



2Q23 QUARTERLY RESULT

August 2nd, 2023



São Paulo, August 2nd, 2023 - CSN Mineração ("CMIN") (B3: CMIN3) **discloses its second quarter of 2023 (2Q23)** financial results in Brazilian Reais, with all financial statements consolidated in accordance with accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee ("CPC"), approved by the Brazilian Securities and Exchange Commission ("CVM") and the Federal Accounting Council ("CFC") and in accordance with international financial reporting standards ("IFRS"), issued by the International Accounting Standards Board ("IASB").

The comments address the Company's consolidated results for the **second quarter of 2023 (2Q23)** and the comparisons are in relation to the first quarter of 2023 (1Q23) and the second quarter of 2022 (2Q22). The dollar price was BRL 5.24 on 06/30/2022; BRL 4.74 on 03/31/2023 and BRL 4.82 on 06/30/2023.

2Q23 Operational and financial highlights

LARGEST VOLUME OF PRODUCTION AND SALES EVER RECORDED IN THE HISTORY OF THE COMPANY

2Q23 was marked as the quarter with the **highest production volume (including purchases) and sales** ever recorded by CSN Mineração, setting the Company on track to achieve its Production Guidance for this year.

On the other hand, the combination of a reduction in the iron ore price, with a negative pressure from provisional prices, ended up reducing the Adjusted EBITDA to BRL 1.1 billion with an EBITDA margin of 30%.

ESG

On this quarter, CSN Mineração finalized its **Climate Adaptation Plan**, carried out in line with the Equator Principles, taking its first steps to adequate with the measures that will give greater climate resilience to the Company's operations.

In addition, the implementation of the **Biodiversity Operations Index** was initiated, which consists of a set of diagnoses and indicators to help in the adoption of a standardized biodiversity monitoring system.

SOLID CASH GENERATION EVEN WITH THE NEGATIVE EFFECTS OF THE QUARTER

Adjusted Cash Flow reached BRL 1.2 billion in 2Q22, a much better performance when compared to the previous quarter, as a result of the reduction in the Company's Working Capital.

This performance reinforces the Company's resilience in achieving a solid cash generation even in a period with pressures in the result.

CSN MINING CELEBRATES NEW IRON ORE PREPAYMENT CONTRACTS

The Company celebrated two **iron pre-prepayment** agreements totaling US\$ 500 million, with an addendum to the Glencore contract totaling US\$ 300 million, in June, and a new US\$ 200 million prepayment in July with Cargill.

Consolidated Framework – CMIN

	2Q23	1Q23	2Q23 X 1Q23	2Q22	2Q23 x 2Q22
Iron Ore Sales (thousand tons)	11,258	8,618	31%	7,574	49%
- Domestic Market	1,003	666	51%	867	16%
- Foreign Market	10,255	7,952	29%	6,707	53%
Consolidated Results (R\$ million)					
Net Revenue	3,611	4,115	-12%	2,587	40%
Gross Profit	988	1,887	-48%	752	32%
Adjusted EBITDA ⁽¹⁾	1,098	2,018	-46%	907	21%
EBITDA Margin % ⁽²⁾	30.41%	49.05%	- 18.64 p.p.	35.08%	- 4.67 p.p.

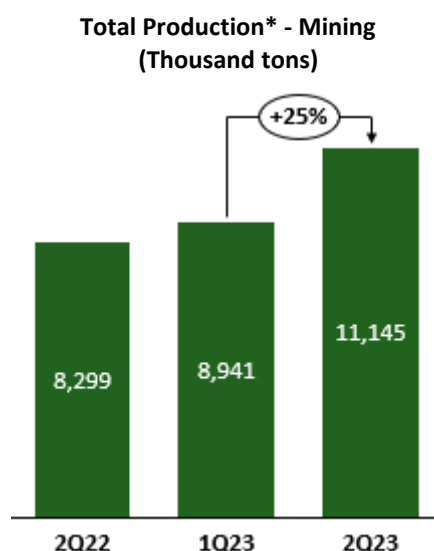
¹ Adjusted Net Revenue is calculated from the elimination of the portion of revenue assigned to freight and maritime insurance.

² Adjusted EBITDA is calculated from net income (loss), plus depreciation and amortization, taxes on income, net financial income, other operating income/expenses and equity income.

Operating Income - CSN Mineração

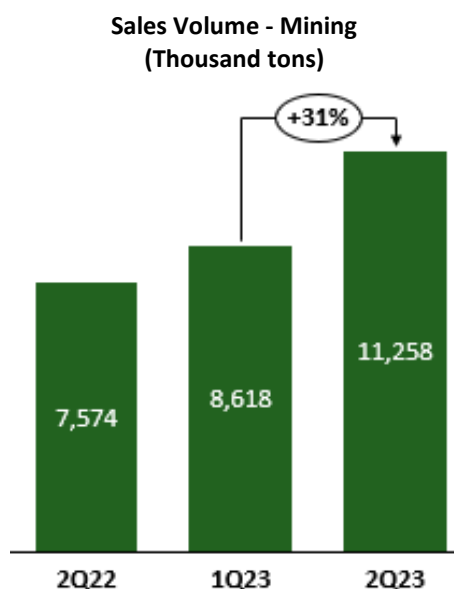
In the mining sector, the quarter was marked by weaker activity in China, mainly in the real estate sector, weakening the expectations for a higher iron ore demand and weighting on the prices perspectives. Despite this weaker dynamic in the Chinese economy, steel production remained at high levels, supported by the infrastructure and auto sectors, with the producers exporting the surplus to the international market. While the Chinese economy did not demonstrate the expected pace of economic recovery to justify an increase in iron ore prices, the demand for the product remained strong enough to maintain low inventories and sustain its current price level. In this scenario, expectations persist for stimulus and support policies for the real estate sector by the Chinese government, which should boost domestic demand for steel products, reducing the need for exports. Amid this context, the **price of iron ore** ended 2Q23 with an average of **US\$ 110.9/dmt (Platts, Fe62%, N. China)**, **11.6% lower than in 1Q23 (US\$ 125.5/dmt)** but **12.1% higher than in 4Q22 (US\$ 99.0/dmt)**.

Regarding the **sea freight**, the BCI-C3 Route (Tubarão-Qingdao) presented an average of **US\$ 21.06/wmt** in 2Q23, which represents an increase of **15,7%** in relation to the freight cost of the previous quarter, as a reflect of a lower ship availability in the Atlantic Ocean due to higher demand from the Australian market.



* Production plus third-party purchases

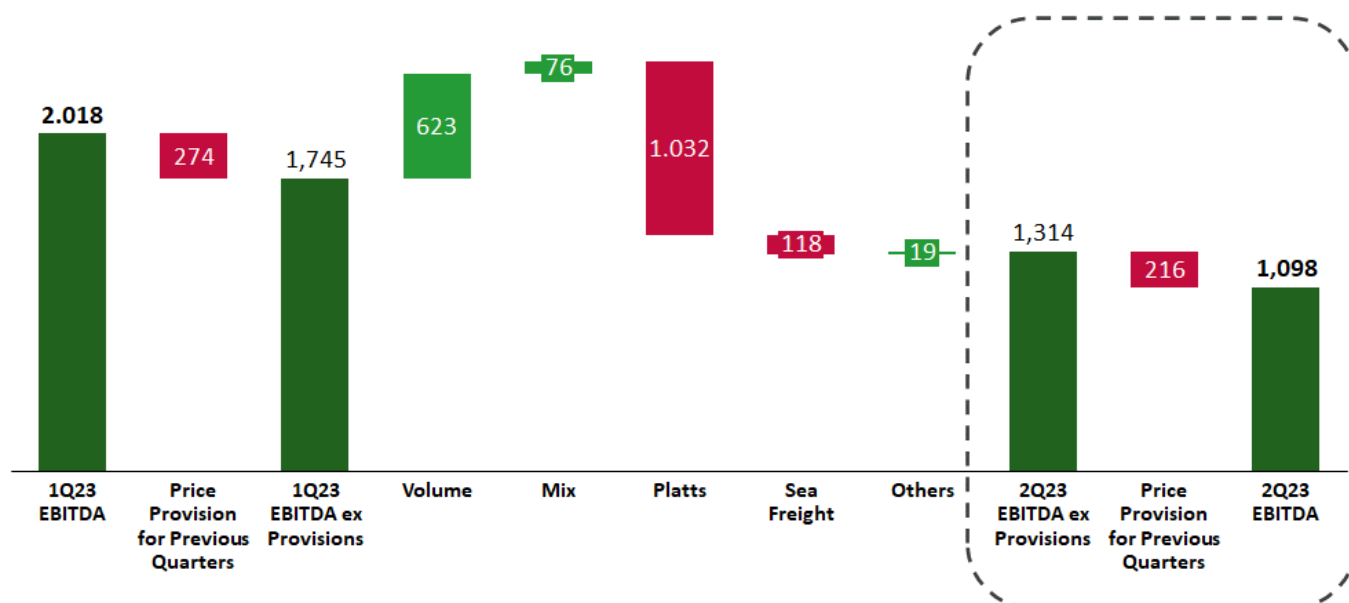
- **Iron ore production** totaled a record volume of 11,145 thousand tons in 2Q23, representing an increase of 24.6% compared to 1Q23 and an increase of 34% compared to 2Q22. This performance reinforces the Company's operational improvement, especially after the difficulties experienced in the previous year and sets CSN Mineração on track to achieve the production and purchasing guidance stipulated for 2023 (which is from 39 to 41Mton).
- **Sales volume** also hit a record-high result of 11,258 thousand tons in the 2Q23, a performance 31% superior in relation to 1Q23 and 49% higher than the same period of last year. In addition to positive seasonality with a drier weather, 2Q23 sales were also driven by the railway operational normalization.



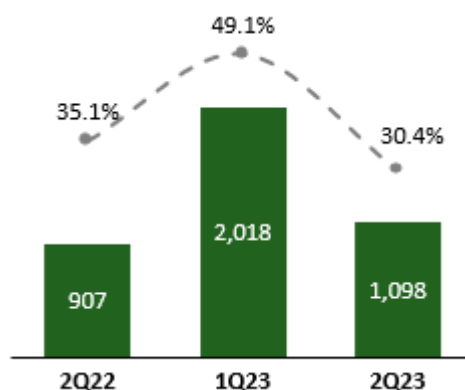
Consolidated Results - CSN Mineração

- **Adjusted Net revenue** totaled BRL 3,611 million in 2Q23, 12.2% lower than in the previous quarter, even with the higher volume of shipments. This result reflects the lower price realization observed in the period, in addition to the negative impact of provisional prices. As a consequence, **net unitary revenue** was **US\$ 65.7** per wet ton, which represents a retraction of 28.5% against 1Q23, in line with the downward trajectory of the Platts price, and with the appreciation of 5.9% of the Real/Dollar exchange rate.
- In turn, the **cost of goods sold** from mining totaled **BRL 2,620 million** in **2Q23**, an increase of 17.6% compared to the previous quarter, impacted by a higher volume of iron ore, including a higher purchase volume. However, the **C1 cost** reached USD 21.7/t in 2Q23, 5.7% lower than in the 1Q23, reflecting the higher fixed cost dilution and lower unitary costs of SG&A verified in the period.
- **2Q23 gross profit** was BRL 988 million, 52% lower than in 1Q23 and with a gross margin of 27.4%, or 18.5 p.p. below than the last quarter. The decrease in the price realization ended up compromising the profitability of the period.
- **Adjusted EBITDA** reached **BRL 1,098 million** in **2Q23**, with a quarterly EBITDA margin of 30.4% or 18.7 p.p. below that recorded in 1Q23. This decrease in profitability reflects the reduction in the price of iron ore, aggravated by the negative pressure of provisional prices.

R\$ MM



BRL (millions)	2Q23	1Q23	2Q23 X 1Q23	2Q22	2Q23 x 2Q22
Net Income for the period	494	516	-4%	826	-40%
(+) Depreciation	247	250	-1%	237	4%
(+) Income Tax and Social Distribution	85	252	-66%	406	-79%
(+) Net Financial Result	506	381	33%	(568)	n.a.
EBITDA (ICVM 527)	1,333	1,399	-5%	901	48%
(+) Equity Income	(46)	(14)	224%	(27)	73%
(+) Other operating income and expenses	(188)	634	n.a.	33	n.a.
Adjusted EBITDA	1,098	2,018	-46%	907	21%

**Adjusted EBITDA¹ (BRL MM) and
Adjusted EBITDA² (%)**


¹ The Company discloses its Adjusted EBITDA excluding other operating income (expenses) and equity income because it understands that it should not be considered in the calculation of recurring operating cash generation.

² Adjusted EBITDA Margin is calculated from the division between Adjusted EBITDA and Adjusted Net Revenue.

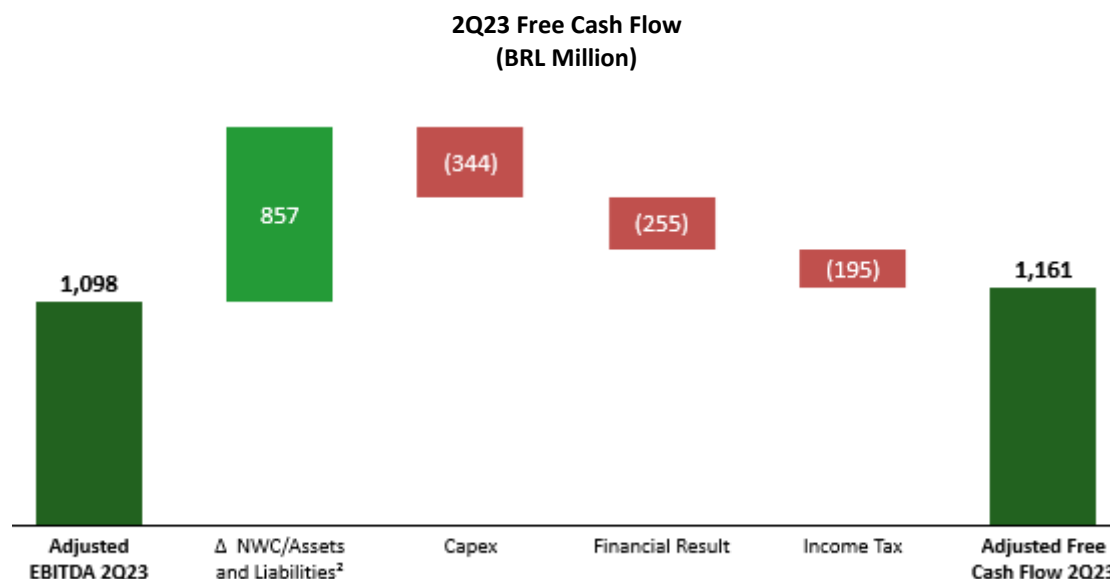
- The **financial result was negative by BRL 506 million** in 2Q23, which represents an increase of 32.8% compared to the previous quarter, as a result, mainly, of the increase in financial expenses not linked to the dollar.

BRL (millions)	2Q23	1Q23	2Q23 X 1Q23	2Q22	2Q23 x 2Q22
Financial Result - IFRS	(506)	(381)	33%	568	n.a.
Financial Income	124	128	-3%	55	126%
Financial Expense	(630)	(509)	24%	513	n.a.
Financial Expenses (ex-Exchange Variation)	(332)	(217)	53%	(149)	123%
Income with Exchange Variation	(299)	(292)	2%	662	n.a.

- In turn, **equity result was BRL 46 million in 2Q23**, a result 224% higher than last quarter, as a consequence of the seasonality and the MRS operational recovery after the heavy rainfall recorded at the beginning of the year.
- In 2Q23, **CSN Mineração's net income reached BRL 494.2 million**, which represents a decrease of only 4.4% compared to the previous quarter, even with a much greater decrease in EBITDA. This result is explained by the positive effect of iron ore hedging operations, partially reversing the impact seen at the beginning of the year.

Free Cash Flow¹

Adjusted Cash Flow in 2Q23 was positive at BRL 1,161 million, a better performance than that presented at the beginning of the year, reflecting the normalization of working capital and lower impact on the financial result after extraordinary disbursements in 1Q23, with iron ore hedging operations. In addition, cash flow in 2Q23 was able to mitigate the lower operating result with a reduction in accounts receivable, even considering the increase in investments in the quarter. This performance reinforces the sustainability of the business and the Company's resilience even in periods of declining iron ore prices and provisional price pressures.



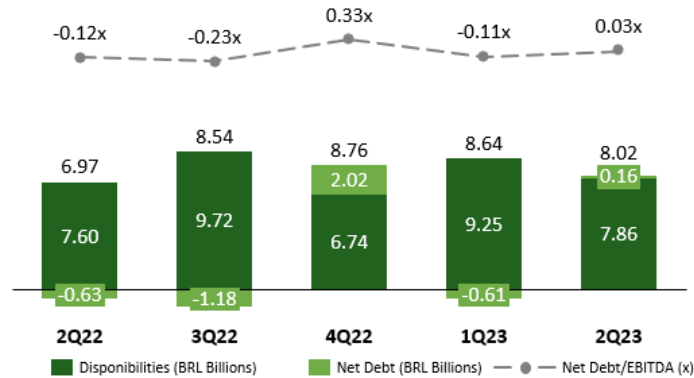
¹ The concept of adjusted cash flow is calculated from Adjusted EBITDA, subtracting CAPEX, IR, Financial Results and changes in Assets and Liabilities², excluding the effect of prepayments concluded with Glencore in 2019 and 2020.

² The ΔCCL/Assets and Liabilities is composed of the change in Net Working Capital, plus the change in accounts of long-term assets and liabilities and does not consider the net variation of IR and CS.

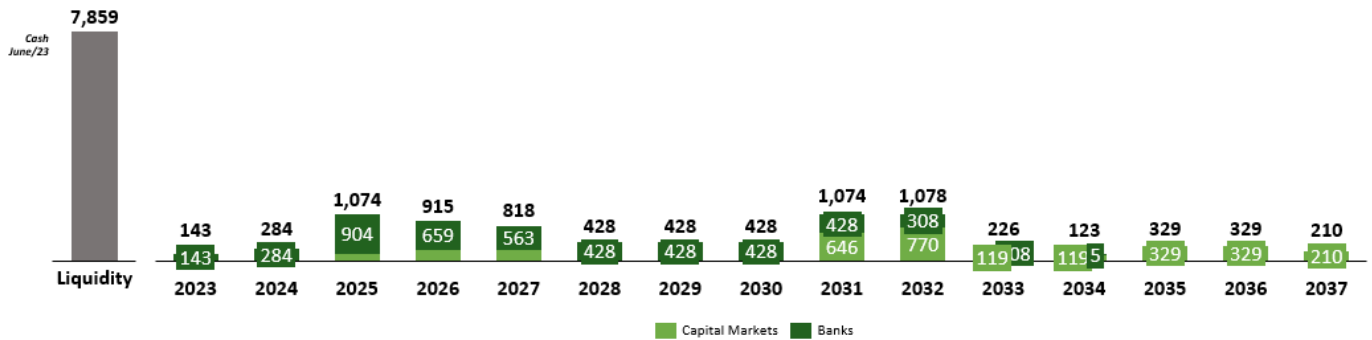
Indebtedness

On 06/30/2023, CSN Mineração had a cash position of BRL 7.9 billion and a net debt of BRL 0.2 billion, after the payment of BRL 2.6 billion on dividends in the period and the disbursement of part of the Glencore pre-payment. In turn, the leverage indicator measured by the Net Debt/EBITDA ratio was practically null in the quarter.

Indebtedness (BRL Billion) and
Net Debt / Adjusted EBITDA (x)



Amortization
(BRL Billion)



CSN Mineração remains with a solid cash position and sufficient liquidity to cover the amortizations of the next 14 years.

Investments

Total investments in 2Q23 were BRL 344 million, an increase of 39% over the previous quarter with the progress in projects linked to the P15 plant and spares.

BRL (millions)	2Q23	1Q23	2Q23 X 1Q23	2Q22	2Q23 x 2Q22
Business Expansion	136	89	53%	218	-38%
Operational Continuity	208	159	31%	186	12%
Total Investment IFRS	344	248	39%	404	-15%

*Investments include acquisitions through loans and financing (amounts in BRL MM).

Net Working Capital

Net Working Capital applied to the business was positive by **BRL 355 million in 2Q23**, as a consequence of the strong reduction in accounts receivable, in addition to the effect of lower inventories in the period, due to reductions in Platts and physical iron ore inventory.

BRL (millions)	2Q23	1Q23	2Q23 x 1Q23	2Q22	2Q23 x 2Q22
Assets	2,448	3,258	-25%	1,902	29%
Accounts Receivable	858	1,658	-48%	791	8%
Inventories ³	1,209	1,272	-5%	992	22%
Recoverable Taxes	251	184	36%	86	192%
Prepaid Expenses	103	109	-6%	20	415%
Other Assets NWC ¹	27	35	-23%	13	108%
Liabilities	2,093	1,947	7%	1,506	39%
Suppliers	1,556	1,486	5%	1,135	37%
Labor Obligations	137	154	-11%	131	5%
Taxes to be collected	110	92	19%	89	24%
Customer Advances	188	98	92%	16	1075%
Other Liabilities ²	102	117	-13%	135	-24%
Net Working Capital	355	1,311	-73%	396	-10%

NOTE: The calculation of the Net Working Capital applied to the business disregards Glencore's advances and their amortizations.

¹Other CCL Assets: Considers advance to employees and other accounts receivable.

²Other CCL Liabilities: Considers other accounts payable, installment taxes and other provisions.

³Inventories: Does not consider the effect of the provision for inventory/inventory losses. For the calculation of the SME, the balances of warehouse stocks are not considered.

ESG – Environmental, Social & Governance

ESG PERFORMANCE

Since the beginning of 2023, CSN Mineração has adopted a new format for disclosing its ESG actions and performance, making its performance in ESG indicators available individually. The new model allows stakeholders to have access to the main results and indicators on a quarterly basis and to monitor them effectively and even more quickly. Access can be done through the results center on CSN Mineração's IR website: <https://ri.csnmineracao.com.br/informacoes-financeiras/central-de-resultados/>

The information included in this release was selected based on its relevance and materiality for the Company. Quantitative indicators are presented in comparison with the period that best represents the metric for monitoring them. Therefore, some are compared with the same quarter of the previous year, and others will be with the average of the previous period, ensuring a comparison based on seasonality and periodicity.

More detailed historical data on CSN Mineração's performance and initiatives can be seen in the 2022 Integrated Report, published on April 2023 (<https://esg.csn.com.br/nossa-empresa/relatorio-integrado-gri>). The assurance of ESG indicators occurs annually to close the Integrated Report, therefore, the information contained in the quarterly releases is subject to adjustments resulting from this process.

It is also possible to follow CSN Mineração's ESG performance in an agile and transparent way, on our website, through the following email address: <https://esg.csn.com.br>

Capital Markets

In the **second quarter of 2023**, CSN Mineração shares fell 13.6%, while the Ibovespa appreciated by 15.9%. The average daily volume of CMIN3 shares traded on B3 was BRL 42.2 million.

	2Q23
Number of shares in thousands	5,485,339
Market Value	
Closing Quote (BRL/share)	4.18
Market Value (BRL million)	22,929
Change in period	
CMIN3 (BRL)	-13.6%
Ibovespa (BRL)	15.9%
Volume	
Daily average (thousand shares)	9,307
Daily average (BRL thousand)	42,219

Source: Bloomberg

Results Conference Call:

2Q23 Results Presentation Webcast

Investor Relations Team

Conference Call in Portuguese with Simultaneous Translation for English

August 3rd, 2023

10:00 a.m. (Brasilia time)

09:00 (New York time)

Phone: DI +1 (412) 717-9627 / TF +1 (844) 204-8942

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Some of the statements contained herein are future perspectives that express or imply expected results, performance or events. These perspectives include future results that may be influenced by historical results and statements made in 'Perspectives'. Current results, performance and events may differ significantly from hypotheses and perspectives and involve risks such as: general and economic conditions in Brazil and other countries; interest rate and exchange rate levels, protectionist measures in the U.S., Brazil and other countries, changes in laws and regulations, and general competitive factors (globally, regionally or nationally).

INCOME STATEMENT

Corporate Law – In Thousands of Reais

	2Q23	1Q23	2Q22
Net Sales Revenue	4,014,012	4,514,331	2,679,299
Domestic Market	351,358	260,136	390,254
External Market.	3,662,654	4,254,195	2,289,045
Costs of Goods Sold (COGS)	(2,622,510)	(2,227,464)	(1,835,234)
COGS without depreciation and exhaustion	(2,375,279)	(1,977,519)	(1,598,279)
Depreciation/Exhaustion aswerded at cost	(247,231)	(249,945)	(236,955)
Gross Profit	1,391,502	2,286,867	844,065
Gross Marging (%)	34.7%	50.7%	31.5%
Sales Expenses	(500,198)	(479,489)	(148,577)
General and Administrative Expenses	(40,423)	(38,925)	(25,001)
Depreciation and Armotization Expenses	(263)	(265)	(1)
Other operating income (expenses)	188,373	(633,871)	(33,477)
<i>Other operating income</i>	218	708	24,448
<i>Other operating expenses</i>	188,155	(634,579)	(57,925)
Equity Income	46,017	14,221	26,596
Operating Profit Before Financial Results	1,085,008	1,148,538	663,605
Net Financial Result	(506,314)	(381,152)	568,316
Financial Revenue	124,169	127,864	54,967
Financial Expenses	(331,646)	(217,186)	(148,624)
Net Currency Exchange	(298,837)	(291,830)	661,973
Profit Before Tax	578,694	767,386	1,231,921
Income tax and social contribution	(84,514)	(251,589)	(406,200)
Net Profit	494,180	515,797	825,721

The table below is intended to present the Company's income statement in full on a FOB basis:

ADJUSTED INCOME STATEMENT - FOB BASE	2Q23	1Q23	2Q22
Net Revenue	4,014,012	4,514,331	2,679,299
Freigh and Mari time Insurance	(403,091)	(399,599)	(92,553)
Net Revenue - FOB Basis	3,610,921	4,114,732	2,586,746
Total COGS			
COGS wi thout depretiation	(2,375,279)	(1,977,519)	(1,598,279)
Depreciation	(247,231)	(249,945)	(236,955)
Gross Profit - FOB Basis	988,411	1,887,268	751,512
Adjusted Gross Profit - FOB Basis (%)	27%	46%	29%
Adjusted SG&A expense - FOB basis	(137,793)	(119,080)	(81,026)
SG&A Expenses	(540,884)	(518,679)	(173,579)
Freigh and Mari time Insurance	403,091	399,599	92,553
Other net operating income (expenses)	188,373	(633,871)	(33,477)
Equity Income	46,017	14,221	26,596
Net Financial Result	(506,314)	(381,152)	568,316
Profit Before Tax and Social Contribution	578,694	767,386	1,231,921
Tax and Social Contribution	(84,514)	(251,589)	(406,200)
Net Profit	494,180	515,797	825,721

BALANCE SHEET
In Thousands of Reais

	06/30/2023	03/31/2023	06/30/2022
Current Assets	10,482,450	12,541,976	9,528,471
Cash and cash equivalents	7,848,198	9,013,831	7,369,032
Financial investments	11,248	237,186	226,229
Trade receivables	857,774	1,657,386	790,965
Inventories	1,083,020	1,140,770	865,463
Recoverable Taxes	281,680	213,897	116,571
Other current assets	400,530	278,906	160,211
Suppliers Advancements	91,448	95,784	96,082
Other Assets	309,082	183,122	64,129
Non-Current Assets	15,826,804	15,557,816	14,612,140
Taxes to be recovered	118,990	115,347	116,279
Long-Term Inventory	1,225,678	1,134,889	798,765
Other Non- Current Assets	85,080	91,437	152,313
Suppliers Advancements	239	16,141	88,075
Other Assets	84,841	75,296	64,238
Investments	1,509,379	1,449,833	1,364,642
Property, plant and equipment	8,516,627	8,385,565	7,967,143
Fixed assets in operation	6,663,321	6,674,423	5,877,936
Right of Use in Lease	122,312	125,522	136,211
Ongoing Assets	1,730,994	1,585,620	1,952,996
Intangible Assets	4,371,050	4,380,745	4,212,998
TOTAL Assets	26,309,254	28,099,792	24,140,611
Current Liabilities	3,833,023	4,256,069	3,806,027
Payroll and related taxes	100,981	83,200	95,616
Suppliers	1,555,921	1,485,456	1,134,960
Taxes payable	345,696	460,477	612,368
Borrowings and financing	368,348	630,502	841,869
Customer Advances	1,314,644	916,083	868,612
Dividends and JCP payable	-	74,569	-
Other Obligations	143,691	602,984	247,140
Arcane liabilities	13,204	15,377	21,651
Derivative financial instruments	-	350,632	-
Other Obligations	130,487	236,975	225,489
Labor and Civil Social Security Tax Provisions	3,742	2,798	5,462
Non-Current Liabilities	12,011,586	11,753,880	7,589,126
Loans, Financing and Debentures	7,209,500	7,663,576	5,821,626
Suppliers	8,153	11,620	28,391
Customer Advances	3,534,768	3,028,512	572,522
Environmental liabilities and deactivation	507,245	495,593	527,820
Other Obligations	312,536	320,214	398,684
Arcane liabilities	116,988	117,422	119,347
Taxes payable	79,762	87,739	225,553
Other Obligations	115,786	115,053	53,784
Deferred Taxes	366,454	163,537	183,234
Provisions for Environmental Liabilities and Deactivation	72,930	70,828	56,849
Shareholders' Equity	10,464,645	12,089,843	12,745,458
Paid-in capital	7,473,980	7,473,980	7,473,980
Capital reserves	127,042	127,042	127,042
Earnings reserves	1,784,860	3,966,771	3,548,953
Accumulated Profit / Loss	730,545	515,798	1,564,863
Equity Valuation Adjustments	322,635	322,635	322,635
Other comprehensive income	25,583	(316,383)	(292,015)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	26,309,254	28,099,792	24,140,611

CASH FLOW
CONSOLIDATED – Corporate Law - In Thousands of Reais

	2Q23	1Q23	2Q22
Net Cash Flow from Operating Activities	1,879,811	2,698,247	2,117,437
Net income / Loss for the period	494,181	515,798	825,722
Equity income	(46,017)	(14,221)	(26,596)
Exchange and monetary variations	(6,667)	35,999	(31,449)
Interest expense on loans and financing	198,084	111,061	68,604
Capitalized interest	(28,840)	(26,692)	(24,866)
Interest on leases	2,684	2,787	3,632
Losses with derivative instrument	(342,909)	554,188	(22,286)
Amortization transaction cost	7,882	11,668	4,578
Depreciation and amortization	249,807	252,932	239,063
Current and deferred income tax and social contribution	84,514	251,589	406,200
Income from the loss or disposal of assets	1,262	(504)	607
Other	(12,788)	(10,956)	(214)
Change in assets and liabilities	1,626,008	1,963,494	981,776
Accounts receivable from customers	735,915	(32,051)	1,355,363
Inventory	(33,039)	(310,776)	(140,103)
Taxes to be recovered	(71,427)	(37,171)	(133)
Other assets	(8,529)	(3,299)	(1,818)
Advance Supplier - CSN	33,893	29,414	17,162
Suppliers	194,700	(49,561)	21,623
Salaries, provisions and social contributions	17,780	1,004	16,499
Tributes to be collected	27,090	(7,456)	(94,101)
Advance Client - Glencore	817,395	2,406,978	(248,154)
Advance - Energy contracts	(11,190)	(18,756)	-
Other accounts payable	(76,580)	(14,832)	55,438
Other payments and receipts	(347,390)	(948,896)	(307,334)
Hedge Accounting cash flow	6,487	(575,795)	22,286
Income tax and social contribution paid	(195,174)	(251,653)	(270,150)
Interest paid on loans and financing	(158,703)	(121,448)	(59,470)
Cash Flow from Investment Activities	(117,673)	(227,905)	(403,591)
Acquisition of fixed assets	(343,611)	(238,045)	(403,591)
Financial investments	225,938	10,140	-
Cash Flow from Financing Activities	(2,982,448)	106,420	(697,419)
Payment of the principal on loans	(580,797)	(374,716)	(177,571)
Captures	250,000	488,223	2,181,171
Transaction costs	(97,291)	(1,719)	(173,209)
Paid Dividends	(2,181,912)	-	(2,520,404)
Interest On Equity	(367,158)	-	-
Lease liabilities	(5,290)	(5,368)	(5,313)
Share buyback	-	-	(2,093)
Exchange Variation on Cash and Cash Equivalents	54,677	(52,503)	13,721,637
Increase in Cash and Cash Equivalents	(1,165,633)	2,524,259	1,016,427
Cash and cash equivalents at the beginning of the period	9,013,831	6,489,572	6,352,605
Cash and cash equivalents at the end of the period	7,848,198	9,013,831	7,369,032