



2Q21 FINANCIAL RESULTS

July 27, 2021



São Paulo, July 27, 2021 - **CSN Mineração (CMIN) announces its second quarter 2021 (2Q21) 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).

All comments presented herein refer to the Company's consolidated results for the 2Q21 and the commendations are for the second quarter of 2020 (2Q20) and the first quarter of 2021 (1Q21). The dollar was R\$5.48 as of June 30, 2020; R\$5.70 on 03/31/2021 and R\$5.00 on 06/30/2021.

Operational and Financial Highlights 2Q21

HIGH VOLUMES AND PRICES RESULTED IN ANOTHER RECORD IN MINING RESULTS

The combination of higher volume and historically high prices resulted in another **QUARTERLY EBITDA RECORD in 2Q21 for CSN Mineração. Adjusted EBITDA reached R\$4,956 million in the quarter**, with an EBITDA margin of 67.5%.

Fob adjusted net revenue of R\$7,345MM or 34.2% higher than the previous quarter, driven by price increases in the foreign market.

ESG

Work on the **Vigia dam's belt waterway** begins.

Reduction of 12% in water consumption per ton of ore produced.

STRONG CASH GENERATION

Free Cash flow reached R\$2,886MM, positively impacted by a strong operating performance and the sharp increase in the Platts index throughout the quarter. These factors more than offset the increase in working capital, the higher investments and the decrease of the Dollar in the period.

LONG-TERM FINANCING FOR BUSINESS EXPANSION

CSN Mineração has signed a \$350MM credit line with NEXI to ensure the expansion and improvement projects at Casa de Pedra Mine operations.

Consolidated Highlights - CMIN

	2Q21	2Q20	2Q21 x 2Q20	1Q21	2Q21 x 1Q21
Iron Ore Sales (Thousand Tones)	9,110	7,743	18%	8,225	11%
- Domestic Market	1,174	1,086	8%	1,286	-9%
- External Market	7,936	6,659	19%	6,939	14%
Consolidated Results (R\$ million)					
Net Revenue	7,345	2,673	175%	5,474	34%
Gross Profit	4,917	1,223	302%	3,566	38%
Adjusted EBITDA ⁽¹⁾	4,956	1,391	256%	3,665	35%
EBITDA margin %	67.47%	52.04%	15.4 p.p.	66.95%	0.5 p.p.

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

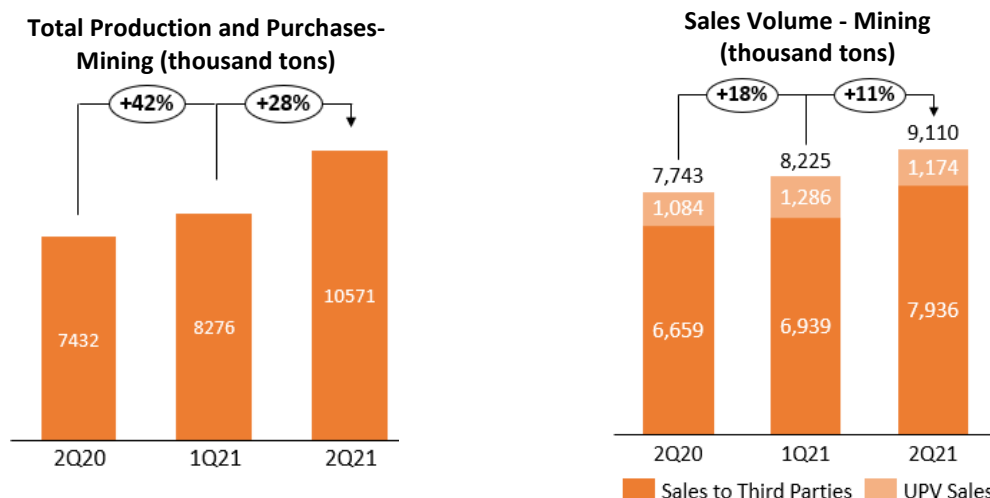
² Adjusted EBITDA is calculated from net income (loss), plus depreciation and amortization, taxes on income, net financial income, other operating income/expenses and equity income.

Operating Results - CSN Mineração

In 2Q21, despite China's efforts to try to contain the rise in commodity prices and steel production levels in its country, the price of iron ore remained at high levels throughout the period, underpinned by a heated demand for iron ore, especially when taking into account the limited supply in the transoceanic market. In addition, the stimulus programs of developed countries and the economic recovery of international markets have provided high margins for the steel industry and sustained the price of iron ore at levels well above the historical average. In this context, **the ore ended 2Q21 with an average of US\$200.01/dmt (Platts, Fe62%, N. China), 20% and 214% higher than 1Q21 (US\$166.9/dmt) and 2Q20 (US\$93.3/dmt), respectively.**

In relation to **seafreight**, the BCI-C3 Route (Tubarão-Qingdao) price averaged **US\$26.2/wmt** in 2Q21, an increase of **45.4%** over the previous quarter.

- CMIN's **iron ore production** totaled 10.6 million tons in 2Q21, a volume 28% higher than in the previous quarter, due to the robust operational performance favored by the drought period. Compared to 2Q20, production was 42% higher, mainly due to a higher movement capacity and a greater availability of iron ore.
- Additionally, there was an increase in purchases of ore from third parties throughout 2Q21, taking advantage of the strong price continuously observed in the period. Sales **volume reached** 9.1 million tons in 2Q21, **10.8% higher than the previous quarter.**

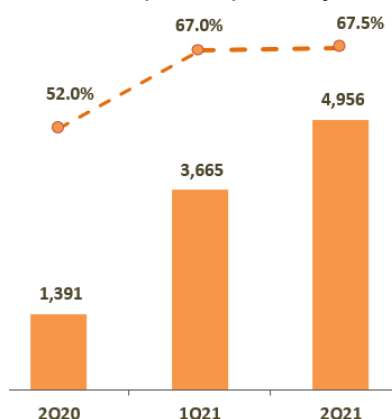


Consolidated Results - CSN Mineração

- In 2Q21, the **adjusted net revenue** totaled R\$7,345 million, 34.2% higher than in the previous quarter, as a consequence of the combination of increased production and sales with a strong realization price, with Platts 19.8% up on the same comparison basis. **FOB net revenue per unit** was **US\$153.10** per wet ton, representing a 26% increase over 1Q21 due to Platts increase and higher quality, even though transoceanic freight has rose on the period.
- The **cost of products sold** from mining totaled **R\$2,428 million** in **2Q21**, 27% higher than in the previous quarter, as a consequence of the (i) increase disbursement with the purchase of third-party production (higher volumes and prices); (ii) increase in Tecar terminal costs, impacted by the increase in variable leases and some unscheduled stops, including the bad weather witch impacted the demurrage; and (iii) increase in production volumes with the largest movement in the mine.
- The **C1 cost was USD19.9/t in 2Q21**, 9% higher when compared to 1Q21, mainly as a result of a higher port expenditure which majorly is impacted by the higher price of ore in the foreign market (Platts effect) on variable leasing. In addition, the lower average dollar in the period, especially in May and June, contributed positively to the increase in the C1 cost in dollars.
- In **2Q21** the **adjusted gross profit** was R\$4,917 million, 38% higher than in 1Q21. Adjusted gross margin reached 66.9% in 2Q21, an increase of 1.8p.p. compared to the previous quarter. This performance highlights the operational efficiency of the Company.
- In turn, **Adjusted EBITDA** reached **R\$4,956 million in 2Q21**, with a quarterly EBITDA margin of 67.5% or 0.5p.p. above that recorded in 1Q21. This is the highest level of adjusted EBITDA ever recorded by CSN Mineração and with a margin that attests not only to the exceptional timing of international ore prices, but also the strong cost control and expenses employed by the Company.

	2Q21	2Q20	2Q21 x 2Q20	1Q21	2Q21 x 1Q21
Profit (Loss) for the Period	2,501	820	205%	2,363	6%
(+) Depretiation	173	139	24%	147	18%
(+) Income Tax and Social Contribution	1,334	293	355%	1,122	19%
(+) Finance Income	639	87	632%	(76)	-940%
EBITDA (ICVM 527)	4,646	1,339	247%	3,556	31%
(+) Equity Results of Affiliated Companies	(27)	(20)	33%	(7)	295%
(+) Other Operating Income (expenses)	336	72	366%	115	191%
Adjusted EBITDA	4,956	1,391	256%	3,665	35%

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.

Adjusted EBITDA (R\$ MM) and Adjusted Margin¹ (%)


¹Adjusted EBITDA Margin is calculated from the division between Adjusted EBITDA and Adjusted Net Revenue

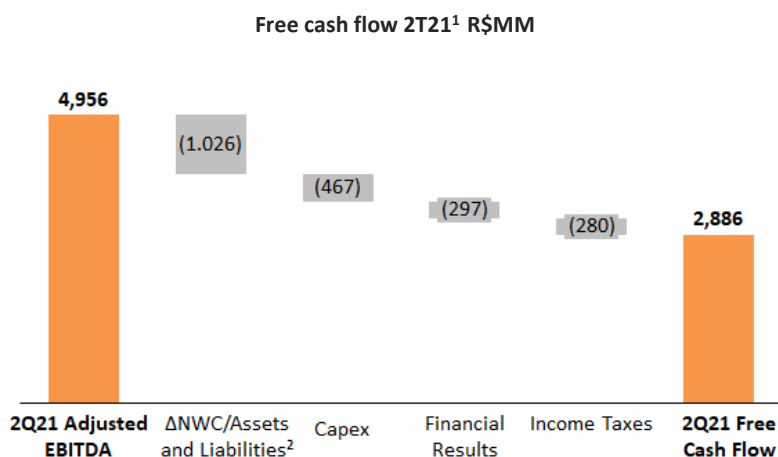
- The account of **other operating income and expenses** in 2Q21 was negative in R\$336 million, mainly due to the effects of the cash flow hedge of the Platts index derivative instrument, in addition to other expenses incurred in the normal course of the business.
- The financial result was negative by R\$ 639 million in 2Q21**, as an effect of the exchange rate variation observed in the period.

	2Q21	2Q20	2Q21 x 2Q20	1Q21	2Q21 x 1Q21
Financial Result - IFRS	(639)	(87)	632%	76	-940%
Financial Revenue	24	7	223%	10	150%
Financial Expenses	(663)	(95)	600%	67	-1096%
Financial Expenses (ex-exchange rate variation)	(72)	(62)	15%	(91)	-21%
Result with exchange rate variation	(591)	(33)	1716%	157	-476%

- In turn, **the equity result** was positive in R\$27 million in 2Q21, a higher performance than in the previous quarter as a result of the positive performance observed in MRS Logística operations.
- CSN Mineração's **net income** in 2Q21 reached **R\$2,501 million**, an increase of 6% over the previous quarter. This performance was not greater because of the exchange variation recorded in the period, that eventually mitigated the strong operating result.

Free Cash Flow¹

Adjusted Cash Flow in 2Q21 reached R\$2,886MM, a performance higher than the R\$ 2,465MM from last quarter due to the strong cash generation in the period, which ended up offsetting the increase in working capital, the increase in investments, and the exchange rate variation that impacted this quarter results. The adjusted cash flow reinforces the sustainability of the business and the effect of a good price momentum in the international market. Additionally, the result achieved will be an important source of long-term projects founding and payments of future dividends.

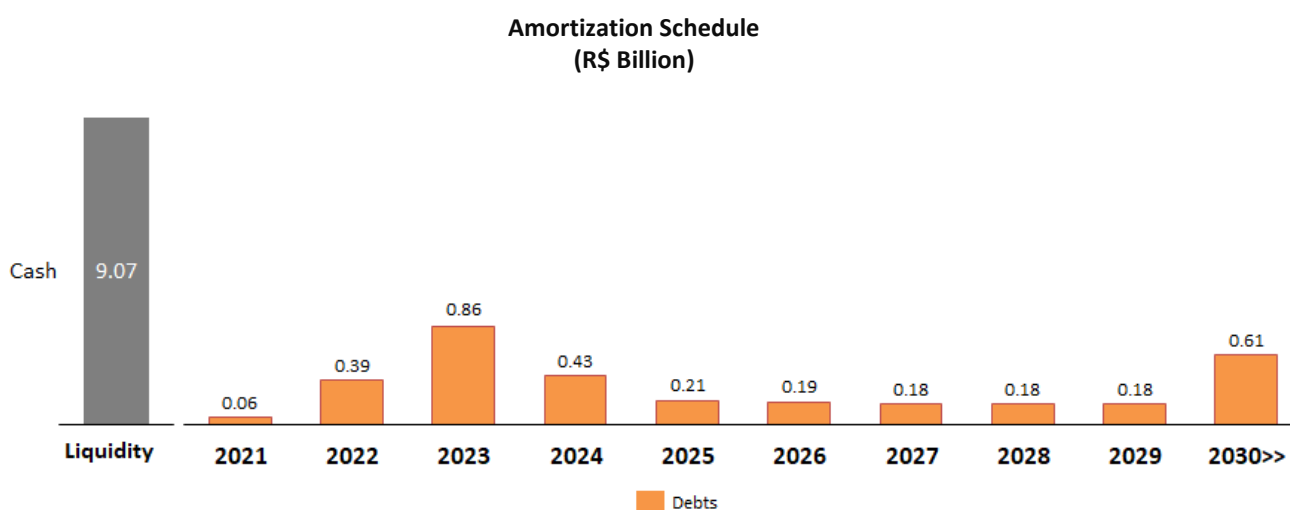
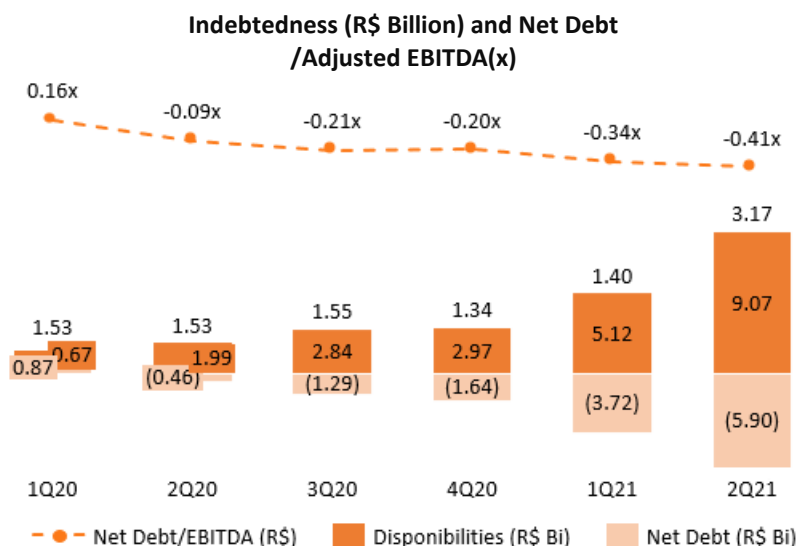


¹ The concept of adjusted cash flow is calculated from adjusted Ebitda, subtracting CAPEX, IR, Financial Results and changes in Assets and Liabilities², excluding the effect of the Glencore advance.

² The ΔCCL/Assets and Liabilities is composed of the change in Net Running 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 June 30, 2021, CSN Mineração had a net cash of R\$3.17 billion, an expansion of approximately R\$ 1.78 billion over the previous quarter as a result of the strong cash generation observed in the period. The leverage indicator measured by the Net Debt/EBITDA ratio was -0.41x.



Investments

CSN Mineração invested R\$491 million in 2Q21, a considerable increase over 1Q21 as a result of the acquisition of large equipment's – disbursements related to capacity expansion projects and operational efficiency projects, as well as spare parts to support the operations of Casa de Pedra Mine. It is important to note that this increase was already expected and should be accentuated in the second half of the year in order to achieve the guidance expected by the Company.

	2Q21	2Q20	2Q21 x 2Q20	1Q21	2Q21 x 1Q21
Business Expansion	267	40	568%	43	518%
Operational Continuity	224	127	76%	127	76%
Total Investments IFRS	491	167	194%	170	189%

*Investments include acquisitions through loans and financing.

Net Working Capital

Net Working Capital applied to the business **totaled R\$2,467 million in 2Q21**, 62% higher than 1Q21 due to the increase in the accounts receivable, as a response to the higher sales volume in foreign markets (14% higher than in 1Q21), in addition the increase in inventory volume also assisted this expansion.

	2Q21	2Q20	2Q21 X 2Q20	1Q21	2Q21 X 1Q21
Assets	4,887	2,273	115%	3,609	35%
Accounts Receivable	3,629	1,476	146%	2,693	35%
Inventory ³	1,080	643	68%	729	48%
Taxes to Recover	136	32	319%	27	407%
Anticipated Expenses	26	84	-69%	122	-79%
Other Assets NWC ¹	16	37	-59%	38	-60%
Liabilities	2,420	1,204	101%	2,088	16%
Suppliers	1,958	855	129%	1,622	21%
Payroll and Related taxes	112	102	10%	110	2%
Taxes Payable	186	122	53%	129	44%
Advances from Clients	48	32	50%	104	-54%
Other Liabilities ²	116	93	25%	122	-5%
Net Working Capital	2,467	1,069	131%	1,521	62%

NOTE: The calculation of net working capital applied to the business does not take account of Glencore's advances and their amortizations.

¹TooMany CCL Assets: Considers the advancements to employees and other accounts receivable

²ToOest CCL Liabilities: Consider the other accounts payable, installment taxes and other provisions

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

DIVIDENDS

In a Meeting held on July 27, 2021, the Board of Directors approved the distribution of interim dividends in the amount of R\$1.8 billion, which will be calculated towards the minimum mandatory dividend for 2021 and corresponds to R\$0.33 per common share. The shareholders present in our shareholder base at the close of trading on 07/30/2021 will be entitled to receipt and payment will take place on 08/10/2021. In addition, the remaining dividends for the year 2020 in the amount of BRL 288.4 million (BRL 0.05/share) will also be distributed on this date, and the cut-off date for the shareholding base for this distribution occurred on 04/30/ 2021.

ESG - Environmental, Social & Governance

Reiterating its commitment to disseminate sustainability information annually through its Integrated Reporting, CSN Mineração will publish in the coming days a specific publication (base year 2020), following the standards of the Global Reporting *Initiative* (GRI), ensuring the transparency and timing proposed by the methodology. The Report is completed, leaving only the independent third party verification, which has been conducted by the company Russell Bedford, and which will ensure adherence of the information to the standards adopted by the Company and to Resolution 14, of December 9, 2020, of the Brazilian Securities and Exchange Commission (CVM).

A - ENVIRONMENTAL MANAGEMENT

CSN Mineração maintains several instruments of Socio-environmental Management and Sustainability in order to act in a propositional way and serving the various stakeholders involved in the communities and businesses in which it operates. To this end, the Company guarantees the proper functioning of its Environmental Management System (SGA), implemented according to the requirements of the international standard ISO 14001: 2015, certified by an independent international body in its Casa de Pedra unit (ISO 14,001) since 2000.

At the beginning of its 2021 performance evaluation cycle, the areas with the most interface with the ESG theme established goals related to the payment of variable remuneration (PPR), with the objective of strengthening the proactive culture in the face of the main sustainability challenges, in addition to proposing innovative solutions to reinforce CSN Mineração's commitment to socio-environmental aspects.

The Quarter marked the **beginning of the certification process at ISO 14,001 of the Port of TECAR (RJ)** and the beginning certification of the **ISO 9001 - Quality Management System, for TECAR (RJ) and Casa de Pedra (MG)**

CLIMATE CHANGE

In the last quarter, **CSN, CSN Mineração, CSN INOVA and Itochu Corporation signed a Memorandum of Understanding - MOU** to work together on the agenda for the decarbonization and digital transformation of CSN Mineração's operations and to study and develop new technologies aimed at the production of low carbon steel, for example, through the use of hydrogen and other technologies

Also, in the period we began the construction of the matrix of risks and climate opportunities, to adapt to the guidelines of the TCFD (Taskforce on Climate-related Financial Disclosures). Also in 2Q21, CSN Mineração made its first report to CDP (Disclosure Insight Action), independent of the CSN Group, finalized and published its GHG emissions inventory, according to GHG Protocol. In this inventory, the methodology of and calculation of Greenhouse Gases (GEE) of scope 03 was improved and already along with the review of the methodology, the CSN **Mineração Roadmap for Decarbonization began**.

Through the use of a software tool with artificial intelligence, Marginal Cost Curves of Abatement (or MACC curve) are being generated, from our current scenario of GHG emissions, projecting emissions in normal operating environment, as well as projected low Carbon scenarios, considering the feasibility and impact of different mitigation options. The Tool will also assist the Company in the construction of carbon pricing scenarios, define its long-term emissions targets and enable the proposed of new targets, including for Scope 3 emissions, and which will be released in 2021.

To lead the strategy and implementation **of the CSN Roadmap for Decarbonization**, the CLIMA GROUP was created last **quarter**, a forum that will define and supervise the implementation of initiatives related to the subject. The **GROUP** is coordinated by the Sustainability Board and CSN INOVA, and also has the participation of executives and employees representing the Boards of Risks, Legal, Energy, New Projects, Investments and operational areas of the parent company and CSN Mineração.

WATER MANAGEMENT

CSN Mineração is committed to a responsible management of its water resources. To meet this commitment, it has more than 40 control systems for effluents and drainages and more than 30 monitoring points in the watercourses located in the area of influence of the enterprise, continuously investing in new technologies and projects that increase its efficiency in water use.

As a consequence, in the first half of 2021, we achieved a significant reduction of **12%** in the consumption of new water for ore production/ton compared to the last year and closed the period with all the results of the monitoring of dikes and dams (of the various parameters of monitored effluents), **100%** within the limit stipulated by the current legislation.

We are the first mining company in Brazil to carry out our Water Footprint on our operations and conclude the analysis of the results of Water Risk Filter tools, of the World Wildlife Fund - WWF, and aqueducts of the World Resources Institute - WRI, which attributes the risks to the water stress of the basin where we operate. Although the analysis presented an average risk in relation to the water stress of the hydrographic basin where CSN Mineração operates, the Company, on a voluntarily and adopting a more proactive and conservative approach in water risk management, began to consider this unit as a priority in the management of water resources.

BIODIVERSITY

CSN Mineração has a history of more than 15 years of preservation and monitoring of local biodiversity. **In 2Q21, the revegetation of 18.6 hectares** was revegetation in waste and sterile pile areas. This revegetation contributes significantly to the minimization of sediment transport to downstream areas, especially to the watercourses located in the area of influence of the enterprise and to the minimization of particulate dispersion in the mine area, also contributing to an improvement in local air quality.

As a result, the monitoring of Total Particles in Suspension and Particulate Matter carried out at the Company's stations met the maximum limit stipulated by current legislation (CONAMA 491/2018) **in 100% of** the measurements, with values on average about **37.50%** below the average in the first half of 2021.

During 2Q21 we approved at CPB - Technical Chamber of Biodiversity Protection (IEF-MG) the compensation of environmental damages due to the installation of the Itabiritos Plant 15 Mtpa, totaling the amount of **R\$11.7 million** that will be directed to the State and invested in Conservation Units for the improvement of infrastructure and biodiversity preservation actions. The

environmental compensation was also approved due to the installation of the Batateiro 3A Sterile Pile, where 65 hectares will be regularized and given to ICMBio in the Sempre Vivas National Park in Minas Gerais for the full protection of these areas.

DAM MANAGEMENT

The company is at the forefront of the world in terms of the management of mining tailings, having invested about R\$400 million in technologies that allowed a better management of tailings with dry filtration and stacking, and since the beginning of 2020 our processes are 100% independent of the use of the tailings dam. All dams are audited by independent companies specialized in the subject, aiming to attest to the stability or not of the dams and identify preventive actions to ensure this stability. In March 2021, we closed the audit cycles, with all stability statements provided. In addition, all CSN Mineração dams remain at zero emergency level, according to the National Mining Agency (ANM).

In continuity with the schedule of decharacterization of our dams, the works of the waist channel of the Vigia dam began, with the expected completion in November 2021, as well as the contracting of the construction channel of the B4 dam, marking the beginning of its decharacterization process.

B - SOCIAL MANAGEMENT

WORK SAFETY

Safety is our main priority and the result of our efforts in search of the goal of zero accidents, has been successively reflected in our annual indicators.

CSN Mineração has Health and Safety guidelines based on good market practices, regulatory standards and national and international recommendations. In order to monitor and measure the effectiveness of our policy, CSN Mineração uses performance indicators that include: frequency and severity rate of accidents with and without injuries, both for own employees and for third parties; a behavioral audit, control of anomalies records and daily reporting of these indicators to senior management.

In 2Q21 our frequency rate (CAF+SAF accidents with or without leave) when compared to the same period of the previous year (2Q20), had a **reduction of 13.8%**. The greatest reduction was in relation to the severity of the events, a reduction of 50% in severity rates in relation to the same period, ratifying the organization's focus on improving performance in an organized and planned manner, prioritizing the events of higher risk.

The main highlights of 2Q21 were:

- Return of PPAE tests - Alcohol and Narcotics Prevention Program in the public itself and suppliers in the Mine;
- Influenza vaccination of all CMIN employees;
- Application of the 1st dose of COVID-19 Vaccine in all Tecar employees;

FACING COVID-19

Among the actions adopted to protect its more than 6,500 employees, strict and technically validated health measures and processes were implemented for the indispensable protection of the health of each of those involved. Employees of the risk group continue to work on a remote regime, as well as part of the employees of the company's offices

Highlights of the main prevention measures adopted:

- Body temperature measurement of all employees in access to operations;
- RT-PCR testing in **1624** employees in the period, and immediate removal in cases of symptomatic collaborators and professionals who had contact with the suspected case, only returning to work after confirmation of negative test;
- Dismissal of cases tested positive for 14 days, according to the protocol of the Ministry of Health and WHO;
- Dissemination of behavioral reinforcement materials in the prevention of COVID-19 through the company's official communication channels (Digital Communications, marketing emails, CSN TV and Security Alerts).

These measures continuously help to preserve the health and lives of our employees, ensuring that there was no impact on our operational performance.

DIVERSITY

We understand that an inclusive and diverse environment is important to stimulate innovation and ensure the continuity of our business. Thus, in 2020, we set a bold goal: to double the female workforce by 2025.

CSN Mineração, through the Capacitar Program 2021, received the first class of the special edition for women and people with disabilities (PCDs). In June, 67 employees were admitted to the areas of Mine and Plant Equipment Maintenance.

Through activities like this, the first half of 2021 already brings good results in the search for our goal: we rose our women workforce from **13.92% women** January 2021 to **15.99%** in June, an increase of **26.52%** in the period, corresponding to an increase of 248 women in the Company's female HC.

In the last quarter, CSN, the parent company, became one of the companies participating **in the MOVE movement - Movement for Racial Equity**, the initiative brings together 45 large companies from different sectors in favor of racial equity and aims to generate 10,000 new leadership positions for black professionals and training for 3 million people by 2030.

The participation in MOVE shows that the change within the CSN Group is happening from the inside out, and this will impact on an even more diverse and inclusive culture, empathic and that understands the importance of breaking old habits and seeking education in this sense at all hierarchical levels. For there to be change, proposals are not enough, it takes movement.

SOCIAL RESPONSIBILITY

To ensure relationships with the community, CSN Mineração has a schedule of routine meetings held bimonthly with various representatives of the public/private authorities and communities, aiming to discuss demands, criticisms and suggestions for improvement in the minimization or mitigation of the socio-environmental impacts inherent to their enterprises. In the last comity with the community were addressed topics such as:

- Health and Safety: Updates regarding the mediated coping with the COVID-19 pandemic;
- Emergency: Test results on CSN Mineração emergency sirens;
- Environment: Stabilization works in Morro do Engenho and licensing / authorizations received;
- Dams: Status of dam mischaracterizations, dam monitoring and results of the March 2021 Dam Audit.

Also, in this sense the "CSN Support House", located in the neighborhood called Residencial, in Congonhas-MG, is an important channel of communication with the community. With the proper sanitary protocols, CSN Mineração has used the site to advertise vacancies and receive summaries. With this action it was possible to hire people from the community, creating opportunities to transform the local reality through the generation of employment and income.

With projects of direct implementation in education, the CSN Foundation contributes to the democratization of access to education, supports professional training and the insertion of young people in the labor market. It offers scholarship programs at the Center for Technological Education in Congonhas (MG).

Direct actions of the CSN Foundation:

- Presence in 27 cities
- 37 cultural actions carried out with audience reach 20,653 views;
- 291 students awarded the Scholarship Program;
- 3,203 young people impacted by the projects carried out by the CSN Foundation;

C - GOVERNANCE MANAGEMENT

The CSN group has been working on the formalization of its main ESG commitments. Thus, our Integrated Policy on Sustainability, Environment, Health and Safety emerged, approved by the Board of Directors of the CSN Group, which reinforces the commitment to the generation of value for stakeholders and is aligned with regulatory guidelines and global best practices, promoting its deployment in all operations, detailing responsibilities and procedures to be followed.

The last quarter also marks the beginning of the elaboration of a series of normative instruments that translate our actions with regard to ESG best practices, and that will guide the initiatives of all CSN Group companies, including CSN Mineração, among them: Human Rights Policy; Diversity Policy; Responsible Purchasing Policy; Biodiversity Policy; Water Resources Policy; Waste Management Policy. These instruments are in the final phase of validation and will then be submitted for approval by the Boards of Directors of CSN and CSN Mineração.

Also in the first semester, the Board of Directors of the controlling shareholder CSN approved the creation of the ESG Committee, non-statutory advisory body, which operates in the following axes: (i) sustainable finance; (ii) social practice; (iii) technology and operational sustainability; (iv) governance; and (v) diversity and inclusion.

2Q21 Results Presentation & Webcast	Investor Relations Team
<p>Conference call in Portuguese with Simultaneous Translation into English</p> <p>July 28, 2021</p> <p>10:00a.m. (Brasilia time)</p> <p>9:00a.m. (New York Time)</p> <p>Tel: +55 11 2188 0155/ +1 646 843 6054</p> <p>Code: CSN Mining</p> <p>Tel. replay: +55 11 2188 0400</p> <p>Webcast: click here</p>	<p>CFO and Executive Director of IR - Pedro Oliva</p> <p>Pedro Gomes de Souza (pedro.gs@csn.com.br)</p> <p>Jaqueline Furrier (jaqueline.furrier@csn.com.br)</p> <p>Danilo Dias (danilo.dias@csn.com.br)</p>

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

	2Q21	1Q21	2Q20
Net Sales Revenue	7,693,326	5,638,570	2,877,230
Domestic Market	891,296	784,301	332,903
External Market	6,802,030	4,854,269	2,544,327
Cost of Goods Sold (COGS)	(2,427,624)	(1,907,069)	(1,350,311)
COGS, no Depreciation and Exhaustion	(2,254,686)	(1,760,049)	(1,211,403)
Depreciation/Exhaustion answered at cost	(172,938)	(147,020)	(138,908)
Gross Profit	5,265,702	3,731,501	1,526,919
Sales Expenses	(450,766)	(183,141)	(236,394)
General and Administrative Expenses	(32,226)	(30,727)	(38,257)
Depreciation and Amortization in Expenses	(12)	(12)	(12)
Other Net Income (Expenses)	(335,885)	(115,486)	(72,066)
<i>Other operational recipes</i>	(2,130)	3,580	4,018
<i>Other operational expenses</i>	(333,755)	(119,066)	(76,084)
Equity Income	26,613	6,742	19,992
Operating Income Before Financial Results	4,473,426	3,408,877	1,200,182
Net Financial Results	(638,802)	76,060	(87,227)
Financial Revenue	23,864	9,535	7,393
Financial Expenses	(71,565)	(90,595)	(62,065)
Net Exchange Variations	(591,101)	157,120	(32,555)
Result Before Tax and Social Contribution	3,834,624	3,484,937	1,112,955
Income Tax and Social Contribution	(1,333,984)	(1,122,276)	(292,954)
Net Income (Loss) for the Period	2,500,640	2,362,661	820,001

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

Adjusted Income Statement FOB Basis	2Q21	1Q21	2Q20
Net Revenue	7,693,326	5,638,570	2,877,230
Freight and Maritime Insurance	(348,618)	(165,049)	(204,140)
Net Revenue - FOB Basis	7,344,708	5,473,521	2,673,090
COGS	(2,427,624)	(1,907,069)	(1,350,311)
COGS without depreciation	(2,254,686)	(1,760,049)	(1,211,403)
Depreciation	(172,938)	(147,020)	(138,908)
Gross Profit - FOB Basis	4,917,084	3,566,452	1,322,779
Adjusted Gross Profit - FOB Basis	67%	65%	49%
Adjusted SG&A Expenses - FOB Basis	(134,386)	(48,831)	(70,523)
SG&A Expenses	(483,004)	(213,880)	(274,663)
Freight and Maritime Insurance	348,618	165,049	204,140
Other Operating Income (expenses)	(335,885)	(115,486)	(72,066)
Equity Income	26,613	6,742	19,992
Net Financial Result	(638,802)	76,060	(87,227)
Profit before Tax and Social Contribution	3,834,624	3,484,937	1,112,955
Current Income tax and Social Contribution	(1,333,984)	(1,122,276)	(292,954)
Net Profit	2,500,640	2,362,661	820,001

**BALANCE SHEET
IN THOUSANDS OF REAIS**

	6/30/2021	3/31/2021
Current Assets	13,838,984	8,714,352
Cash and Cash Equivalents	9,065,450	5,116,457
Financial Investments	1,886	1,431
Accounts Receivable	3,629,355	2,693,170
Inventory	949,040	608,621
Taxes to be recovered	41,010	29,622
Other Current Assets	152,243	265,051
Prepaid Expenses	91,779	92,543
other	60,464	172,508
Non-Current Assets	13,486,985	13,090,264
Taxes to be recovered	94,358	77,746
Inventory	428,434	381,175
Other Non-Current Assets	243,125	264,527
Prepaid Expenses	175,910	200,511
other	67,215	64,016
Investments	1,271,294	1,236,512
Immobilized	7,221,814	6,894,524
Fixed assets in operation	5,042,709	4,921,380
Right of Use in Lease	86,304	87,419
Assets in Progress	2,092,801	1,885,725
Intangible	4,227,960	4,235,780
TOTAL ASSET	27,325,969	21,804,616
CURRENT LIABILITIES	6,372,933	4,400,123
Social and Labor Obligations	84,912	69,211
Suppliers	1,958,788	1,619,709
Tax Obligations	2,605,027	1,521,982
Loans and Financing	255,410	58,858
Adiantamento de clientes	967,924	958,304
Advance of customers	288,405	-
Other obligations	206,193	165,016
Arcane liabilities	7,592	7,881
Derivative financial instruments	32,155	-
Other obligations	166,446	157,135
Labor and Civil Social Security Tax Provisions	6,274	7,043
Non-Current Liabilities	5,462,071	4,159,918
Loans, Financing and Debentures	2,914,860	1,336,424
Suppliers	57,824	79,768
Advance of customers	1,250,461	1,510,889
Environmental liabilities and deactivation	474,243	460,050
Other Obligations	291,679	299,565
Arcane liabilities	79,215	79,459
Tributes to be collected	146,317	156,189
Other accounts payable	66,147	63,917
Deferred Taxes	417,928	417,936
Provisions for Environmental Liabilities and Deactivation	55,076	55,286
Equity	15,490,965	13,244,575
Realized Share Capital	7,473,980	7,473,980
Capital Reserve	127,042	119,478
Profit Reserves	2,673,030	2,961,436
Profit/(loss)Accumulated	4,863,301	2,362,662
Equity Valuation Adjustments	322,635	322,635
Other Comprehensive Results	30,977	4,384
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	27,325,969	21,804,616

**CASH FLOW
CONSOLIDATED - Corporate Law - In Thousands of Reais**

	2Q21	1Q21	2Q20
Net Cash Flow from Operating Activities	2,598,688	2,420,668	381,281
Net income / Loss for the period	2,500,639	2,362,662	401,241
Equity income	(26,613)	(6,742)	20,434
Exchange and monetary variations	(20,342)	22,256	24,736
Interest on leases	1,743	1,781	1,716
Losses with derivative instrument	259,796	64,130	-
Depreciation and amortization	177,493	154,026	146,989
Current and deferred income tax and social contribution	1,333,984	1,122,276	205,903
other	557	(11,006)	3,582
Change in assets and liabilities	(1,157,657)	87,330	(191,794)
Accounts receivable from customers	(1,006,961)	164,377	26,480
Inventory	(387,678)	(130,053)	(91,221)
Taxes to be recovered	(28,000)	36,180	(24,323)
Other assets	82,825	(76,572)	24,306
Advance Supplier - CSN	25,365	21,988	20,289
Suppliers	298,097	191,652	27,920
Salaries, provisions and social contributions	15,702	3,260	1,838
Tributes to be collected	13,201	19,270	(37,444)
Advance Client - Glencore	(194,691)	(149,885)	(130,567)
Other accounts payable	24,481	7,112	(9,072)
Other payments and receipts	(470,911)	(1,376,045)	(231,526)
Hedge Accounting cash flow	(176,244)	(76,150)	-
Dividends received MRS	-	-	-
Income tax and social contribution paid	(279,816)	(1,293,342)	(214,548)
Interest paid on loans and financing	(14,850)	(6,553)	(16,978)
Cash Flow from Investment Activities	(466,903)	(132,832)	(131,816)
Acquisition of fixed assets	(466,903)	(132,832)	(131,816)
Cash Flow from Financing Activities	1,817,208	(143,900)	(10,858)
Payment of the principal on loans	(13,828)	(13,992)	(7,107)
Captures	1,935,627	-	-
Primary issue of shares	-	1,347,862	-
Transaction cost	(102,315)	-	-
Dividends paid	-	(1,068,207)	-
Interest on capital as same as rr io	-	(404,941)	-
Lease liabilities	(2,276)	(4,622)	(3,751)
Increase in Cash and Cash Equivalents	3,948,993	2,143,935	238,607
Cash and cash equivalents at the beginning of the period	5,116,457	2,972,521	428,077
Cash and cash equivalents at the end of the period	9,065,450	5,116,457	666,684