of income tax and social contribution to be recovered, recorded in current assets, in the amount of R$122,587 in the Parent Company and R$165,812 in the Consolidated (December 31, 2022 – R$128,292 and R$163,436, respectively) refer to income tax withheld at source on income from financial investments, interest received on equity in the period, in addition to income tax and social contribution recoverable from previous years.

At December 31, 2023, the balance of income tax and social contribution recoverable, recorded in noncurrent assets and amounting to R$298,402 in the Parent and R$348,073 in the Consolidated (R$269,620 and R$314,416, respectively at December 31, 2022) arises from the Brazilian Federal Supreme Court's decision that ruled as unconstitutional the levy of income tax (IRPJ) and social contribution (CSLL) on the amounts of interest (based on the SELIC rate) received by taxpayers as a refund of overpaid taxes. Once a final decision is issued on Usiminas' lawsuits, the corresponding amounts will be considered in the tax computations, pursuant to the rules of the Brazilian Federal Revenue Service.

14 Judicial deposits

	Parent company					
	12/31/2023			12/31/2022		
	Judicial deposits	Taxes payable in installments	Net balance	Judicial deposits	Taxes payable in installments	Net balance
IPI	176,795	(106,139)	70,656	176,825	(106,138)	70,687
IRPJ and CSLL	152,847	(57,090)	95,757	152,847	(57,090)	95,757
INSS	34,175	(7,264)	26,911	35,207	(7,264)	27,943
CIDE	-	-	-	26,384	(26,384)	-
ICMS	7,000	-	7,000	6,606	-	6,606
COFINS	-	-	-	2,764	-	2,764
Labor claims	83,355	-	83,355	110,504	-	110,504
Civil claims	17,877	(16)	17,861	37,769	(16)	37,753
Other	11,392	-	11,392	7,900	-	7,900
Provision for losses (i)	(88,493)	-	(88,493)	(88,493)	-	(88,493)
	394,948	(170,509)	224,439	468,313	(196,892)	271,421

(i) Refers to the provision for losses on IRPJ/CSLL (Elimination of the inflation effects of the Summer Economic Stabilization Plan, "*Plano Verão*") and National Institute of Social Security (INSS) (Independent contractors).

	Consolidated					
	12/31/2023			12/31/2022		
	Judicial deposits	Taxes payable in installments	Net balance	Judicial deposits	Taxes payable in installments	Net balance
IP)	176,795	(106,139)	70,656	176,825	(106,138)	70,687
IRPJ and CSLL	158,787	(57,090)	101,697	158,787	(57,090)	101,697
INSS	45,120	(7,264)	37,856	45,446	(7,264)	38,182
CIDE	-	-	-	26,384	(26,384)	-
ICMS	7,640	-	7,640	7,829	-	7,829
COFINS	5,266	-	5,266	4,180	-	4,180
CFEM	201,028	-	201,028	150,199	-	150,199
Labor claims	124,197	-	124,197	159,880	-	159,880
Civil claims	25,313	(16)	25,297	41,027	(16)	41,011
Other	29,332	-	29,332	28,605	-	28,605
Provision for losses (i)	(88,493)		(88,493)	(88,493)	-	(88,493)
	684,985	(170,509)	514,476	710,669	(196,892)	513,777

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

Changes in judicial deposits were as follows:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	468,313	490,880	710,669	686,208
Additions	13,175	5,658	50,634	45,265
Interest/inflation indexation	7,138	8,081	28,552	24,053
Reversals	(18,475)	(14,550)	(29,353)	(23,022)
Payments	(63,655)	(21,756)	(63,969)	(21,835)
Other monetary variations	(11,548)	-	(11,548)	-
Closing balance	394,948	468,313	684,985	710,669

15 Investments

(a) Changes in investments

(i) Parent company

	12/31/2022	Equity in the results of investees	Interest on capital and dividends	Unrealized inventory profit	Actuarial liability	Other	12/31/2023
Subsidiaries							
Mineração Usiminas	5,008,275	488,952	(714,713)	-	4,340	11,500	4,798,354
Soluções Usiminas (i)	912,599	101,227	24,621	194,144	22	-	1,232,613
Usiminas International	52,109	(2,701)	-	-	-	-	49,408
Usiminas Mecânica	167,555	16,871	-	-	14,607	-	199,033
Usiminas Participações e Logística S.A. (UPL)	104,314	22,357	(7,004)	-	9	-	119,676
Other	93,995	-	-	-	-	(1,812)	92,183
	6,338,847	626,706	(697,096)	194,144	18,978	9,688	6,491,267
Jointly-controlled subsidiaries							
Unigal	504,407	100,160	(126,000)	-	1,636	-	480,203
Usiroll	14,834	2,134	(1,500)	-	84	-	15,552
	519,241	102,294	(127,500)	-	1,720	-	495,755
Associates							
Codeme	39,607	13,495	(2,488)	-	-	-	50,614
MRS	15,406	3,372	(801)	-	1	-	17,978
	55,013	16,867	(3,289)	-	1	-	68,592
	6,913,101	745,867	(827,885)	194,144	20,699	9,688	7,055,614

(i) At December 31, 2023, the positive amount of R$24,621 includes reversal of dividends receivable from Soluções Usiminas in the amount of R$72,704 and recording of proposed dividends for the year in the amount of R$48,083 thousand.

At December 31, 2023, equity in the results of investees in the Parent, presented in changes in investments, is reconciled as follows:

	Parent company
Equity in the results of investees presented in the statements of income and cash flows	939,647
Net capital deficiency of the subsidiary Rios Unidos	364
Unrealized profit in the subsidiarie Soluções Usiminas.	(194,144)
Equity in the results of investees presented in changes in investments	745,867

(ii) Consolidated

	12/31/2022	Equity in the results of investees	Interest on capital and dividends	Actuarial liability	12/31/2023
Jointly-controlled subsidiaries					
Jointly-controlled subsidiaries	521,697	105,591	(130,816)	1,720	498,192
Goodwill on jointly-controlled subsidiaries	4,668	-	-	-	4,668
	526,365	105,591	(130,816)	1,720	502,860
Associates					
Investments in associates	677,772	163,408	(47,312)	53	793,921
Goodwill on associates	7,200	-	-	-	7,200
	684,972	163,408	(47,312)	53	801,121
Total	1,211,337	268,999	(178,128)	1,773	1,303,981

At December 31, 2023, changes in dividends receivable were as follows:

	Parent company		Consolidated	
Nature	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Dividends receivable at the beginning of the year	190,865	536,521	22,729	18,182
Dividends and interest on capital received	(925,821)	(1,234,476)	(161,459)	(137,255)
Dividends proposed and interest on capital	827,885	888,396	178,127	147,794
Income Tax Withheld at Source (IRRF) on interest on capital	(22,480)	(31,339)	(5,158)	(5,002)
Other (i)	(26)	31,763	(1,360)	(990)
Net dividends receivable at the end of the year	70,423	190,865	32,879	22,729

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

Dividends received are classified in the cash flow from investing activities.

(b) Financial information on associated companies

The Company's share of profit (loss) in its most significant associates at December 31, 2023 is shown below:

	Country of incorporation	Assets	Liabilities	Equity	Net revenue	Profit	% interest held
Codeme	Brazil	303,536	136,921	166,615	320,591	28,587	30.77%
MRS (i)	Brazil	18,071,031	11,680,138	6,390,893	6,449,125	1,206,826	11.41%

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

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

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

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

(i) Summarized balance sheets

	12/31/2023			12/31/2022		
	Modal	Unigal	Usiroll	Modal	Unigal	Usiroll
Current assets						
Cash and cash equivalents	2,790	36,979	6,686	2,811	21,100	2,386
Trade receivables	1,186	63,566	5,174	1,224	54,820	4,600
Inventories	-	56,815	1,686	-	54,438	1,783
Taxes recoverable	-	32,628	-	-	9,233	-
Other	8	4,440	318	8	58,723	330
Total current assets	3,984	194,428	13,864	4,043	198,314	9,099
Noncurrent assets						
Long-term receivables	-	21,120	-	-	19,059	96
Property, plant and equipment	1,958	765,374	24,268	1,795	790,749	24,652
Intangible assets	-	968	-	-	1,282	-
Total noncurrent assets	1,958	787,462	24,268	1,795	811,090	24,748
Total assets	5,942	981,890	38,132	5,838	1,009,404	33,847
Liabilities and equity						
Trade payables, contractors and freight charges	194	37,622	971	172	29,545	2,532
Provision for litigation	-	1,896	-	-	2,360	-
Deferred income tax and social contribution	-	229,453	-	-	228,565	-
Other	873	19,923	6,054	757	20,845	1,648
Equity	4,875	692,996	31,107	4,909	728,089	29,667
Total liabilities and equity	5,942	981,890	38,132	5,838	1,009,404	33,847

(ii) Summarized statements of income

	12/31/2023			12/31/2022		
	Modal	Unigal	Usiroll	Modal	Unigal	Usiroll
Net sales and services	12,382	347,352	22,410	13,370	330,640	20,692
Cost of sales and services	(4,529)	(162,361)	(13,318)	(4,793)	(149,198)	(11,955)
Operating income (expenses)	(57)	(19,034)	(3,219)	(37)	(20,505)	(3,036)
Finance result	305	19,857	469	293	23,126	427
Provision for IRPJ and CSLL	(1,508)	(43,244)	(2,071)	(1,619)	(44,806)	(2,049)
Profit for the year	6,593	142,570	4,271	7,214	139,257	4,079

16 Property, plant and equipment

		Parent company					
		12/31/2023			12/31/2022		
	Weighted average rate of annual amortization (%)	Cost	Accumulated depreciation	PP&E, net	Cost	Accumulated depreciation	PP&E, net
In operation							
Buildings	5	1,888,494	(1,270,579)	617,915	1,870,055	(1,235,536)	634,519
Machinery and equipment	5	19,454,216	(12,032,632)	7,421,584	16,638,568	(11,930,968)	4,707,600
Facilities	5	1,085,882	(433,614)	652,268	1,029,117	(397,419)	631,698
Furniture and fittings	14	63,507	(55,816)	7,691	62,839	(53,312)	9,527
IT equipment	33	321,629	(234,223)	87,406	279,488	(208,776)	70,712
Vehicles	32	34,562	(34,536)	26	34,562	(34,528)	34
Tools and instruments	21	192,595	(182,994)	9,601	190,765	(177,953)	12,812
Right-of-use assets	21	80,427	(50,878)	29,549	72,272	(41,019)	31,253
		23,121,312	(14,295,272)	8,826,040	20,177,666	(14,079,511)	6,098,155
Land		285,296	-	285,296	279,595	-	279,595
Total in operation		23,406,608	(14,295,272)	9,111,336	20,457,261	(14,079,511)	6,377,750
Under construction							
Construction in progress		1,606,918	-	1,606,918	2,353,507	-	2,353,507
Assets in progress		169,420	-	169,420	141,075	-	141,075
Imports in transit		30,318	-	30,318	33,282	-	33,282
Advances to suppliers		45,522	-	45,522	99,331	-	99,331
Capitalized charges on borrowings and debentures		27,794	-	27,794	88,056	-	88,056
Other		113,557	-	113,557	59,915	-	59,915
Total under construction		1,993,529	-	1,993,529	2,775,166	-	2,775,166
		25,400,137	(14,295,272)	11,104,865	23,232,427	(14,079,511)	9,152,916

		Consolidated					
		12/31/2023			12/31/2022		
	Weighted average rate of annual amortization (%)	Cost	Accumulated depreciation	PP&E, net	Cost	Accumulated depreciation	PP&E, net
In operation							
Buildings	5	2,395,709	(1,540,814)	854,895	2,269,372	(1,500,867)	768,505
Machinery and equipment	5	21,015,208	(13,185,550)	7,829,658	17,986,420	(12,975,300)	5,011,120
Facilities	5	2,124,784	(1,124,871)	999,913	2,027,899	(1,000,878)	1,027,021
Furniture and fittings	14	81,232	(69,410)	11,822	77,531	(65,999)	11,532
IT equipment	33	392,007	(283,996)	108,011	337,816	(253,243)	84,573
Vehicles	32	49,519	(47,826)	1,693	50,061	(47,285)	2,776
Tools and instruments	21	228,494	(209,236)	19,258	217,651	(200,308)	17,343
Right-of-use assets	21	276,673	(173,528)	103,145	245,935	(130,210)	115,725
Other		223,411	(74,934)	148,477	208,081	(20,913)	187,168
		26,787,037	(16,710,165)	10,076,872	23,420,766	(16,195,003)	7,225,763
Land		476,594	-	476,594	460,572	-	460,572
Total in operation		27,263,631	(16,710,165)	10,553,466	23,881,338	(16,195,003)	7,686,335
Under construction							
Construction in progress		1,844,070	-	1,844,070	2,631,724	-	2,631,724
Assets in progress		263,307	-	263,307	218,098	-	218,098
Imports in transit		30,584	-	30,584	33,548	-	33,548
Advances to suppliers		45,522	-	45,522	102,895	-	102,895
Capitalized charges on borrowings and debentures		27,794	-	27,794	88,056	-	88,056
Other		114,075	-	114,075	59,915	-	59,915
Total under construction		2,325,352	-	2,325,352	3,134,236	-	3,134,236
		29,588,983	(16,710,165)	12,878,818	27,015,574	(16,195,003)	10,820,571

Changes in property, plant and equipment were as follows:

	Parent company								
	Buildings	Machinery and equipment	Facilities	Tools and instruments	Land	Construction in progress	Right-of -use	Other	Total
At December 31, 2022	634,519	4,707,600	631,698	12,812	279,595	2,775,166	31,253	80,273	9,152,916
Additions	1,560	99,568	3,108	-	-	2,436,310	-	1,179	2,541,725
Remeasurement	-	-	-	-	-	-	8,155	-	8,155
Write-offs	-	(45)	-	-	(7)	(4,363)	-	(5)	(4,420)
Depreciation	(40,848)	(554,582)	(36,195)	(5,064)	-	-	(9,859)	(28,465)	(675,013)
Capitalized charges on borrowings and debentures (i)	-	-	-	-	-	27,794	-	-	27,794
Transfers	22,684	3,169,043	53,657	1,853	-	(3,289,378)	-	42,141	-
Other	-	-	-	-	5,708	48,000	-	-	53,708
At December 31, 2023	617,915	7,421,584	652,268	9,601	285,296	1,993,529	29,549	95,123	11,104,865

(i) These charges were capitalized at the contracted rates (Note 20).

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

(i) These charges were capitalized at the contracted rates (Note 20).

	Consolidated								
	Buildings	Machinery and equipment	Facilities	Tools and instruments	Land	Construction in progress	Right of use	Other	Total
At December 31, 2022	768,505	5,011,120	1,027,021	17,343	460,572	3,134,236	115,725	286,049	10,820,571
Additions (i)	44,325	137,144	10,939	361	-	2,733,006	-	19,841	2,945,616
Remeasurement	-	-	-	-	-	-	30,738	-	30,738
Write-offs	-	(2,569)	-	-	(7)	(4,363)	-	(1,305)	(8,244)
Depreciation	(69,075)	(665,808)	(123,212)	(7,364)	-	-	(43,318)	(90,653)	(999,430)
Capitalized charges on borrowings and debentures (ii)	-	-	-	-	-	27,794	-	-	27,794
Impairment	412	735	(263)	(145)	-	353	-	(1,092)	-
Transfers	110,016	3,349,036	85,428	9,059	10,321	(3,621,023)	-	57,163	-
Other	712	-	-	4	5,708	55,349	-	-	61,773
At December 31, 2023	854,895	7,829,658	999,913	19,258	476,594	2,325,352	103,145	270,003	12,878,818

(i) Additions to property, plant and equipment relate to purchases of R$2,930,287 and costs of environmental restoration of mines, amounting to of R$15,329.
(ii) These charges were capitalized at the contracted rates (Note 20).

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

(i) Additions to property, plant and equipment relate to purchases of R$2,026,636 and costs of environmental restoration of mines, amounting to of R$92,586.
(ii) These charges were capitalized at the contracted rates (Note 20).
(iii) Refers to impairment of property, plant and equipment (Note 17).

At December 31, 2023, additions to property, plant and equipment in the Parent company related mainly to expenses incurred for the renovation of blast furnace 3, which totaled R$1,201,000, in addition to other works performed to keep the Company's production capacity.

At December 31, 2023, construction in progress amounting to R$1,993,529 in the Parent company and R$2,325,352 in the Consolidated (R$2,775,166 and R$3,134,236 at December 31, 2022, respectively) related to projects for improving manufacturing processes and maintaining the production capacity.

At December 31, 2023, interest and foreign exchange variations on borrowings amounting to R$27,794 were capitalized in property, plant and equipment, in the Parent and Consolidated (R$88,056 at December 31, 2022). These charges were capitalized at the contracted rates (Note 20).

At December 31, 2023, depreciation in the Parent was recognized under "Cost of sales", "Other operating income (expenses)", "Selling expenses" and "General and administrative expenses", in the amounts of R$569,933, R$76,806, R$2,639 and R$25,635 (R$555,097, R$64,406, R$2,964 and R$18,4487 at December 31, 2022), respectively. In the Consolidated, depreciation was recognized under "Cost of sales", "Other operating income (expenses)", "Selling expenses" and "General and administrative expenses" in the amounts of R$877,776, R$86,438, R$4,315 and R$30,901 (R$747,437, R$87,094, R$4,488 and R$22,096 at December 31, 2022), respectively.

At December 31, 2023 and December 31, 2022, certain property, plant and equipment items have been pledged as collateral for borrowings and lawsuits (Note 39).

17 Impairment of non-financial assets

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

These cash generating units are determined based on the smallest identifiable group of assets that generates cash inflows. There are no different cash generating units within the same company.

(a) General assumptions and criteria

The calculations of value in use utilize cash-flow projections based on financial budgets approved by the Executive Board. Based on the estimate that the net fair value of selling

expenses is lower than the value in use, the latter was used to determine the recoverable value.

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

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

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

The long-term inflation rate used in projected cash flows was 3.50% p.a.

In 2023, the discount rates applied in the projections of future cash flows represent an estimate of the rate that the market would use to address the risks to the asset under assessment. The Company adopted different rates for each cash generating units tested in order to reflect its capital structure. The estimated future cash flows for the Steelmaking were discounted at the effective rate of 8.59%, and nominal rate of 12.39%. The estimated future cash flows for the Mining and Logistics were discounted at the effective rate of 8.88% and nominal rate of 12.69%.

The scenarios used in the aforementioned tests were based on Usiminas' best estimates for future results and cash generation from its cash generating units.

(b) Recoverable amount and recognized losses

(i) Intangible assets with indefinite useful lives

The following cash-generating units have intangible assets with indefinite useful lives (goodwill):

	Consolidated	
	12/31/2023	**12/31/2022**
Mineração Usiminas	11,868	11,868
Soluções Usiminas	2,433	2,433
	14,301	14,301

(ii) Other long-term assets

At December 31, 2023 and 2022, the Company's management tested the assets of its cash-generating units Usiminas and Mineração Usiminas for impairment. At December 31, 2023, no impairment loss was identified in the Parent company. In the Consolidated, the tests resulted in the following impairment (losses) or reversals that were recognized in the statement of income for the year, under Other operating income (expenses) (Note 33 (b)):

	Parent company		Consolidated
	12/31/2022	12/31/2023	12/31/2022
Mineração Usiminas			
Mineral rights	-	-	293,464
Investment properties	-	1,562	3,160
Steelmaking			
Investments	20,260	-	-
Property, plant and equipment	(1,697,561)	1,972	(1,697,561)
Intangible assets	-	-	20,260
Investment properties	(16,107)	-	(16,107)
	(1,693,408)	3,534	(1,396,784)

(c) Impairment testing of the Mineração Usiminas

The value in use of the cash generating units Mineração Usiminas was updated to reflect management's best estimates of future results from the processing and sale of iron ore, based on projections of sales price, expenses and investments. This evaluation can change depending on commodity price fluctuations, and any changes in long-term expectations may lead to future adjustments to the amount recognized, including premiums on the reference price based on the higher quality of the iron ore to be sold.

The Company considered market sources to define the inflation and foreign exchange rates used to project future cash flows. Short-term projections of iron ore prices (CFR China, 62% Fe) ranged from US$95.00 to US$105.00/metric ton, and US$88.20 for long-term projections. The prices used to calculate future cash flows are within the range of estimates disclosed by market analysts.

In the year ended December 31, 2023, there was no change in the impairment of mining rights, allocated to intangible assets.

No impairment losses on goodwill were determined at December 31, 2023 and 2022.

In the year ended December 31, 2023, the Company continued monitoring the remaining impairment loss of R$228,503 recorded in prior years, which will be reversed as future projections make it possible.

The key assumptions of this cash generating units will also be continuously monitored.

(d) Impairment testing of the Steelmaking cash generating units

Usiminas

In line with CVM Resolution 90/ 2022, the Company performed an analysis of the recoverability of its assets at December 31, 2023. The review of the estimates of future sales volumes combined with the projected increase in costs of raw materials indexed to the U.S. dollar reduced the estimated net recoverable value of the tested assets, resulting in an impairment loss.

The recoverable value of the assets was determined based on Usiminas' budgeted cash flows for the next four years.

No impairment loss was recognized at December 31, 2023 for the Steelmaking cash generating units, based on the discounted cash flows method (R$1,697,561 at December 31, 2022).

Management will continue monitoring the results in 2024, which will determine the reasonableness of the future projections used.

18 Intangible assets

The composition of intangible assets is as follows:

		Parent company					
		12/31/2023			12/31/2022		
	Weighted average rate of annual amortization (%)	Cost	Accumulated amortization	Net balance	Cost	Accumulated amortization	Net balance
Software	26	379,920	(295,964)	83,956	341,517	(269,807)	71,710
Intangible assets in progress	-	73,879	-	73,879	66,408	-	66,408
		453,799	(295,964)	157,835	407,925	(269,807)	138,118

		Consolidated					
		12/31/2023			12/31/2022		
	Weighted average rate of annual amortization (%)	Cost	Accumulated amortization	Net balance	Cost	Accumulated amortization	Net balance
Software	26	471,312	(366,928)	104,384	429,912	(332,161)	97,751
Goodwill	-	2,433	-	2,433	2,433	-	2,433
Mineral rights (i)	-	1,976,962	(199,376)	1,777,586	2,221,929	(170,803)	2,051,126
Reversal of impairment	-	-	-	-	(246,659)	-	(246,659)
Other	-	83,957	(3,906)	80,051	75,052	(3,763)	71,289
		2,534,664	(570,210)	1,964,454	2,482,667	(506,727)	1,975,940

(i) Mineral rights are amortized in accordance with mine depletion at an average rate of R$1,92 per metric ton (R$1.58 at December 31, 2022) (rate adjusted considering the net value of the asset, net of impairment, which reflects the estimated cost of each metric ton depleted from the mines).

Changes in intangible assets were as follows:

	Parent company		
	Software acquired	Intangible assets in progress	Total
Net book value at December 31, 2022	71,710	66,408	138,118
Additions	1,646	40,430	42,076
Transfers	32,804	(32,804)	-
Amortization	(26,157)	-	(26,157)
Other	3,953	(155)	3,798
At December 31, 2023	83,956	73,879	157,835
Total cost	379,920	73,879	453,799
Accumulated amortization	(295,964)	-	(295,964)
Net book value at December 31, 2023	83,956	73,879	157,835
Annual amortization rate %	26	-	-

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

	Consolidated				
	Mineral rights (i)	Goodwill paid on acquisition	*Software* acquired	Other	Total
Net book value at December 31, 2022	1,804,467	2,433	97,751	71,289	1,975,940
Additions	-	-	7,142	46,749	53,891
Transfers	-	-	37,457	(37,457)	-
Write-offs	-	-	(32)	-	(32)
Amortization	(26,881)	-	(34,767)	(143)	(61,791)
Reversal of impairment of assets	-	-	-	-	-
Other	-	-	(3,167)	(387)	(3,554)
At December 31, 2023	1,777,586	2,433	104,384	80,051	1,964,454
Total cost	1,976,962	2,433	471,312	83,957	2,534,664
Accumulated amortization	(199,376)	-	(366,928)	(3,906)	(570,210)
Net book value at December 31, 2023	1,777,586	2,433	104,384	80,051	1,964,454
Annual amortization rate %	-	-	26	-	-

(i) Mineral rights are amortized in accordance with mine depletion at an average rate of R$1,92 per metric ton (rate adjusted considering the net value of the asset, net of impairment, which reflects the estimated cost of each metric ton depleted from the mines).

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

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

Amortization in the Parent accounts was recognized under "Cost of sales" and "General and administrative expenses" in the amounts of R$436 and R$25,721 (R$1,154 and R$15,954, respectively at -December 31, 2022). On the same date, amortization was recognized in the Consolidated, under "Cost of sales" and "General and administrative expenses" in the amounts of R$28,247 and R$33,544 (R$23,857 and R$17,709 at December 31, 2022, also under "Cost of sales" and "General and administrative expenses").

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

At December 31, 2022, impairment of R$293,464 in the financial statements of Mineração Usiminas was reversed, due to changes in the estimated future price of iron ore and the U.S. dollar. In the Parent financial statements, impairment of assets generated on acquisition of subsidiary, in the amount of R$20,260, was reversed at December 31, 2022 (Note 17 (b) (ii)).

No impairment loss was recognized in the Parent company and Consolidated financial statements at December 31, 2023.

19 Trade payables, contractors and freight charges

19.1 Composition of trade payables, contractors and freight charges

Breakdown:

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
In Brazil	1,584,076	1,635,808	1,905,942	2,020,814
Abroad	275,137	526,436	315,623	531,744
Payables to related companies	746,925	682,587	403,590	299,186
	2,606,138	2,844,831	2,625,155	2,851,744
Adjustment to present value (i)	(12,509)	(23,213)	(1,307)	(13,113)
	2,593,629	2,821,618	2,623,848	2,838,631

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

At December 31, 2023, the payment terms of trade payables ranged from 30 to 180 days.

The Company's balance of trade payables is presented net of the present value adjustment, which is calculated at the reporting date, on a *pro rata temporis* basis. The adjustment to present value was based on the CDI rate, which was at 11.65% p.a. at December 31, 2023 (13.65% p.a. at December 31, 2022).

The balances resulting from the adjustment to present value are allocated to finance result based on the period elapsed between the issue date and the due date of the supplier invoice (Note 34).

19.2 Forfaiting transactions

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

	Parent and Consolidated	
	12/31/2023	12/31/2022
In Brazil	657,628	337,247
Abroad	959,383	607,492
	1,617,011	944,739
Adjustment to present value	(39,802)	(9,364)
	1,577,209	935,375

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

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

The balance of forfaiting transactions is presented net of the present value adjustment, which is calculated and allocated as disclosed in Note 19.1.

At December 31, 2023, some of the Company's suppliers contracted, on their own initiative, forfaiting and credit assignment transactions with banks, in the amount of R$139,114 (R$107,270 at December 31, 2022). These transactions did not change the balance sheet balances, as no financial charges were imputed to the Company.

19.3 Advances to suppliers

At December 31, 2023, advances to suppliers totaled R$3,239 in the Parent company and R$5,613 in the Consolidated (R$622,004 and R$623,381, respectively at -December 31, 2022). The aforementioned operations were carried out with domestic and foreign suppliers, mainly for the acquisition of operating equipment and materials for the refurbishment of the top of the coking plant in the Parent company, and for acquisition of electricity, in the subsidiary Soluções Usiminas.

20 Borrowings

20.1 Composition of borrowings

(a) Parent

(i) In local currency

	Currency / index	Maturity of the principal amount	Annual finance charges (%)	12/31/2023		12/31/2022	
				Current	Noncurrent	Current	Noncurrent
FINAME	R$	2024	2.5% to 9.5% p.a.	1,700	-	2,988	1,696

(ii) In foreign currency

	Currency / index	Maturity of the principal amount	Annual finance charges (%)	12/31/2023		12/31/2022	
				Current	Noncurrent	Current	Noncurrent
Bonds	US$	2026	5.875% p.a.	102,205	3,630,974	110,151	3,913,275
Commissions and other costs	-	-	-	-	(28,734)	-	(40,228)
				102,205	3,602,240	110,151	3,873,047
Total in local and foreign currency				103,905	3,602,240	113,139	3,874,743

(b) Consolidated

(i) In local currency

	Currency / index	Maturity of the principal amount	Annual finance charges (%)	12/31/2023 Current	12/31/2023 Noncurrent	12/31/2022 Current	12/31/2022 Noncurrent
FINAME	R$	2024	2.5% to 9.5% p.a.	1,704	-	3,004	1,700
				1,704	-	3,004	1,700

(ii) In foreign currency

	Currency / index	Maturity of the principal amount	Annual finance charges (%)	12/31/2023 Current	12/31/2023 Noncurrent	12/31/2022 Current	12/31/2022 Noncurrent
Bonds	US$	2026	5.875% p.a.	102,205	3,630,975	110,151	3,913,275
Commissions and other costs	-	-	-	-	(30,504)	-	(40,228)
				102,205	3,600,471	110,151	3,873,047
Total in local and foreign currency				103,909	3,600,471	113,155	3,874,747

20.2 Schedule of borrowings in noncurrent liabilities

Long-term liabilities fall due as follows:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
2025	-	1,696	-	1,700
2026	3,602,240	3,873,047	3,600,471	3,873,047
	3,602,240	3,874,743	3,600,471	3,874,747

20.3 Changes in borrowings

Changes in borrowings were as follows:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	3,987,882	4,259,529	3,987,902	4,263,424
Accrued charges	212,223	248,692	212,332	249,934
Foreign exchange gains	(282,302)	(272,099)	(284,071)	(272,099)
Payment of interest	(234,056)	(256,355)	(234,070)	(257,826)
Repayments/write-offs of the principal amount	(2,977)	(3,379)	(2,993)	(7,026)
Deferral of commissions	25,375	11,494	25,280	11,495
Closing balance	3,706,145	3,987,882	3,704,380	3,987,902

20.4 Covenants of debentures and bonds

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

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

According to the measurement carried out at December 31, 2023, the mentioned ratio was fully complied with.

The Company has controls in place for monitoring non-financial covenants, which were all complied with in the year ended December 31, 2023.

21 Debentures

At December 31, 2023, the Company's nonconvertible, unsecured debentures for the 8th and 9th Debenture Issue were outstanding, as shown below:

	Parent company and Consolidated	
	12/31/2023	
	Grace period	Financial charges
8th issue (1st series)	2.5 years	CDI + 1.50% p.a.
8th issue (2nd series)	4.5 years	CDI + 1.70% p.a.
9th issue (1st series)	2.5 years	CDI + 1.45% p.a.
9th issue (2nd series)	4.5 years	CDI + 1.65% p.a.
9th issue(3rd series)	6 years	CDI + 1.95% p.a.

Changes in debentures at December 31, 2023 were as follows:

	Parent company and Consolidated	
	12/31/2023	12/31/2022
Opening balance	2,209,655	2,036,153
Proceeds	-	2,200,000
Repayment of principal	-	(2,000,000)
Accrued charges	323,164	300,107
Amortization of charges	(321,089)	(326,605)
Closing balance (i)	2,211,730	2,209,655
Current liabilities	18,978	17,820
Non-current liabilities	2,192,752	2,191,835

(i) Balance presented net of R$7,248 (R$8,165 at December 31, 2022) related to the deferral of transaction costs, in accordance with Technical Pronouncement CPC 08 - Transaction Costs and Premiums on Issue of Securities.

Long-term liabilities fall due as follows:

	Parent and Consolidated	
	12/31/2023	12/31/2022
2027	457,472	456,555
2028	682,124	682,124
2029	682,124	682,124
2030	123,677	123,677
2031	123,677	123,677
2032	123,678	123,678
	2,192,752	2,191,835

22 Taxes payable

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
State Value-Added Tax (ICMS)	26,286	43,908	44,700	60,993
Excise Tax (IPI)	23,680	14,581	27,394	17,448
Income Tax Withheld at Source (IRRF)	13,010	12,380	14,875	15,483
Service Tax (ISS)	20,514	15,925	27,387	21,763
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS)	5,643	3,791	6,639	5,217
Financial Contribution for the Exploration of Mineral Resources (CFEM)	-	-	27,435	17,143
Other	25,368	2,083	31,630	5,264
	114,501	92,668	180,060	143,311

23 Taxes payable in installments

The composition of taxes payable in installments was as follows:

	Parent company					
	12/31/2023			12/31/2022		
	Taxes payable in installments	Judicial deposits	Net balance	Taxes payable in installments	Judicial deposits	Net balance
National Institute of Social Security (INSS)	7,265	(7,265)	-	7,265	(7,265)	-
Excise Tax (IPI)	105,083	(100,079)	5,004	104,799	(100,079)	4,720
Tax Recovery Program (REFIS) – Law 11,941/09 – IPI and CIDE	6,060	(6,060)	-	32,443	(32,443)	-
REFIS – Law 11,941/09 - IRPJ/CSLL Elimination of the inflation effects of the "Summer Economic Stabilization Plan"	57,089	(57,089)	-	57,089	(57,089)	-
Other	16	(16)	-	16	(16)	-
	175,513	(170,509)	5,004	201,612	(196,892)	4,720

	Consolidated					
	12/31/2023			12/31/2022		
	Taxes payable in installments	Judicial deposits	Net balance	Taxes payable in installments	Judicial deposits	Net balance
National Institute of Social Security (INSS)	7,265	(7,265)	-	7,265	(7,265)	-
Excise Tax (IPI)	105,083	(100,079)	5,004	104,799	(100,079)	4,720
Tax Recovery Program (REFIS) – Law 11,941/09 – IPI and CIDE	6,060	(6,060)	-	32,443	(32,443)	-
REFIS – Law 11,941/09 - IRPJ/CSLL Elimination of the inflation effects of the "Summer Economic Stabilization Plan"	57,089	(57,089)	-	57,089	(57,089)	-
Other	16	(16)	-	18	(16)	2
	175,513	(170,509)	5,004	201,614	(196,892)	4,722

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

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance (i)	201,612	201,355	201,614	201,357
Provision (reversal of provision) for interest	284	257	284	257
Offsets	(26,383)	-	(26,385)	-
Sub-total	175,513	201,612	175,513	201,614
Balance offset against judicial deposits	(170,509)	(196,892)	(170,509)	(196,892)
Closing balance	5,004	4,720	5,004	4,722

(i) The total amount of taxes payable in installments presented in the balance sheet must be decreased by R$196,892, corresponding to the offset against judicial deposits.

At December 31, 2023, considering the payment schedule, the balance of taxes payable in installments is fully recorded in current liabilities.

24 Lease liabilities

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

At December 31, 2023, changes in lease liabilities were as follows:

	Parent company	Consolidated
At December 31, 2022	32,301	119,180
Additions	8,155	30,738
Payments	(11,876)	(46,264)
Interest	2,945	10,971
Foreign exchange gains	-	(1,300)
Other	-	(6,062)
At December 31, 2023	31,525	107,263
Current	8,505	45,073
Noncurrent	23,020	62,190

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

(a) Parent company

	12/31/2023				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease agreements (i)	11,030	7,669	16,603	4,326	39,628
Adjustment to present value	(2,525)	(1,873)	(3,289)	(416)	(8,103)
	8,505	5,796	13,314	3,910	31,525

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

(i) Mainly related to machinery and equipment.

(b) Consolidated

	12/31/2023				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease agreements (i)	53,744	27,640	41,243	5,540	128,167
Adjustment to present value	(8,671)	(5,600)	(6,101)	(532)	(20,904)
	45,073	22,040	35,142	5,008	107,263

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

(i) Mainly related to machinery and equipment.

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

	Parent company			
	12/31/2023		12/31/2022	
Cash flow	**Nominal**	**Adjusted to present value**	**Nominal**	**Adjusted to present value**
Lease consideration	35,962	28,609	37,485	29,313
Potentially recoverable PIS/COFINS (9.25%)	3,666	2,916	3,821	2,988
	39,628	31,525	41,306	32,301

	Consolidated			
	12/31/2023		12/31/2022	
Cash flow	**Nominal**	**Adjusted to present value**	**Nominal**	**Adjusted to present value**
Lease consideration	116,312	97,341	133,822	108,156
Potentially recoverable PIS/COFINS (9.25%)	11,855	9,922	13,640	11,024
	128,167	107,263	147,462	119,180

25 Provisions for litigation

	Parent company					
	12/31/2023			12/31/2022		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
INSS	68,119	-	68,119	58,413	-	58,413
ICMS	249,188	-	249,188	238,766	-	238,766
Labor claims	386,374	(86,352)	300,022	387,300	(78,742)	308,558
Civil and environmental claims	131,474	(17,168)	114,306	72,965	(24,475)	48,490
	835,155	(103,520)	731,635	757,444	(103,217)	654,227

	Consolidated					
	12/31/2023			12/31/2022		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
INSS	79,742	-	79,742	69,189	(62)	69,127
ICMS	257,513	-	257,513	247,695	(1,310)	246,385
PIS/COFINS	2,434	-	2,434	3,411	-	3,411
Labor claims	458,223	(91,089)	367,134	468,450	(110,953)	357,497
Civil and environmental claims	205,944	(37,691)	168,253	92,112	(41,701)	50,411
Other	10,367	-	10,317	11,300	(2,602)	8,698
	1,014,223	(128,780)	885,443	892,157	(156,628)	735,529

The Company has judicial deposits recorded in noncurrent assets, for which no provisions have been recorded (Note 14).

Changes in the provisions for litigation are shown below:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	757,444	803,139	892,157	919,154
Additions	172,415	80,238	265,425	113,257
Interest/inflation indexation	159,697	93,001	175,986	104,797
Repayments/reductions	(136,576)	(124,012)	(137,892)	(124,194)
Reversals of principal	(51,469)	(12,563)	(113,877)	(38,462)
Reversals of interest	(42,994)	(82,359)	(44,214)	(82,395)
Enrollment in the 'Zero Litigation' program	(23,362)	-	(23,362)	-
Closing balance	835,155	757,444	1,014,223	892,157

(a) Provision for litigation

Provisions for litigation were recorded to cover probable losses arising from administrative proceedings and litigation relating to tax, labor, civil and environmental matters, in amounts considered sufficient by management, based on the advice and assessment of internal and external legal advisors. The most significant proceedings at December 31, 2023 are described below:

(i) Provisions - Parent company

Description	Status	12/31/2023 Balance	12/31/2022 Balance
Labor lawsuits filed by employees, former employees and outsourced personnel of the Ipatinga Plant , claiming severance pay and social security rights.	Pending judgment by the Labor Court and administrative bodies, at different levels.	66,433	69,363
Labor lawsuits filed by employees, former employees and outsourced personnel of the Cubatão Plant, claiming severance pay and social security rights.	Pending judgment by the Labor Court and administrative bodies, at different levels.	269,385	268,099
Lawsuit claiming compensation for material damage (alimony, fixed medical expenses, etc.) and pain and suffering due to exposure to benzene gas during working hours.	Pending judgment.	3,878	6,338
Differences in relation to the price paid for the shares upon the acquisition of a company merged into Soluções Usiminas.	Pending judgment of appeal by the Superior Court of Justice.	7,178	7,100
Actions for annulment of administrative rulings issued by the Administrative Council for Economic Defense (CADE) (Usiminas and the former Cosipa).	Agreement signed with CADE, providing for payment in installments in 3 years (semi-annual installments).	-	31,349
Action to collect the amount corresponding to the annual adjustments to the contract and payments supposedly due for cargo movement and any balance in favor of the supplier. (Fill out Legal).	Pending judgment of appeal by the Superior Court of Justice.	82,030	-
Action for annulment against tax assessment notices issued by the tax authorities of Rio Grande do Sul claiming ICMS allegedly due by Usiminas.	Pending judgment by higher courts..	54,070	50,511
Action claiming that the social security contribution (INSS) should be not levied on the 1/3 vacation bonus.	Pending judgment by the appellate court.	59,652	55,193
Tax proceeding in which the tax authorities seek the reversal of ICMS/SP credits on materials considered as consumables (refractory items and others)..	Awaiting final outcome of the Appeal to the Superior Court of Justice (STJ).	147,369	139,460
Tax collection procedure in connection of the use of allegedly improper tax credits (ICMS/SP) relating to non-ferrous materials.	Pending judgment by higher courts..	42,341	40,167
Civil Investigation initiated by the Public Prosecution Office of Minas Gerais to determine the damage caused by the gasometer explosion in 2018.	Conduct Adjustment Agreement signed - In compliance.	4,500	4,500
Lawsuits filed by employees of the Ipatinga Plant, claiming overtime pay.	-	30,548	27,881
Other civil and environmental proceedings .	-	33,888	23,678
Other labor claims.	-	20,007	21,957
Other tax proceedings.	-	13,876	11,848
		835,155	757,444

(ii) Provisions - Mineração Usiminas

Description	Status	12/31/2023 Balance	12/31/2022 Balance
Labor lawsuits filed by employees, former employees and outsourced personnel claiming severance pay and social security amounts.	Pending judgment by the Labor Court and administrative bodies, at different levels.	5,995	4,304
Action requesting the non-levy of social security contributions (INSS) on various amounts paid to its employees.	Pending judgment by the appellate court.	3,379	3,113
Infraction notice for environmental damage, due to the company's dam leakage and siltation of the downstream micro-watershed.	Final and unappealable.	-	1,523
Notice regarding mining outside the limits of the Company's concession, the complaint for which was presented spontaneously to the National Mining Agency (ANM).	Pending judgment at administrative level.	26,934	-
Notice regarding mining outside the limits of the Company's concession.	Pending judgment at administrative level.	32,751	-
Other civil and environmental proceedings .	-	1,430	1,044
Other tax proceedings.	-	17	28
		70,506	10,012

(iii) Provisions - Soluções Usiminas

Description	Status	12/31/2023 Balance	12/31/2022 Balance
Tax Assessment Notice for collection of ICMS/RS due to alleged improper use of presumed credits.	Awaiting further proceedings at an appellate court.	172	1,033
Labor lawsuits filed by former employees challenging the amount of compensation paid on dismissals.	Pending judgment.	47,488	57,451
Other civil and environmental proceedings .	-	12,770	12,945
Other tax proceedings.	-	9,369	9,841
		69,799	81,270

(iv) Consolidated provisions

	12/31/2023	12/31/2022
Provisions set up by the Parent company	835,155	757,444
Provisions set up by Mineração Usiminas	70,506	10,012
Provisions set up by Soluções Usiminas	69,799	81,270
Provisions set up by the other group companies	38,763	43,431
Total Consolidated	1,014,223	892,157

(b) Possible contingencies

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

(i) Parent company's contingencies

Description	Status	12/31/2023 Balance	12/31/2022 Balance
Action challenging non-approval of the offset of federal tax debts against IRPJ credits determined after review of the Taxable Income Control Register (LALUR).	Pending judgment by the appellate court.	92,905	89,802
Tax proceedings claiming the reversal of ICMS/SP credits arising from the difference in classification of materials between the tax authorities and Usiminas' records.	Pending judgment by the trial court.	2,835	7,332
Tax assessment notice issued by the Federal Revenue Secretariat to check compliance with tax liabilities related to the Excise Tax (IPI).	Pending judgment by the administrative trial court.	59,941	55,075
Tax proceedings seeking the reversal of ICMS/SP credits on materials considered as consumables (refractory items and others).	Several case records, declaratory actions and tax collection proceedings, suspended or pending decision by higher courts.	686,244	652,400
Tax proceeding seeking the reversal of ICMS/SP credits used by Usiminas upon the contracting of transportation services.	Pending judgment by the trial court.	61,310	58,493
Tax assessment notice related to the collection of ICMS/SP on export transactions, alleging that the recipient companies were not entities registered with the Foreign Trade Secretariat (SECEX).	Pending judgment by the trial court.	44,556	43,096
Tax collection proceedings related to the collection of ICMS/SP on goods shipped to other countries without effective proof of export.	Pending judgment by the trial court.	726,322	692,629
Request to offset IPI, PIS and COFINS payable against a credit from an overpayment of CSLL, which was not approved.	Debt payment made through enrollment in the Zero Litigation Program	-	51,794

Description	Status	12/31/2023 Balance	12/31/2022 Balance
Tax assessment notice seeking the payment of ICMS due to alleged improper use of tax credits on the purchase of consumables used in the export of goods.	Pending decision at the administrative level and judgment by the trial court .	313,083	297,341
Tax assessment notice related to the collection of IRPJ and CSLL on income earned abroad.	Pending judgment at administrative level.	115,433	115,433
Tax assessment notice in which the tax authorities seek the payment of ICMS related to the suspension of this tax on the shipments of fuel to the Thermoelectric Plant (manufacturing through transformation).	Pending judgment by the trial court.	75,713	70,379
Tax assessment notice in which tax authorities seek the payment of ICMS in connection with the alleged improper use of tax credits on the purchase of consumables.	Pending judgment by the trial court.	42,010	40,082
Labor lawsuits filed by employees, former employees and outsourced personnel of the Cubatão Plant, claiming severance pay and social security rights.	Pending judgment by the Labor Court and administrative bodies, at different levels.	525,282	549,671
Labor lawsuits filed by employees, former employees and outsourced personnel of the Ipatinga Plant , claiming severance pay and social security rights.	Pending judgment by the Labor Court and administrative bodies, at different levels.	210,278	169,025
Tax assessment notice in which tax authorities seek the payment of ICMS in connection with the non-prepayment of the tax due upon the receipt of goods from other states of Brazil (different rates).	Pending judgment at administrative level.	84,201	78,172
Objection filed against the decision that recognized only partially the credit rights established in a final and unappealable court decision that determined the exclusion of ICMS amounts from the calculation basis of PIS/COFINS-Imports..	Pending judgment at administrative level.	1,354,063	1,254,753
ICMS - Tax collection proceeding filed by the State of São Paulo concerning a debt arising from the Company indicating the Manaus Free Trade Zone as the destination of goods, without the supporting documentation of admission to the location benefiting from incentives.	Pending judgment at administrative level.	50,772	49,061
Tax Assessment Notice requiring the payment of penalty of one per cent on the customs value of the goods, as provided for in Article 84 of Provisional Measure 2.158-35/01 combined with Article 69, paragraph 1 of Law 10.833/03 and Article 711, item III of Customs Regulations.	Pending judgment at administrative level.	32,017	29,042
Tax assessment notice issued by the Federal Revenue Secretariat alleging improper use of PIS/COFINS credits.	Pending judgment at administrative level.	85,095	78,560
ICMS – Action for annulment of the tax debt claimed by the State of Rio Grande do Sul due to failure to make the advance payment of the tax at the entry of goods coming from other States (rate differential).	Pending judgment by the trial court.	360,568	332,690
ICMS – Action for annulment of the tax debt claimed by the State of Rio Grande do Sul under the allegation that Usiminas was in irregular fiscal situation when the presumed credits were used.	Pending judgment by the appellate court.	130,817	122,094
Tax assessment notice resulting from an inspection procedure initiated by the Federal Revenue Office of Uberlândia, State of Minas Gerais to ascertain the validity of the PIS and COFINS credits for the 2018 calendar year, determined under the non-cumulative system.	Pending judgment of voluntary appeal.	88,742	80,456
Tax assessment notice issued in the scope of the inspection procedure initiated by the Federal Revenue Office of Juiz de Fora, State of Minas Gerais, to check compliance with tax liabilities related to the Excise Tax (IPI).	Pending judgment of voluntary appeal.	75,529	68,841
Action to annul the ICMS debt required by the State of Rio Grande do Sul on the grounds that there was no payment of the advance tax due on the entry of goods from other Federation Units.	Awaiting outcome of the main action..	48,317	44,920
Objection filed against the decision that rejected the request for offsetting income tax debts (IRPJ-estimate)..	Pending judgment.	-	43,771
Infraction notice drawn up by the State of Minas Gerais to charge ICMS due to the lack of reversal of ICMS credits on the sale of electricity.	Pending judgment at administrative level.	273,896	163,987
Tax proceeding filed by the Federal Government to collect the additional social contribution on the financing of benefits granted based on the degree of work disability (Occupational Accident Insurance (SAT).	Awaiting judgment of the motion to stay execution at the trial court.	54,392	52,805

Description	Status	12/31/2023 Balance	12/31/2022 Balance
Notice of Infraction drawn up by the State of Minas Gerais to charge ICMS due to the lack of reversal of ICMS credits on the sale of electricity.	The collection will be discussed in court.	340,638	-
Notice of Infraction drawn up by the State of Minas Gerais for the collection of ICMS due to alleged non-compliance with the commitment to maintain ICMS collection provided for in the Special Regime.	Collection deemed valid in the administrative sphere. The discussion regarding the collection will continue in the Judiciary.	156,692	-
Occupancy Charge levied on land owned by the Navy related to the property where the port of Praia Mole in the State of Espírito Santo is located	Pending judgment of appeal by the Superior Court of Justice.	53,269	48,467
Indemnity action claiming compensation for material damages and pain and suffering, based on the alleged breach of a commercial agreement between the parties.	Awaiting archiving.	-	415,092
Public civil action filed by the Public Prosecution Office	Pending judgment of appeal by the Superior Court of Justice.	69,446	65,094
Action to collect the amount corresponding to the annual adjustments to the contract and payments supposedly due for cargo movement and any balance in favor of the supplier.	Pending judgment of Appeal.	84,895	49,257
Lawsuit filed to collect the amounts corresponding to the annual adjustments to a contract entered into with a supplier	Pending judgment of Appeal.	23,709	21,579
Tax collection proceeding filed by the Federal Tax Authorities requiring the payment of tax liabilities related to inclusion in the official registration of outstanding debts applied by the former National Superintendency of Supply (SUNAB).	Pending judgment of Appeal by the Federal Tax Authorities.	14,276	13,940
Other civil and environmental proceedings .	-	134,368	408,794
Other labor claims.	-	68,961	68,300
Other tax proceedings.	-	618,475	307,639
		7,159,050	6,689,866

(ii) Contingencies of Usiminas Mecânica

Description	Status	12/31/2023 Balance	12/31/2022 Balance
Public Civil Action seeking the reimbursement of the amounts added by means of a term of amendment to the Contractor's Agreement, due to alleged overbilling in the construction of a bridge in Brasília/DF	Action dismissed as unfounded. Case archived.	-	966,536
Public Civil Action seeking compensation for alleged damages caused to the State of Santa Catarina's Treasury related to improper expenditures incurred in the construction of a bridge.	Awaiting expert evidence conclusion..	210,983	192,768
Payment of ICMS required by the São Paulo State Government in connection with a number of alleged violations related to the issue and accounting for manufacturing invoices.	Pending judgment by the trial court.	13,510	13,081
Request for refund of IRPJ/CSLL overpayment, the related amount of which was the subject matter of several offsets.	Debt payment was made through adherence to the Zero Litigation Program.	-	47,304
Labor lawsuits filed by employees, former employees and outsourced personnel claiming severance pay and social security amounts.	Pending judgment by the Labor Court and administrative bodies, at different levels.	60,834	57,108
Other civil and environmental proceedings .	-	41,062	35,582
Other tax proceedings.	-	19,964	19,957
		346,353	1,332,336

(iii) Soluções Usiminas' contingencies

Description	Status	12/31/2023 Balance	12/31/2022 Balance
Several tax assessment notices related to non-approval of the offset of PIS against other taxes, such as COFINS, Tax for Social Security Financing (FINSOCIAL), ICMS and the National Institute for Colonization and Agrarian Reform (INCRA).	The assessment notices have been challenged.	166,432	155,867
Labor lawsuits filed by former employees challenging the amount of compensation paid on dismissals.	Pending judgment.	104,189	124,634
Other civil and environmental proceedings .	-	40,322	57,580
Other tax proceedings.	-	32,937	29,974
		343,880	368,055

(iv) Contingencies of Mineração Usiminas

Description	Status	12/31/2023 Balance	12/31/2022 Balance
Tax assessment notice for the collection of PIS and COFINS on the use of credits on services related to the legal entity's activity.	Pending judgment at administrative level.	45,849	42,493
Infraction notice issued by the Federal Revenue Service to collect IRPJ and CSLL amounts resulting from adjustments to the calculation bases relating to the calculation of the 2019 calendar .year.	Awaiting judgment at the administrative level.	34,483	-
Litigation proceedings challenging the exclusion of freight and insurance expenses incurred in the selling phase of the mineral product from the calculation and payment of the Financial Compensation for Mineral Exploration (CFEM).	Pending judgment by the appellate court.	195,377	142,448
Lawsuit for collection of CFEM debts related to the Mining Process.	Pending judgment at administrative level.	58,989	54,082
Other civil proceedings.	-	30,452	24,830
Other labor claims.	-	30,704	17,325
Other tax proceedings.	-	13,133	11,044
		408,987	292,222

(v) Contingencies – Consolidated

	12/31/2023	12/31/2022
Parent company's contingencies	7,159,050	6,689,866
Contingencies of Usiminas Mecânica	346,353	1,332,336
Contingencies of Soluções Usiminas	343,880	368,055
Contingencies of Mineração Usiminas	408,987	292,222
Contingencies of other companies	32,852	31,585
Total Consolidated	8,291,122	8,714,064

26 Provision for environmental restoration and asset retirement obligation

At December 31, 2023, the subsidiary Mineração Usiminas S.A. recorded a provision for environmental restoration of the explored areas and asset retirement obligation of R$297,498, Of this amount, R$6,703 was recorded in current liabilities and R$290,795 in noncurrent liabilities (R$39,030 and R$283,060, recorded in current and noncurrent liabilities, respectively, at December 31, 2022).

Changes in the provision for environmental restoration are shown below:

	12/31/2023	12/31/2022
Opening balance	322,090	233,178
Indexation accruals	15,009	20,909
Addition	15,329	92,585
Amortization	(54,930)	(24,582)
Closing balance	297,498	322,090
Current liabilities	6,703	39,030
Noncurrent liabilities	290,795	283,060

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

In 2023, the subsidiary Mineração Usiminas S.A. revised the estimated expenses for environmental recovery and asset retirement of areas under exploration, based on the increase in the extension of degraded areas. It also carried out an internal technical review of certain expenses, considering that the 2022 review, performed by a specialized consultancy firm, was based on the legislation in force, which remained unchanged in 2023.

In addition to the existing reclamation plans, this review, considered also the Samambaia Dam De-characterization Plan. This new plan, approved by the Board of Directors, was set in motion in 2023, with completion scheduled for the end of 2025 and total estimated expenditure of R$156,930. Up to December 31, 2023, the Plan's expenses totaled R$45,427, in addition to expenses incurred with the recovery of other areas.

27 Retirement benefit obligations

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

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balance sheet obligations for:				
Pension plan benefits	741,540	394,844	741,550	394,864
Post-employment medical benefits	-	499,947	33,087	558,041
	741,540	894,791	774,637	952,905

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Income (expenses) recognized in the statement of income (Note 33 (b))				
Pension plan benefits	(56,650)	(55,730)	(56,695)	(56,848)
Post-employment medical benefits	498,135	(48,935)	491,137	(54,415)
	441,485	(104,665)	434,442	(111,263)

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Actuarial gains (losses) recognized directly in other comprehensive income	(258,941)	(88,663)	(257,069)	(88,639)
Decrease (increase) in assets (asset ceiling) in other comprehensive income - paragraph 58, CPC 33 and IAS 19	(112,587)	267,896	(112,587)	267,896
Accumulated actuarial gains recognized in other comprehensive income (i)	(371,528)	179,233	(369,656)	179,257

(i) At December 31, 2023, the total balance in the Parent company includes gains of R$20,699 (gains of R$5,676 at December 31, 2022). The total balance in the Consolidated includes gains of R$1,872 (gains of R$24 at December 31, 2022) arising from actuarial gains (losses) of subsidiaries and jointly-controlled subsidiaries recorded under the equity method of accounting.

27.1 Supplementary pension plans

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

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

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

Plans managed by Previdência Usiminas

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

(a) Benefit Plan 1 (PB1)

A defined benefit plan, closed for new enrollments since November 1996.

The plan provides the following benefits converted into life annuity: retirement pension based on years of contribution, permanent disability retirement, old-age retirement pension, special retirement pension and pension on death. Furthermore, the plan entitles its members to benefits such as sickness allowance, prisoner's family grant and funeral assistance.

(b) Benefit Plan 2 (USIPREV)

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

During the accumulation phase, the USIPREV member defines the monthly contribution to form a savings reserve. At the time the benefit is granted, the members may

opt for receiving benefits in the form of a monthly income ranging from 0.5% and 1.5% of their account balance, or a monthly income for a period between 60 and 360 months. Charter Members – those enrolled on the plan before April 13, 2011, may also opt for converting their

account balance into a monthly life annuity. In this case, during the payout phase, USIPREV will be characteristics similar to those of a Defined-benefit-type plan.

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

(c) Defined Benefit Plan (PBD)

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

Beneficiaries of this plan are also entitled to Self-sponsorship, Deferred vesting, Redemption, and Portability.

(d) COSIPREV

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

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

27.2 Debts contracted – minimum requirements

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

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

At December 31, 2023, the outstanding balance of the Company's debts related to the PBD plan with Previdência Usiminas totaled R$741,742 (R$395,098 at December 31, 2022).

The PBD debt balance is determined at the end of each year, based on a direct actuarial revaluation of the total mathematical provisions for benefits granted and

to be granted. During the subsequent year, as defined by the system of actuarial revaluation, the liability is adjusted by the monthly surplus or deficit determined in the PBD and by the amount of payments falling due in the period. The debt balance should be repaid in 136 installments, which correspond to the amount of all monthly installments calculated based on the Price Table, with interest of 6% per annum and monthly indexation based on the National Consumer Price Index (INPC).

At December 31, 2023 and 2022, the PBD plan debt is backed by Company's assets, the market value of which was calculated at R$1,331,339, based on an appraisal report on the guarantee granting date.

27.3 Actuarial calculation of retirement plans

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

	Parent company 12/31/2023				
	PB1	PBD	USIPREV	COSIPREV	TOTAL
Present value of actuarial liability	(4,286,165)	(1,785,288)	(869,520)	(1,265)	(6,942,238)
Fair value of plan assets	5,153,959	1,134,841	970,365	9,828	7,268,993
	867,794	(650,447)	100,845	8,563	326,755
Asset ceiling	(867,794)	(91,295)	(100,845)	(8,361)	(1,068,295)
	-	(741,742)	-	202	(741,540)

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

	Consolidated 12/31/2023				
	PB1	PBD	USIPREV	COSIPREV	TOTAL
Present value of actuarial liability	(4,286,165)	(1,785,288)	(972,212)	(1,303)	(7,044,968)
Fair value of plan assets	5,153,959	1,134,841	1,084,967	9,856	7,383,623
	867,794	(650,447)	112,755	8,553	338,655
Asset ceiling	(867,794)	(91,295)	(112,755)	(8,361)	(1,080,205)
	-	(741,742)	-	192	(741,550)

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

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

USIPREV and COSIPREV plans have a Pension Fund formed from members' account balances not used in benefit payouts. As provided for in the plans' regulations, this Fund may be used to cover the cost of these plans in the future. At December 31, 2023, the Pension Fund portion attributed to Usiminas amounted to R$19,058 (R$31,657 at December 31, 2022).

The loss on assets, which has been monitored by the Company, amounted to R$573,433 (R$271,593 at December 31, 2022), and relate to withdrawals of resources from the Defined Benefit Plan . made by former participants of the bankrupt sponsor Companhia Ferro e Aço de Vitória (COFAVI). Given the absence of joint liability of the sponsors and benefit plans, Previdência Usiminas has been taking all applicable legal remedies to recover the withdrawn funds in favor of COFAVI's former participants, as well as to prevent further withdrawals.

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

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	(6,529,237)	(6,849,945)	(6,623,425)	(6,954,838)
Current service cost	(401)	(401)	(465)	(441)
Cost of interest	(641,623)	(623,396)	(651,041)	(633,134)
Benefits paid	634,970	623,436	641,632	629,803
Actuarial (losses) gains	(405,947)	321,069	(411,669)	335,185
Closing balance	(6,942,238)	(6,529,237)	(7,044,968)	(6,623,425)

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

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	6,943,385	7,195,698	7,045,518	7,289,405
Expected return on assets	888,158	327,294	907,172	341,728
Actual contributions during the year	72,420	43,829	72,565	44,188
Benefits paid	(634,970)	(623,436)	(641,632)	(629,803)
Closing balance	7,268,993	6,943,385	7,383,623	7,045,518

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

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Current service cost	(401)	(401)	(465)	(441)
Cost of interest	(742,105)	(710,385)	(752,350)	(720,123)
Expected return on assets	687,083	656,336	697,347	664,996
Plan experience adjustment	(1,227)	(1,280)	(1,227)	(1,280)
	(56,650)	(55,730)	(56,695)	(56,848)

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

Contributions to the post-employment benefit plans for 2024 are expected to total R$665,598.

Actuarial assumptions

	12/31/2023	12/31/2022
Discount rate	(i)	(ii)
Inflation rate	3.85%	4.00%
Expected return on assets – PB1 and PBD	9.40%	10.34%
Expected return on plan assets - USIPREV	9.46%	10.38%
Expected return on plan assets - COSIPREV	9.28%	10.41%
Future salary increases	From 0.50% to 2.90%	From 0.50% to 2.90%
Growth in the benefits of the Government Social Security	3.85%	4.00%

(i) At December 31, 2023, the actual discount rate presents the following actuarial assumptions, by plan: PB1, 5.34%; PBD, 5.34%; USIPREV, 5.40%; and COSIPREV, 5.23%.
(ii) At December 31, 2022, the actual discount rate presents the following actuarial assumptions by plan:: PB1, 6.10%; PBD, 6.10%; USIPREV, 6.13%; and COSIPREV, 6.16%.

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

27.4 Experience adjustments

Effects of experience adjustments computed in the year:

	Parent company						
	12/31/2023						
	PB1	PBD	USIPREV	COSIPREV	Total retirement plans	Healthcare plan	TOTAL
Present value of defined benefit obligation	(4,286,165)	(1,785,288)	(869,520)	(1,265)	(6,942,238)	-	(6,942,238)
Fair value of plan assets	5,153,959	1,134,841	970,365	9,828	7,268,993	-	7,268,993
Plan surplus (deficit)	867,794	(650,447)	100,845	8,563	326,755	-	326,755
Experience adjustments on plan liabilities	(30,867)	(2,893)	24,886	410	(8,464)	(210,625)	(219,089)
Return on plan assets higher (lower) than the discount rate	337,295	(188,623)	69,510	(5,050)	213,132	-	213,132

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

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	Consolidated						
	12/31/2023						
	PB1	PBD	USIPREV	COSIPREV	Total retirement plans	Healthcare plan	TOTAL
Present value of defined benefit obligation	(4,286,165)	(1,785,289)	(972,212)	(1,302)	(7,044,968)	(33,088)	(7,078,056)
Fair value of plan assets	5,153,959	1,134,841	1,084,967	9,856	7,383,623	-	7,383,623
Plan surplus (deficit)	867,794	(650,448)	112,755	8,554	338,655	(33,088)	305,567
Experience adjustments on plan liabilities	(30,867)	(2,893)	24,886	425	(8,449)	(201,251)	(209,700)
Return on plan assets higher (lower) than the discount rate	337,295	(188,623)	69,510	(5,050)	213,132	-	213,132

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

27.5 Actuarial assumptions and sensitivity analysis

	Consolidated			
	12/31/2023			
Significant actuarial assumptions	**PB1**	**PBD**	**USIPREV**	**COSIPREV**
Present value of obligation	(4,286,165)	(1,785,288)	(869,520)	(1,265)
Discount rate applied to plan liabilities	9.40%	9.40%	9.46%	9.28%
Mortality table applied to the plans (i)	BREMS 2015	AT-2000 Basic decreased by 10% (F) and AT-2000 Basic M	AT-2000 and decreased by 40%	AT-2000 and decreased by 30%
Disability mortality table	AT-83 Basic	AT-49	AT-83 Basic	n/a
Sensitivity analysis on plan obligations discount rate				
1% increase on actual rate	362,759	145,328	102,403	44
1% decrease on actual rate	(313,692)	(126,217)	(86,073)	(41)
Sensitivity analysis on Mortality Table				
Reduced by 10%	(4,411,658)	(1,840,091)	(1,074,860)	(1,235)

(i) Tables segregated between male and female participants.

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

27.6 Post-retirement healthcare benefit plans

(a) Saúde Usiminas

In 2010, Usiminas established Saúde Usiminas I and Saúde Usiminas II healthcare plan, whose main characteristics are described below:

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

In addition to the characteristics above, the Plan's key actuarial assumption is the long-term increase in medical services costs, which totaled 8.78% p.a. in the year ended December 31, 2023 (8.42% p.a. at December 31, 2022)

In 2023, Usiminas extinguished the Saúde Usiminas II healthcare plan and migrated the people in this plan to two new plans: Usiexato and Usiflex, shown in item (b) below.

(b) Usiexato and Usiflex

The company has introduced the new healthcare plans named Usiexato and Usiflex. These plans focus on the sustainability and longevity of the healthcare plan, as well as ensuring quality services to its participants. These plans began operating on January 1, 2024 and are open to new members.

The main features of the Usiexato and Usiflex healthcare plans, as well as Saúde Usiminas I, are:

(i) Plan regulated by Law No. 9.656/98 covering outpatient and hospital procedures, in accordance with the list of coverages established by the ANS - National Supplementary Health Agency;
(ii) Plans contracted with healthcare plan operator Fundação São Francisco Xavier, on a pre-payment basis;
(iii) Method of paying monthly fees:
- Mixed: In this modality, the Company offers the option of bearing 100% of the monthly fee for active employees and their dependents. In this case, employees who have been dismissed, either through resignation or retirement, cannot remain in the plan.
- Contributory: Employees who opt for this option are allowed to continue in the plans after resignation or retirement, in accordance with the provisions of articles 30 and 31 of Law No. 9,656/98, as long as they fully pay the monthly fees.

(c) Changes in medical assistance plans

At December 31, 2023, the amounts referring to Saúde Usiminas, based on an actuarial report and recognized in noncurrent liabilities, under Post-employment benefits, were as follows:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	(499,947)	(498,485)	(558,041)	(548,109)
Current service cost	550,280	(846)	549,656	(1,537)
Cost of interest	(52,146)	(48,088)	(58,203)	(52,876)
Benefits paid	47,099	32,538	47,267	32,538
Extinction of CoSaúde	-	-	-	11,943
Actuarial (losses) gains	(45,286)	14,934	(13,766)	-
Closing balance	-	(499,947)	(33,087)	(558,041)

At December 31, 2023, the balances shown above reflect the sustainability model established with the launch of the new Usiexato and Usiflex healthcare plans.

27.7 Retirement plan assets

Retirement plan assets comprise the following:

	12/31/2023		12/31/2022	
	Amount	%	Amount	%
Company shares	313,810	4	252,753	4
Federal government securities	5,105,472	69	4,602,666	65
Fixed income	481,976	6	1,046,015	14
Investment funds	1,168,856	16	1,066,266	15
Real estate investments	39,604	1	38,140	1
Other	273,905	4	39,678	1
	7,383,623	100	7,045,518	100

At December 31, 2023, pension plan assets included 34,109,762 common shares of the Company, at the fair value of R$313,810 (34,109.762 common shares of the Company, at the fair value of R$252,753 at December 31, 2022).

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

28 Equity

(a) Share capital

At December 31, 2023, the Company's share capital of R$13,200,295 comprised 1,253,079,108 book entry shares with no par value, divided into 705,260,684 common shares; 547,752,163 Class A preferred shares, and 66,261 Class B preferred shares, as shown below:

	Common shares	Class A Preferred shares	Class B Preferred shares	Total
Total shares at December 31, 2023	705,260,684	547,752,163	66,261	1,253,079,108
Total treasury shares	(2,526,656)	(19,609,792)	-	(22,136,448)
Total shares except treasury shares	702,734,028	528,142,371	66,261	1,230,942,660

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

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

Preferred shares may not be converted into common shares.

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

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

(b) Reserves

At December 31, 2023, reserves were comprised of:

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

- Premium on sale of treasury shares – At December 31, 2023 and 2022, the Company had the amount of R$27,247.

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

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

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

(c) Carrying value adjustments

Carrying value adjustments refer mainly to:

(i) Result from equity transaction: corresponds to changes in shareholding interest without change of control. At December 31, 2023 and 2022, the credit balance of R$845,238 refers mainly to the corporate restructuring of Mineração Usiminas.

(ii) Actuarial gains and losses are calculated in accordance with CPC 33 and IAS 19 (Note 27). At December 31, 2023, the debt balance of this account totaled R$ R$1,189,929 (R$818,364 at December 31, 2022).

(iii) Indexation of property, plant and equipment: corresponds to the application of IAS 29. This adjustment is based on the useful life of property, plant and equipment items against retained earnings. At December 31, 2023, the credit balance of this account totaled R$60,403 (R$64,936 at December 31, 2022).

(iv) Application of hedge accounting: corresponds to 70% of the balance of hedge accounting operations of the subsidiary Mineração Usiminas. At December 31, 2023, the credit balance in this line-item totaled R$230 (debt balance of R$11,270 at December 31, 2022).

(d) Dividends and interest on capital

The dividends proposed for 2023 are shown below:

	12/31/2023	12/31/2022
Profit for the year	1,390,926	1,615,538
Transfer to legal reserve (5%)	(69,546)	(80,778)
Calculation basis of dividends and interest on capital	1,321,380	1,534,760
Total dividends and interest on capital	330,345	383,689
Amount per common share (i)	R$0.257325	R$0.298879
Amount per preferred share (i)	R$0.283058	R$0.328767

(i) At December 31, 2023, calculated based on the net amount of R$330,345 and according to the shareholding composition on the closing date of the year (net amount of R$383,689 at December 31, 2022).

Changes in dividends payable were as follows:

	Parent company		Consolidated	
Nature	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Dividends payable at the beginning of the year	387,317	737,058	470,599	968,984
Payment of dividends and interest on capital	(383,167)	(733,182)	(726,529)	(1,233,223)
Dividends proposed and interest on capital	330,345	383,689	658,376	737,127
Income Tax Withheld at Source (IRRF) on interest on capital	-	-	(7,062)	-
Expired dividends	(73)	(248)	(73)	(2,289)
Other (i)	-	-	(32,851)	-
Total net dividends payable at the end of the year	334,422	387,317	362,460	470,599

(i) In 2023, Soluções Usiminas reversed 50% of the dividends proposed in 2022, as approved by an extraordinary general meeting held on November 14, 2023.

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

29 Segment reporting

For the year ending December 31, 2023, the Company's Management changed the way it evaluates business results by incorporating the steel transformation segment into the steel industry segment, aiming to align said information with the controlling shareholder's business structure (Note 37 (a)). Therefore, as required by CPC 22 – Segment Information, the segment information presented for comparative purposes, referring to the year ended December 31, 2022, is being restated in these financial statements.

The adjustments resulting from the restatement of information by business segments, as of December 31, 2022, consist of combining the balances of the steel transformation segment with the steelmaking segment. The consolidated balances, as well as the eliminations and adjustments, originally presented, were not changed.

As a result, on December 31, 2023, Usiminas will have two reportable operating segments, which offer different products and services and are managed separately. These segments are determined based on different legal entities; there are no different segments within the same company.

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

Reportable segments	Operations
Mining and Logistics	Extraction and processing of iron ore as pellet feed, sinter feed and granulated iron ore. Storage, handling, cargo transportation, and operation of highway and railway cargo terminals. The sales of iron ore are mainly intended for the Steelmaking segment.
Steelmaking	Manufacture and sale of steel products. A portion of the sales is intended for the subsidiaries Soluções Usiminas e Usiminas Mecânica.

Management reviews the internal managerial reports for each segment periodically.

(a) Information on operating income (loss), assets and liabilities by reportable segment as of December 31, 2023

					12/31/2023
	Mining and Logistics	Steelmaking	Sub-total	Eliminations and adjustments	Total
Gross sales revenue from products and services	3,654,426	29,636,695	33,291,121	(572,510)	32,718,611
Sale of products	3,654,426	29,581,046	33,235,472	(573,309)	32,662,163
Sales of services	-	55,649	55,649	799	56,448
Deductions	(124,656)	(5,014,505)	(5,139,161)	58,898	(5,080,263)
Revenue	3,529,770	24,622,190	28,151,960	(513,612)	27,638,348
Cost of sales	(2,456,765)	(23,797,997)	(26,254,762)	404,244	(25,850,518)
Gross profit (loss)	1,073,005	824,193	1,897,198	(109,368)	1,787,830
Operating expenses	(382,933)	(207,636)	(590,569)	(397,825)	(988,394)
Selling expenses	(326,510)	(173,685)	(500,195)	-	(500,195)
General and administrative expenses	(51,672)	(600,790)	(652,462)	18,441	(634,021)
Other income (expenses)	(154,629)	36,569	(118,060)	(5,117)	(123,177)
Share of results of subsidiaries, jointly-controlled	149,878	530,270	680,148	(411,149)	268,999
Operating profit (loss)	690,072	616,557	1,306,629	(507,193)	799,436
Finance result	200,783	179,505	380,288	(13,899)	366,389
Profit (loss) before income tax and social contribution	890,855	796,062	1,686,917	(521,092)	1,165,825
Income tax and social contribution	(189,486)	703,450	513,964	(39,421)	474,543
Profit for the year	701,369	1,499,512	2,200,881	(560,513)	1,640,368
Attributable to					
Owners of the parent	497,667	1,453,772	1,951,439	(560,513)	1,390,926
Non-controlling interests	203,702	45,740	249,442	-	249,442
Assets	7,987,570	37,559,791	45,547,361	(5,385,610)	40,161,751
Total assets include:					
Investments in associates (except goodwill and investment	723,215	70,706	793,921	-	793,921
Additions to noncurrent assets (except financial instruments and deferred tax assets)	382,590	2,685,588	3,068,178	(23,429)	3,044,749
Current and noncurrent liabilities	984,133	13,123,565	14,107,698	(495,384)	13,612,314

(b) Information on operating income (loss), assets and liabilities by reportable segment as of December 31, 2022 (restatement)

					12/31/2022
	Mining and Logistics	Steelmaking	Sub-total	Eliminations and adjustments	Total
Gross sales revenue from products and services	3,880,956	35,834,910	39,715,866	(949,782)	38,766,084
Sale of products	3,880,956	35,775,853	39,656,809	(951,888)	38,704,921
Sales of services	-	59,057	59,057	2,106	61,163
Deductions	(263,248)	(6,131,713)	(6,394,961)	99,387	(6,295,574)
Revenue	3,617,708	29,703,197	33,320,905	(850,395)	32,470,510
Cost of sales	(2,265,310)	(25,292,938)	(27,558,248)	767,413	(26,790,835)
Gross profit (loss)	1,352,398	4,410,259	5,762,657	(82,982)	5,679,675
Operating expenses	(99,099)	(2,179,589)	(2,278,688)	(734,566)	(3,013,254)
Selling expenses	(353,687)	(275,807)	(629,494)	-	(629,494)
General and administrative expenses	(42,014)	(565,858)	(607,872)	19,065	(588,807)
Other income (expenses)	183,359	(2,194,526)	(2,011,167)	(4,711)	(2,015,878)
Share of results of subsidiaries, jointly-controlled	113,243	856,602	969,845	(748,920)	220,925
Operating profit (loss)	1,253,299	2,230,670	3,483,969	(817,548)	2,666,421
Finance result	308,947	319,734	628,681	(16,188)	612,493
Profit (loss) before income tax and social contribution	1,562,246	2,550,404	4,112,650	(833,736)	3,278,914
Income tax and social contribution	(401,574)	(800,845)	(1,202,419)	16,394	(1,186,025)
Profit (loss) for the year	1,160,672	1,749,559	2,910,231	(817,342)	2,092,889
Attributable to Owners of the parent	817,342	1,615,538	2,432,880	(817,342)	1,615,538
Non-controlling interests	343,330	134,021	477,351	-	477,351
Assets	8,456,109	37,214,766	45,670,875	(5,670,424)	40,000,451
Total assets include: Investments in associates (except goodwill and investment	620,604	57,168	677,772	-	677,772
Additions to noncurrent assets (except financial instruments and deferred tax assets)	403,145	1,855,932	2,259,077	(29,283)	2,229,794
Current and noncurrent liabilities	1,148,658	13,418,693	14,567,351	(454,650)	14,112,701

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

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

(c) Information on operating income (loss), assets and liabilities by reportable segment as of December 31, 2022 (original presentation)

						12/31/2022
	Mining and Logistics	Steel Metallurgy	Steel Transformation	Sub-total	Eliminations and adjustments	Total
Gross sales revenue from products and services	3,880,956	34,372,778	11,509,192	49,762,926	(10,996,842)	38,766,084
Sales of products	3,880,956	34,363,003	11,459,856	49,703,815	(10,998,894)	38,704,921
Sales of services	-	9,775	49,336	59,111	2,052	61,163
Deductions	(263,248)	(5,676,901)	(2,124,696)	(8,064,845)	1,769,271	(6,295,574)
Revenue	3,617,708	28,695,877	9,384,496	41,698,081	(9,227,571)	32,470,510
Cost of sales	(2,265,310)	(25,095,880)	(8,731,697)	(36,092,887)	9,302,052	(26,790,835)
Gross profit (loss)	1,352,398	3,599,997	652,799	5,605,194	74,481	5,679,675
Operating expenses	(99,099)	(1,574,667)	(150,850)	(1,824,616)	(1,188,638)	(3,013,254)
Selling expenses	(353,687)	(218,466)	(57,341)	(629,494)	-	(629,494)
General and administrative expenses	(42,014)	(490,014)	(75,844)	(607,872)	19,065	(588,807)
Other income (expenses)	183,359	(2,151,736)	(17,665)	(1,986,042)	(29,836)	(2,015,878)
Share of results of subsidiaries, jointly-controlled	113,243	1,285,549	-	1,398,792	(1,177,867)	220,925
Operating profit	1,253,299	2,025,330	501,949	3,780,578	(1,114,157)	2,666,421
Finance result	308,947	329,489	(9,755)	628,681	(16,188)	612,493
Profit (loss) before income tax and social contribution	1,562,246	2,354,819	492,194	4,409,259	(1,130,345)	3,278,914
Income tax and social contribution	(401,574)	(687,963)	(61,564)	(1,151,101)	(34,924)	(1,186,025)
Profit (loss) for the year	1,160,672	1,666,856	430,630	3,258,158	(1,165,269)	2,092,889
Attributable to						
owners of the parent	817,342	1,666,856	296,609	2,780,807	(1,165,269)	1,615,538
Non-controlling interests	343,330	-	134,021	477,351	-	477,351
Assets	8,456,109	36,396,569	3,615,526	48,468,204	(8,467,753)	40,000,451
Total assets include:						
Investments in associates (except goodwill and investment properties	620,604	57,168	-	677,772	-	677,772
Additions to non-current assets (except financial instruments and deferred tax assets)	403,145	1,824,369	31,564	2,259,077	(29,283)	2,229,794
Current and non-current liabilities	1,148,658	13,140,395	1,778,312	16,067,365	(1,954,664)	14,112,701

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

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

30 Revenue

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

The reconciliation between gross and net revenue is as follows:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Sale of products				
Domestic market	25,774,077	30,426,412	27,411,375	31,957,479
Foreign market	2,325,535	3,934,176	5,250,788	6,747,442
	28,099,612	34,360,588	32,662,163	38,704,921
Sales of services				
Domestic market	4,344	5,444	56,448	59,919
Foreign market	-	1,244	-	1,244
	4,344	6,688	56,448	61,163
Gross revenue	28,103,956	34,367,276	32,718,611	38,766,084
Deductions from gross revenue				
Taxes	(4,418,000)	(5,399,374)	(4,930,345)	(5,852,651)
Other deductions	(71,027)	(279,169)	(149,918)	(442,923)
	(4,489,027)	(5,678,543)	(5,080,263)	(6,295,574)
Net revenue	23,614,929	28,688,733	27,638,348	32,470,510

31 Expenses by nature

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Depreciation, amortization and depletion	(701,920)	(658,023)	(1,061,971)	(902,681)
Employee benefit expenses	(619,582)	(1,174,037)	(1,490,757)	(1,767,363)
Raw materials and consumables	(18,612,080)	(20,823,242)	(18,325,540)	(20,068,685)
Scheduled maintenance	(502,130)	(507,867)	(499,762)	(499,849)
Freight charges and insurance	(599,905)	(789,312)	(1,384,580)	(1,624,483)
Distribution costs	(72,032)	(149,194)	(389,244)	(505,833)
Third-party services	(1,477,077)	(1,164,650)	(2,036,502)	(1,647,408)
Judicial expenses and charges	(36,618)	(15,372)	(54,962)	(22,650)
Litigation income (expenses), net	(118,918)	(67,675)	(152,435)	(76,326)
Gain on sale of excess electricity	(713)	(17,813)	(1,018)	(22,972)
Result on the sale/reduction of PP&E, intangible assets and investments	2,990	73,165	11,658	74,212
Impairment of assets, net	-	(1,693,408)	3,534	(1,396,784)
Provision for inventory losses/adjustments	(284,884)	(248,480)	(359,921)	(194,353)
Provision for tax losses	-	-	(59,667)	(58,832)
(Provision) reversal of provision for impairment of trade receivables	1,905	(237)	11,650	2,615
Other	(928,403)	(827,217)	(1,318,394)	(1,313,622)
	(23,949,367)	(28,063,362)	(27,107,911)	(30,025,014)
Cost of sales	(23,289,503)	(25,253,132)	(25,850,518)	(26,790,835)
Selling expenses	(135,169)	(216,388)	(500,195)	(629,494)
General and administrative expenses	(487,603)	(460,520)	(634,021)	(588,807)
Other operating income (expenses), net	(37,092)	(2,133,322)	(123,177)	(2,015,878)
	(23,949,367)	(28,063,362)	(27,107,911)	(30,025,014)

32 Employee expenses and benefits

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Salaries and social charges	(815,326)	(785,273)	(1,491,241)	(1,237,367)
Social security charges	(154,712)	(147,931)	(279,548)	(228,183)
Retirement plans and post-employment medical benefits	441,485	(104,665)	434,442	(111,263)
Employees' profit sharing	(60,649)	(96,788)	(112,097)	(142,691)
Retirement plan costs	(12,620)	(22,571)	(14,528)	(25,570)
Other	(17,760)	(16,809)	(27,785)	(22,289)
	(619,582)	(1,174,037)	(1,490,757)	(1,767,363)

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

33 Operating income (expenses)

(a) Selling and general and administrative expenses

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Selling expenses				
Personnel expenses	(31,340)	(33,565)	(73,631)	(76,040)
Third-party services	(18,368)	(16,029)	(26,053)	(21,866)
Depreciation and amortization	(2,639)	(2,964)	(4,315)	(4,488)
Distribution costs	(72,032)	(149,194)	(389,244)	(505,833)
Provision (reversal of provision) for impairment of trade	1,905	(237)	11,650	2,615
General expenses	(12,695)	(14,399)	(18,602)	(23,882)
	(135,169)	(216,388)	(500,195)	(629,494)
General and administrative expenses				
Personnel expenses	(198,576)	(195,229)	(243,049)	(242,915)
Third-party services	(139,848)	(132,706)	(186,606)	(171,784)
Depreciation and amortization	(51,356)	(34,402)	(64,445)	(39,805)
Management fees	(52,356)	(55,259)	(70,579)	(67,509)
General expenses	(45,467)	(42,924)	(69,342)	(66,794)
	(487,603)	(460,520)	(634,021)	(588,807)

(b) Other operating income (expenses)

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Other finance income				
Revenue from sale of electricity	6,297	5,816	6,543	8,661
Sales of investments, fixed assets and intangible assets	10,582	79,049	21,778	86,815
Recovery of costs	5,160	7,122	10,543	14,238
Recovery of expenses incurred with claims	5,952	2,237	5,954	3,634
Recovery of expenses	2,025	4,012	3,636	6,969
Revenue from sundry sales	44,161	42,895	45,925	45,066
Reintegra Project	2,780	3,997	2,780	3,997
Indemnity from supplier	-	38,065	-	38,065
Recovery of taxes	11,598	15,123	129,324	15,123
Other income	57,421	37,903	42,221	25,872
	145,976	236,219	268,704	248,440
Other operating expenses				
Expenses for the sale of electricity	(7,010)	(23,629)	(7,538)	(31,370)
Impairment of assets	-	(1,693,408)	3,534	(1,396,784)
Cost of idleness (i)	(272,256)	(202,014)	(276,044)	(235,352)
Expenses related to insurance and claims	(8,558)	(4,235)	(8,674)	(4,255)
Judicial expenses and charges	(36,618)	(15,372)	(54,962)	(22,650)
Income (expense) from litigation, net	(118,918)	(67,675)	(152,435)	(76,326)
Technological research	(34,338)	(29,570)	(34,338)	(29,901)
Profit on the sale/reduction of PP&E, investment and intangible assets	(7,592)	(5,884)	(10,120)	(12,603)
Taxes (INSS, ICMS, Municipal real estate tax (IPTU), etc.)	(15,213)	(20,186)	(38,943)	(47,960)
Environmental control	(4,799)	(5,027)	(5,153)	(5,027)
Post-employment benefits (pension and health care)	441,485	(104,665)	434,442	(111,263)
Inventory adjustment	6,461	(56,183)	6,461	(56,183)
Provisions for tax losses	-	-	(59,667)	(60,009)
Pre-project expenses	(6,317)	(38,863)	(7,762)	(41,369)
Tax and cultural incentives	-	(7,000)	(5,775)	(15,130)
Other expenses	(119,395)	(95,830)	(174,907)	(118,136)
	(183,068)	(2,369,541)	(391,881)	(2,264,318)
	(37,092)	(2,133,322)	(123,177)	(2,015,878)

(i) Relate to equipment temporarily stopped.

34 Finance result

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Finance income				
Interest from customers	20,036	24,437	29,102	38,229
Income from financial investments	349,567	186,493	622,223	548,414
Tax credits adjusted for inflation Social Integration Program (PIS)/Social Contribution on Revenues (COFINS)	1,107	26,245	11,492	41,685
Inflation indexation on judicial deposits	7,138	8,081	28,552	24,053
Interest on tax credits	47,983	30,126	60,736	35,749
Accretion of present value adjustment of trade receivables	316,201	388,372	316,201	388,372
Reversal of interest on litigation	42,995	82,359	44,214	82,394
Indemnity from supplier adjusted for inflation	-	94,049	-	94,049
Other finance income	33,621	7,155	5,813	1,532
	818,648	847,317	1,118,333	1,254,477
Finance costs				
Interest and monetary effects on borrowings and debêntures	(474,109)	(432,275)	(474,122)	(433,518)
PIS/COFINS on other finance income	(21,433)	(24,217)	(36,359)	(46,536)
PIS/COFINS on interest on capital	(13,863)	(19,325)	(13,863)	(19,325)
Interest on contingent liabilities	(159,697)	(93,001)	(175,986)	(104,797)
Interest, commissions and late payment expenses	(3,347)	(395)	(40,941)	(50,093)
Accretion of present value adjustment of trade payables and forfaiting transactions	(169,565)	(117,183)	(156,759)	(108,244)
Commissions and other borrowing and debêntures costs	(25,195)	(37,013)	(26,019)	(37,941)
Other finance costs	(44,198)	(37,262)	(60,242)	(65,696)
	(911,407)	(760,671)	(984,291)	(866,150)
Foreign exchange gains (losses), net	286,755	228,937	232,347	224,166
	193,996	315,583	366,389	612,493

35 Earnings per share

Basic and diluted

Basic and diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to the Company's shareholders by the weighted average number of common and preferred shares issued during the period, excluding common shares acquired by the Company and held in treasury (Note 28).

At December 31, 2023 and 2022, the Company has no dilutive effects, consequently, the diluted profit (loss) per share is equivalent to the basic value per share.

	Parent company and Consolidated					
	12/31/2023			12/31/2022		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Basic and diluted						
Basic and diluted numerator						
Profit available to owners of the parent	761,395	629,531	1,390,926	884,348	731,190	1,615,538
Basic and diluted denominator						
Weighted average number of shares, excluding treasury shares	702,734,028	528,208,632	1,230,942,660	702,734,028	528,208,632	1,230,942,660
Basic and diluted earnings per share (R$)	1.08	1.19	-	1.26	1.38	-

36 Commitments

At December 31, 2023, the Company's commitments with third parties totaled R$5,956,632 in the Parent company and R$5,867,206 in the Consolidated. The expected due dates of such commitments were as follows:

	Parent company				
	Expected due dates				
	Less than 1 year	From 1 to 3 years	From 4 to 5 years	Over 5 years	Total
Acquisition of property, plant and equipment	406,450	178,787	-	-	585,237
Suppliers	2,529,553	1,663,443	372,015	806,384	5,371,395
	2,936,003	1,842,230	372,015	806,384	5,956,632

	Consolidated				
	Expected due dates				
	Less than 1 year	From 1 to 3 years	From 4 to 5 years	Over 5 years	Total
Acquisition of property, plant and equipment	479,775	196,694	-	-	676,469
Suppliers	1,678,400	702,881	372,015	806,384	3,559,680
Leases	100,057	300,000	300,000	931,000	1,631,057
	2,258,232	1,199,575	672,015	1,737,384	5,867,206

(a) Commitments for acquisition of PP&E

At December 31, 2023, capital commitments for acquisition of property, plant and equipment totaled R$585,237 in the Parent company and R$676,469 in the Consolidated and were mainly intended for adaptations, refurbishment and improvements in the primary areas of Ipatinga plant, quality improvement, cost reduction, maintenance, technological update of equipment, and environmental protection projects.

(b) Commitments with suppliers

At December 31, 2023, commitments with suppliers totaling R$5,371,395 in the Parent company and R$3,559,680 in the Consolidated related mainly to take-or-pay arrangements, and contracts for purchase of electricity and raw materials. In Consolidated, future disbursement estimates contracts with subsidiaries, which total R$1,852,142, are eliminated.

(c) Commitments under mining right contracts

The subsidiary Mineração Usiminas has long-term contractual obligations with third parties regarding the mining rights acquired, including take-or-pay obligations. At December 31, 2023, the subsidiary's commitments with mining right leases totaled R$1,631,057 in the Consolidated.

37 Related-party transactions

(a) Shareholding structure

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

(i) following the fulfillment of all the conditions precedent, the transaction for the purchase and sale of common shares issued by Usiminas was completed between members of T/T Group (Ternium Investments S.à.r.l, Ternium Argentina S.A., Prosid Investments S.A. and Confab Industrial S.A.) and NSC Group (Nippon Steel Corporation, Mitsubishi Corporation and Metal One Corporation) (“Transaction”), through the effective transfer to the T/T Group of 68,667,964 Registered Shares, as defined in the Shareholders' Agreement, owned by the NSC Group, representing 14.20% of total Registered Shares and 9.74% of total common shares issued by Usiminas, at the price of R$ 10.00 (ten Brazilian reais) per share;

(ii) upon the closing of the Transaction, (a) the T/T Group becomes the holder of approximately 61.3% of the Registered Shares subject to the New Shareholders' Agreement (as defined in item (iii) below), while the NSC Group and Previdência Usiminas ("PU") now hold approximately 31.7% and 7.1% of the Registered Shares, respectively; and (b) the NSC Group now holds approximately 22.8% and the T/T Group holds approximately 49.5% of the total number of common shares issued by Usiminas; and

(iii) the T/T Group, the NSC Group, and PU entered into a new Shareholders' Agreement of the Company ("New Shareholders' Agreement"), which reflects the new governance structure agreed upon by its members and is considered to be consistent with the best interests of Usiminas. The main provisions of the New Shareholders' Agreement were described in the Material Fact disclosed on March 30, 2023. The New Shareholders' Agreement amends, consolidates and fully replaces the former Shareholders' Agreement and, as from the present date, governs the relations between its parties in their capacity as shareholders and members of the controlling group of Usiminas.

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

12/31/2023

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

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

12/31/2022

Shareholder	Shares Common shares		Shares Preferred shares		Total	
	Number	%	Number	%	Number	%
Nippon Steel Corporation (i)	220,320,979	31.24	3,138,758	0.57	223,459,737	17.83
Ternium Investments S.A.R.L. (i)	198,766,651	28.18	6,987,367	1.28	205,754,018	16.42
Confab Industrial S.A. (i)	36,502,746	5.18	1,283,203	0.23	37,785,949	3.02
Previdencia Usiminas (i)	34,109,762	4.84	-	-	34,109,762	2.72
Prosid Investments S.C.A. (i)	29,202,198	4.14	1,026,563	0.19	30,228,761	2.41
Ternium Argentina S.A. (i)	14,601,097	2.07	513,281	0.09	15,114,378	1.21
Mitsubishi Corporation (i)	7,449,544	1.05	-	-	7,449,544	0.59
Metal One Corporation (i)	759,248	0.11	-	-	759,248	0.06
Usiminas S.A. in treasury	2,526,656	0.36	19,609,792	3.58	22,136,448	1.77
Other shareholders	161,021,803	22.83	515,259,460	94.06	676,281,263	53.97
Total	705,260,684	100.00	547,818,424	100.00	1,253,079,108	100.00

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

Main balances and transactions with related parties:

(b) Assets

	Parent company					
	12/31/2023			12/31/2022		
	Trade receivables	Dividends receivable	Other receivables	Trade trade receivables	Dividends receivable	Other receivables
Owners of the parent company	17,834	-	791	196,297	-	2,414
Subsidiaries	703,762	68,122	42,619	1,167,919	190,285	100,269
Jointly-controlled subsidiaries	168	1,500	-	682	-	-
Associates	2,287	801	-	5,760	580	-
Other related parties (i)	116,340	-	-	210,918	-	-
Total	840,391	70,423	43,410	1,581,576	190,865	102,683
Current	840,391	70,423	19,381	1,581,576	190,865	76,556
Noncurrent	-	-	24,029	-	-	26,127
Total	840,391	70,423	43,410	1,581,576	190,865	102,683

(i) At December 31, 2023, the balance of trade receivables related mainly to the sale of flat-rolled products to the Ternium Group in the amount of R$110,759 (R$205,995 at December 31, 2022).

	Consolidated					
	12/31/2023			12/31/2022		
	Trade receivables	Dividends receivable	Other receivables	Trade trade receivables	Dividends receivable	Other receivables
Owners of the parent company	17,834	-	791	196,297	-	2,401
Jointly-controlled subsidiaries	176	1,500	-	729	-	-
Associates	2,287	31,379	-	5,760	22,729	-
Other related parties (i)	116,340	-	-	211,429	-	-
Total	136,637	32,879	791	414,215	22,729	2,401
Current	136,637	32,879	791	414,215	22,729	16
Noncurrent	-	-	-	-	-	2,385
Total	136,637	32,879	791	414,215	22,729	2,401

(i) At December 31, 2023, the balance of trade receivables related mainly to the sale of flat-rolled products to the Ternium Group in the amount of R$110,759 (R$205,995 at December 31, 2022).

Receivables from related parties, which arise mainly from sales transactions, are unsecured in nature and subject to interest. At December 31, 2023 and December 31, 2022, no provisions were recorded for expected credit loss from related parties.

Usiminas does not have accounts receivable with related parties given as guarantees.

(c) Liabilities

	Parent company					
	12/31/2023			12/31/2022		
	Payables	Other payables	Borrowings	Payables	Other payables	Borrowings
Owners of the parent company	9,994	-	-	20,617	1,731	-
Subsidiaries	374,944	11,835	3,727,168	390,739	40,533	4,015,010
Jointly-controlled subsidiaries	68,311	-	-	59,008	-	-
Associates	2,623	-	-	2,379	-	-
Other related parties (i)	275,681	2,582	-	168,659	221	-
Total	731,553	14,417	3,727,168	641,402	42,485	4,015,010
Current	731,553	5,473	102,205	641,402	31,085	110,151
Noncurrent	-	8,944	3,624,963	-	11,400	3,904,859
Total	731,553	14,417	3,727,168	641,402	42,485	4,015,010

	Consolidated			
	12/31/2023		12/31/2022	
	Payables	Other payables	Payables	Other payables
Owners of the parent company	9,994	-	20,617	1,731
Non-controlling interests	-	7,967	238	20,616
Jointly-controlled subsidiaries	69,832	-	60,033	-
Associates	42,113	54,086	42,563	74,581
Other related parties (i)	275,921	16,544	168,659	42,883
Total	397,860	78,597	292,110	139,811
Current	397,860	26,817	292,110	66,878
Noncurrent	-	51,780	-	72,933
Total	397,860	78,597	292,110	139,811

(i) At December 31, 2023, the balance payable relates mainly to the purchase of steel plates from Ternium Brasil in the amount of R$210,175 (R$168,655 at December 31, 2022) in the Parent company and Consolidated.

(d) Results

	Parent company					
	12/31/2023			12/31/2022		
	Sales	Purchases	Finance and operating result	Sales	Purchases	Finance and operating result
Owners of the parent company	568,863	-	(13,461)	907,867	17,277	(16,431)
Subsidiaries	8,212,056	1,218,737	71,380	10,010,234	1,345,386	3,408
Jointly-controlled subsidiaries	-	404,763	(3,358)	-	392,677	(1,517)
Associates	7,977	144,456	-	25,754	152,027	-
Other related parties (i) (ii)	928,095	2,391,078	4,142	1,235,722	4,485,688	5,384
Total	9,716,991	4,159,034	58,703	12,179,577	6,393,055	(9,156)

	Consolidated					
	12/31/2023			12/31/2022		
	Sales	Purchases	Finance and operating result	Sales	Purchases	Finance and operating result
Owners of the parent company	504.115	-	(13,461)	907,867	17,277	(16,393)
Non-controlling interests	-	7.314	-	-	8,539	-
Jointly-controlled subsidiaries	3.171	418.231	(3,266)	4,988	399,627	(2,049)
Associates	7.977	492.059	(10,393)	25,754	458,592	-
Other related parties (i) (ii)	928.095	2.391.582	4,117	1,235,722	4,492,752	6,147
Total	1.443.358	3.309.186	(23,003)	2,174,331	5,376,787	(12,295)

(i) At December 31, 2023, a portion of the sales to other related parties referred mainly to sales of Usiminas products to companies of the Ternium Group (out of the controlling group), amounting to R$859,581 (R$1,104,949 at December 31, 2022).
(ii) At December 31, 2023, a portion of the purchases from other related parties referred mainly to products from companies of the Ternium Group (out of the controlling group), amounting to R$2,186,368 (R$3,808,483 at December 31, 2022), in the Parent and Consolidated.

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

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

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

(e) 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 is shown below:

	Parent company	
	12/31/2023	12/31/2022
Fees	(32,870)	(28,243)
Social charges	(7,976)	(7,240)
Retirement plans	(212)	(580)
(Provision) reversal of provision for variable remuneration	(11,298)	(19,196)
	(52,356)	(55,259)

(f) Nature of transactions with related parties

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

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

38 Insurance

The insurance policies taken out by Usiminas provide coverage considered sufficient by management.

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

At December 31, 2023, the Company had insurance indemnity receivable related to an accident occurred on August 10, 2018 in one of the four gasometers of the Ipatinga plant. The remaining balance of R$73,099 (R$81,610 at December 31, 2022) corresponds to the difference between the amounts computed for material damages and additional operating expenses against the advanced indemnity received. Management expects to receive this amount as the supporting documentation is provided to the insurance companies, in accordance with the contract.

At December 31, 2023, the Company reviewed the possible effects of the adoption of Technical Pronouncement CPC 50 (IFRS 17) - Insurance Contracts, and concluded that there is no impact on the Parent company and Consolidated interim accounting information.

39 Collateral

The following assets were pledged as collateral:

		Parent company		Consolidated	
Assets pledged as collateral	**Liabilities secured**	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Cash and cash equivalents	Litigation	40,000	40,000	40,000	40,000
Inventories	Litigation	1,269	1,373	1,269	1,373
Property, plant and equipment	Litigation	111,436	121,477	130,197	143,453
Property, plant and equipment	Borrowings	-	-	-	11,351
Property, plant and equipment	Actuarial liability	1,331,339	1,331,339	1,331,339	1,331,339
		1,484,044	1,494,189	1,502,805	1,527,516

40 Non-cash transactions

At December 31, 2023 investment and funding transactions with no cash effect were carried out, as shown below:

	Parent company		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Addition to property, plant and equipment through capitalization of interest	27,794	88,056	27,794	88,056
Remeasurement and addition to right-of-use assets	8,155	15,347	30,738	81,861
Offset of judicial deposits against provision for litigation	(63,655)	(21,756)	(63,969)	(21,835)
Offset of tax credits against taxes payable	(118,423)	(760,249)	(192,867)	(824,089)
	(146,129)	(678,602)	(198,304)	(676,007)

Board of Directors

Alberto Akikazu Ono
Chairman

Sergio Leite de Andrade
Board Member

Elias de Matos Brito
Board Member

Oscar Montero Martinez
Board Member

Roberto Luis Prosdocimi Maia
Board Member

Edílio Ramos Veloso
Board Member

Fabrício Santos Debortoli
Board Member

Ronald Seckelmann
Board Member

Pedro Henrique Gomes Teixeira
Board Member

Statutory Audit Board

Paulo Frank Coelho da Rocha
Chairman

João Arthur Bastos Gasparino da Silva
Board Member

Sérgio Carvalho Campos
Board Member

André Leal Faoro
Board Member

Wanderley Rezende de Souza
Board Member

Executive Board

Marcelo Rodolfo Chara
CEO

Américo Ferreira Neto
Vice-President - Industrial Area

Gino Ritagliati
Vice-President - Corporate Planning

Miguel Angel Homes Camejo
Vice-President - Commercial Area

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

Toshihiro Miyakoshi
Vice-President - Technology and Quality

Adriane Vieira Oliveira
Accountant
CRC MG 070.852/0