



3Q21 EARNINGS CALL

November 4, 2021

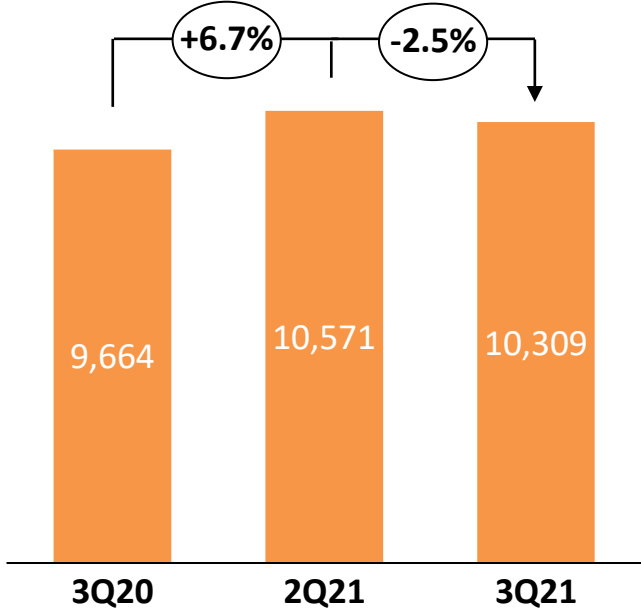


HIGHLIGHTS

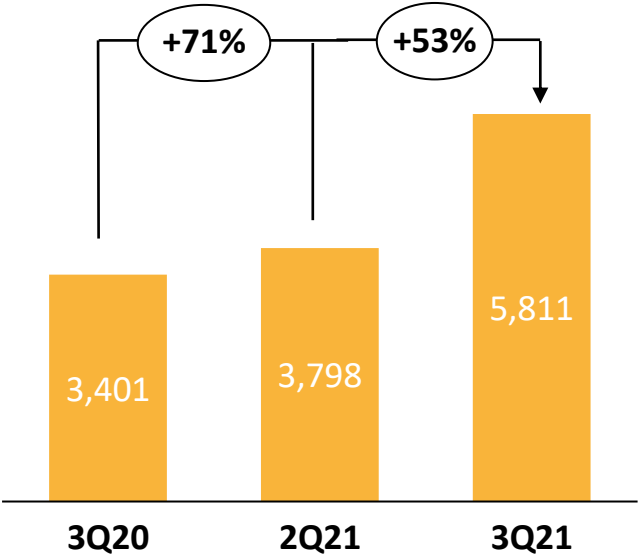
- 1** Quarterly EBITDA negatively impacted by the combination of (i) lower sales volume, (ii) sharp drop on the Platts index, (iii) effect of the quotation periods and (iv) more expensive sea freight.
- 2** The Free Cash Flow reached R\$ 3,925MM in 3Q21, positively impacted by the reduction in working capital.
- 3** Quality improvement projects in the final stretch: recrushing in the commissioning process, CMAI 3 starting the testing phase in October.
- 4** 1st BuyBack program concluded with a total of 91% of shares repurchased, of which 30.2 million shares were repurchased during 3Q21. Opening of the 2nd BuyBack Program covering over 53 million shares.

PRODUCTION VOLUME AND INVENTORY

TOTAL PRODUCTION¹
(Thousand tons)



IRON ORE INVENTORY
(Thousand tons)

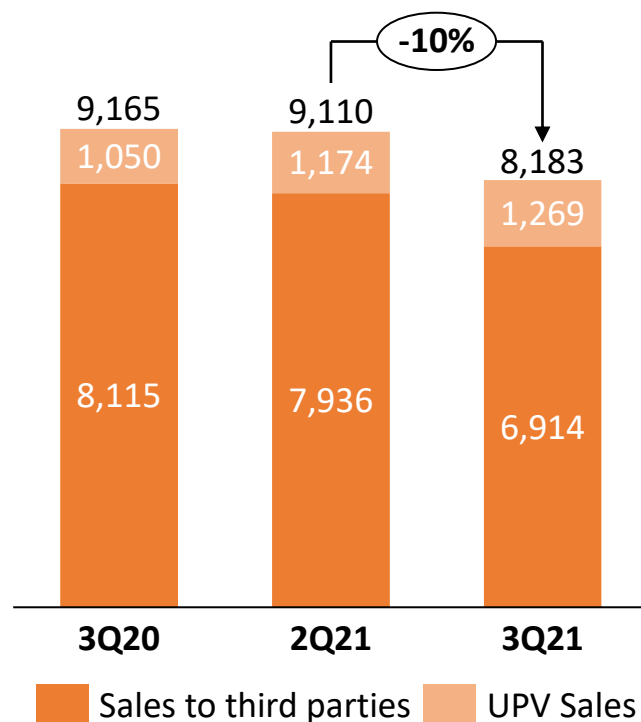


- ⚙ Small decrease in 3Q21 production is a direct result of lower volume of third-party ore purchases. On the other hand, the amount of in-house production was 4% higher, which reflects the seasonality of the period and the best yield of production;
- ⚙ Volume of 1.2Mton of unsold cargo on its way to China and commercial strategy to favor quality over volume, explain the variation in inventory in the period.

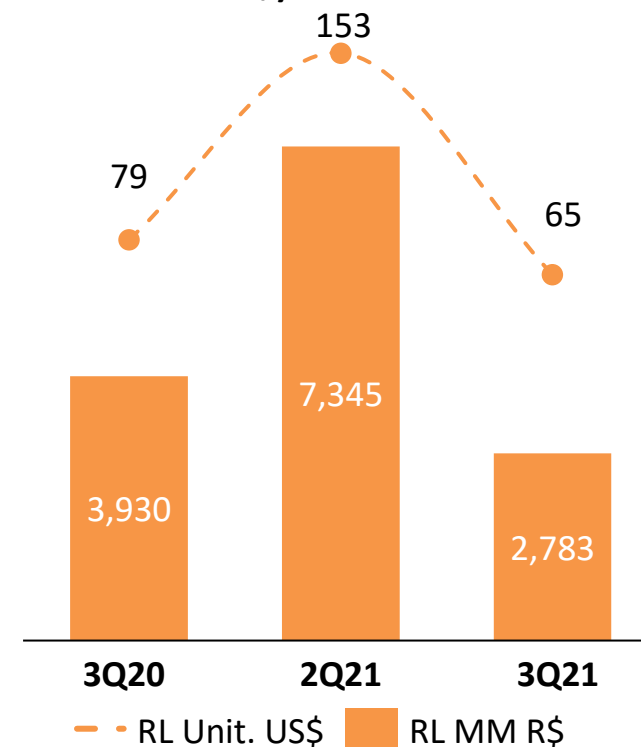
Source: CSN Mineração / Note 1: Net Revenue is a composition of the FOB Itaguaí export price and the domestic market price FCA Casa de Pedra.

SALES AND FOB NET REVENUE

SALES VOLUME
(Thousand tons)



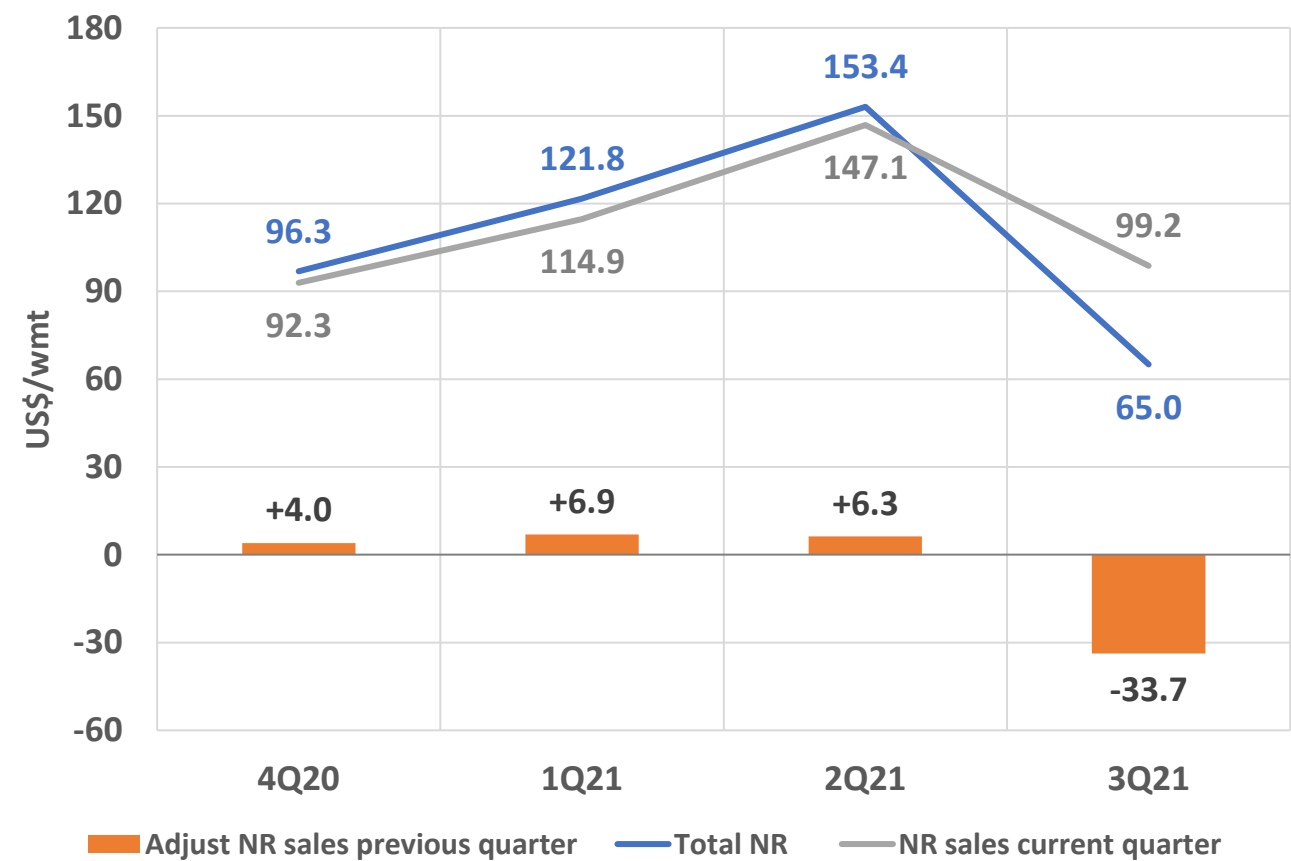
FOB NET REVENUE
(R\$ MM and Unit US\$)¹



- ⚙ Lower sales volume due to the strategy of keeping a not yet sold shipped volume at the end of the quarter;
- ⚙ FOB adjusted net revenue of \$65.03/t, impacted by Platts' contraction, in addition to the effects of the quotation periods and increased freight.

IMPACT OF THE QUOTA PERIOD

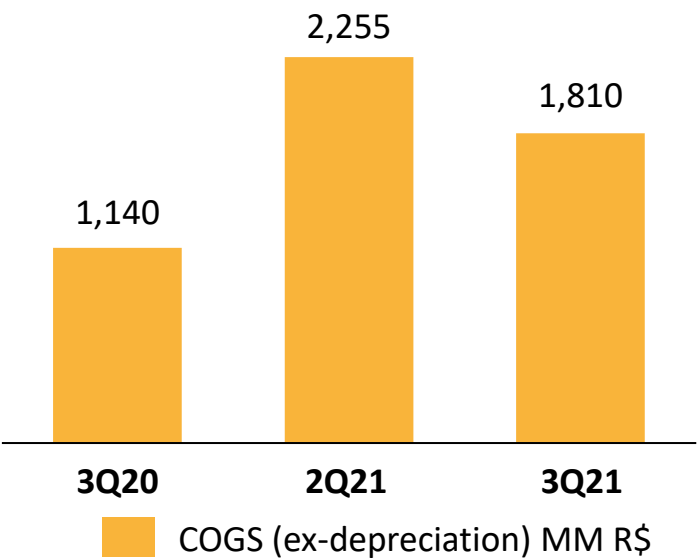
UNIT NET REVENUE - LTM



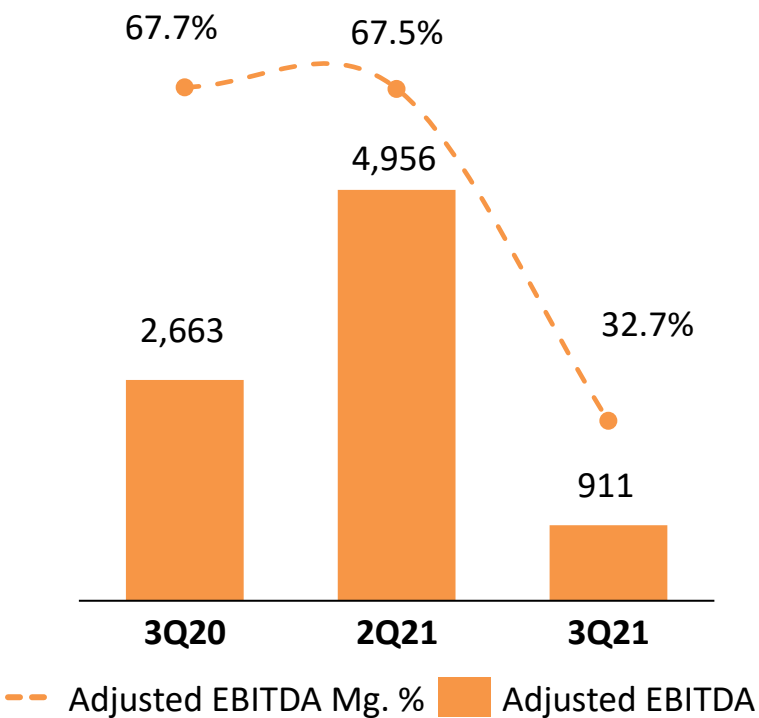
- CMIN's unit net revenue is impacted by the price variation applied to volumes from previous quarters with exposure to future prices (in 3Q21 there were 5.3Mt of open loads);
- With Platts' unprecedented fall in the second to the third quarter, the non-recurring effect, in this magnitude, of the price change on loads from previous periods was enhanced;

COGS AND EBITDA

COGS (EX-DEPRECIATION)
(R\$ MM)

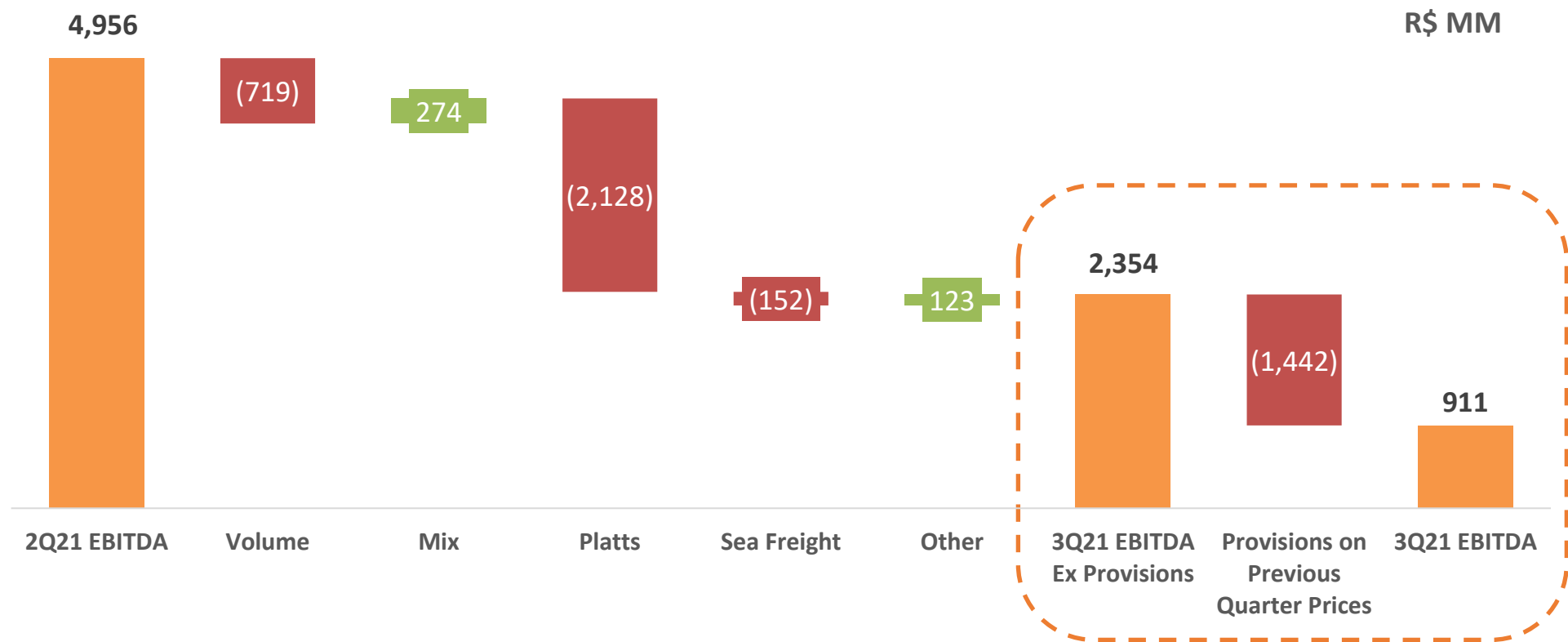


ADJUSTED EBITDA AND ADJUSTED MARGIN
(R\$ MM e %)



- ✚ The reduction in COGS is the result of Platts' decline and the Company's strategy to reduce the proportion of third-party ore purchased, in response to the current market;
- ✚ Despite the reduction in COGS in 3Q21, Platts' \$129/dmt decline over the quarter put pressure on CMIN's unit net revenue and margins.

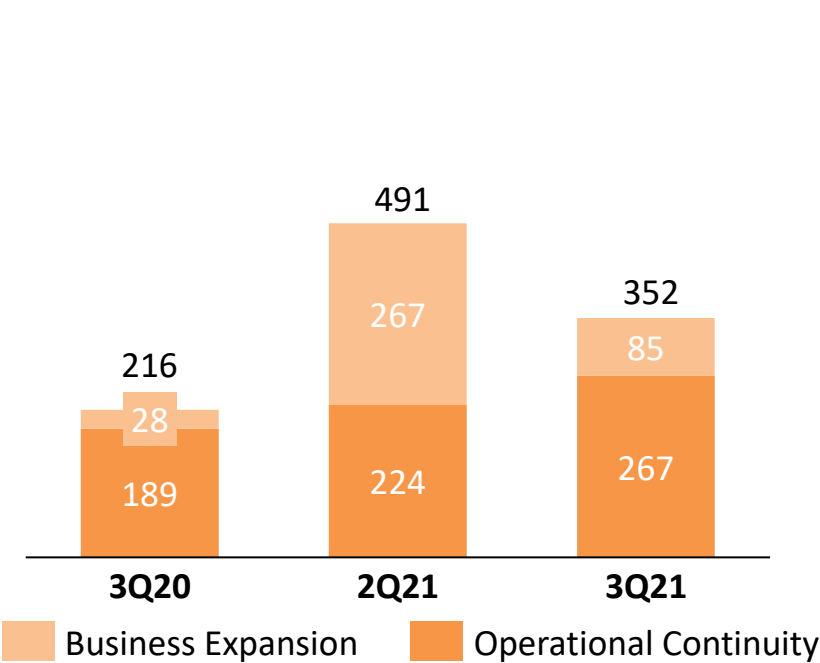
ADJUSTED EBITDA BY PROVISIONS



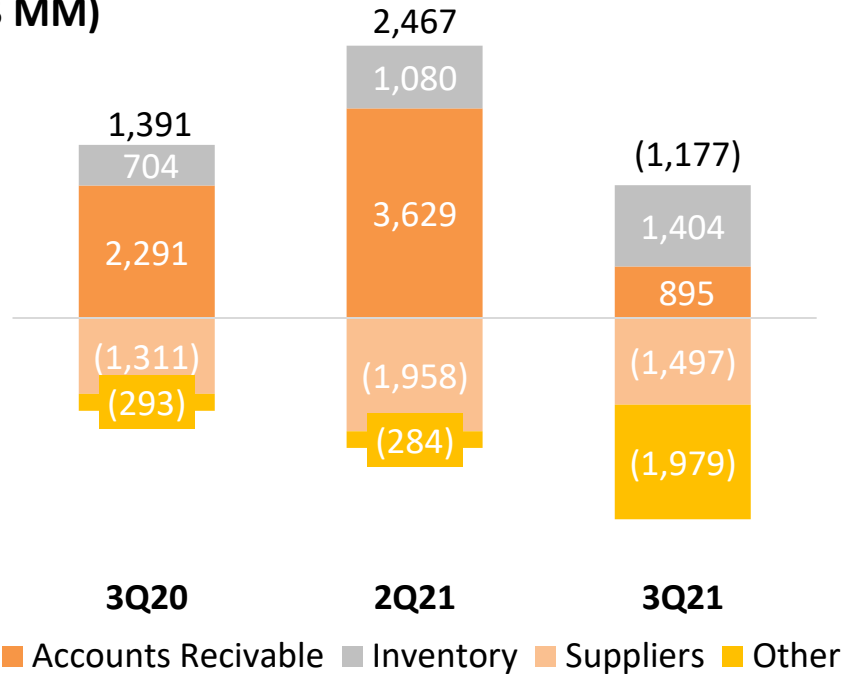
🔗 Normalized EBITDA, without the effect of the provisions, was R\$ 2,354 million in 3Q21, a two-fold level greater than the final EBITDA, which demonstrates the relevance of this non-recurring event on the results of the period.

INVESTMENTS AND NWC

INVESTMENTS¹
(R\$ MM)

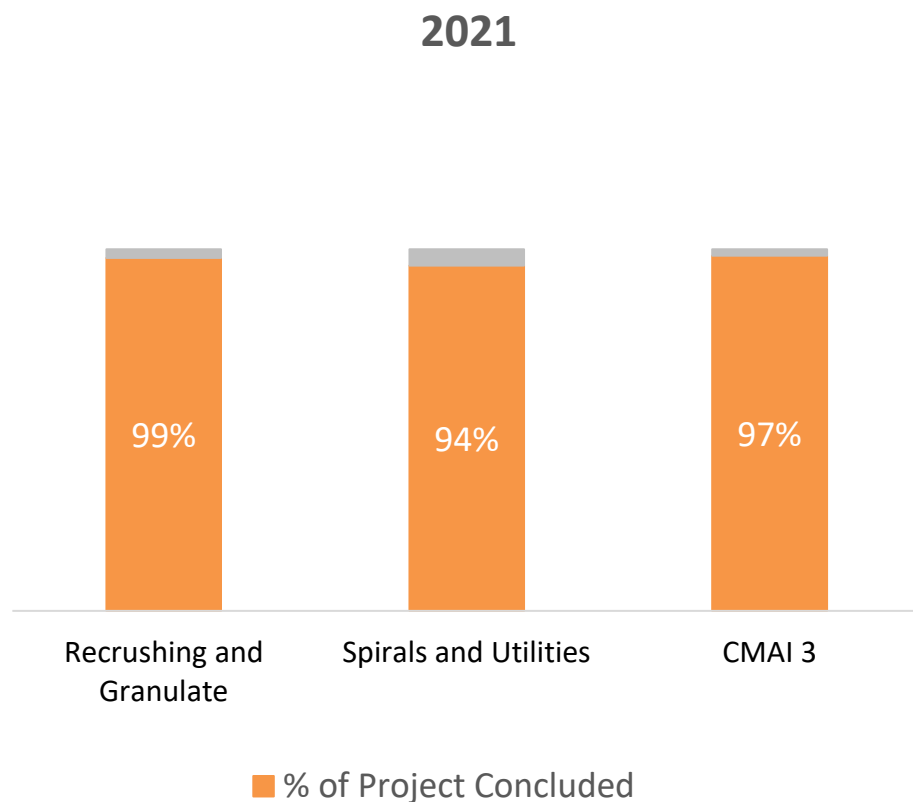


NET WORKING CAPITAL
(R\$ MM)



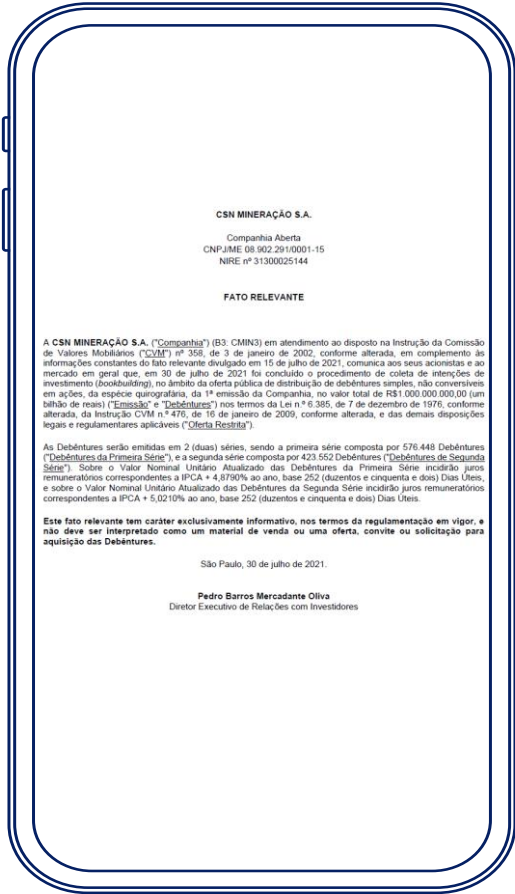
- Investments were concentrated in projects related to increasing production and quality. On the other hand, the decrease in expansion investments was already expected since the magnetic concentration (CMAI III) and recrushing projects entered the testing period.
- In relation to net working capital, we can observe a sharp reduction in accounts receivable due to the devaluation of iron ore and lower sales in the period, in addition to the increasing volumes on inventories.

STATUS OF THE MAIN PROJECTS OF 2021



- ⚙ Magnetic concentration (CMAI III) and recrushing projects are already in the final stretch and have entered the testing period.
- ⚙ The operational kickoff of these projects will support a quality improvement for 2022

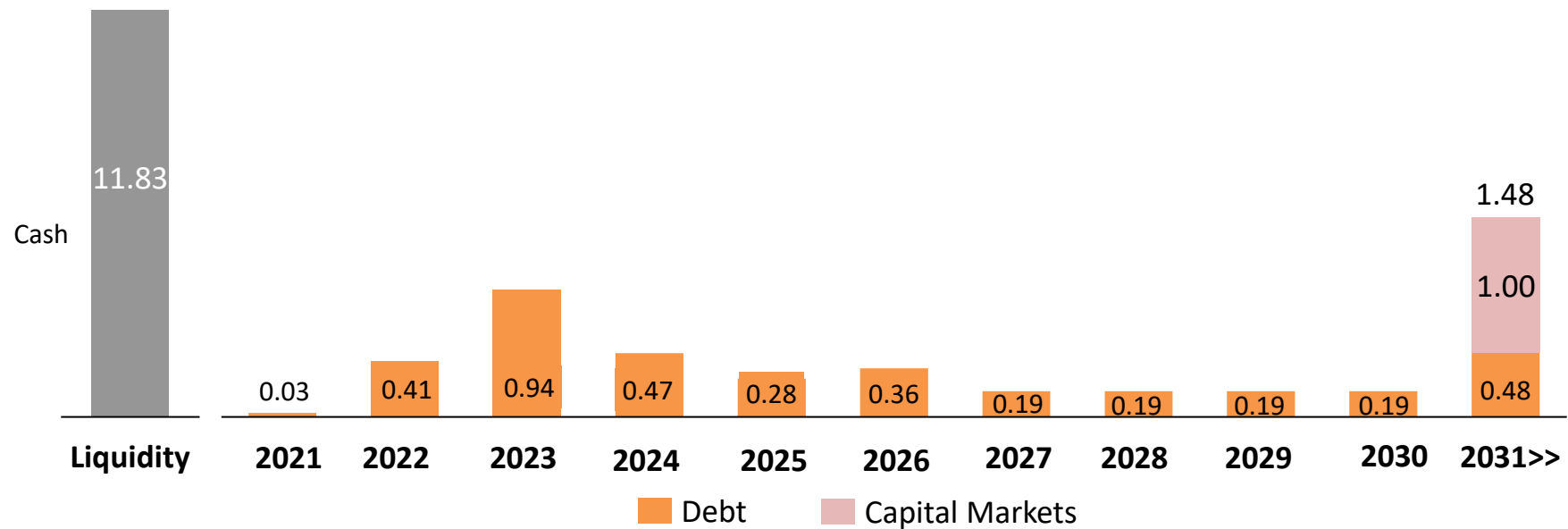
FIRST ISSUE OF DEBENTURES



In August, CSN Mineração made its first debentures issuance in the total amount of R\$ 1Bi in two series, the first with INTEREST of IPCA + 4.8790% p.a. (58%) and the second being IPCA + 5.0210% p.a.. The funds will be used to finance the expansion project of the TECAR port terminal.

AMORTIZATION SCHEDULE

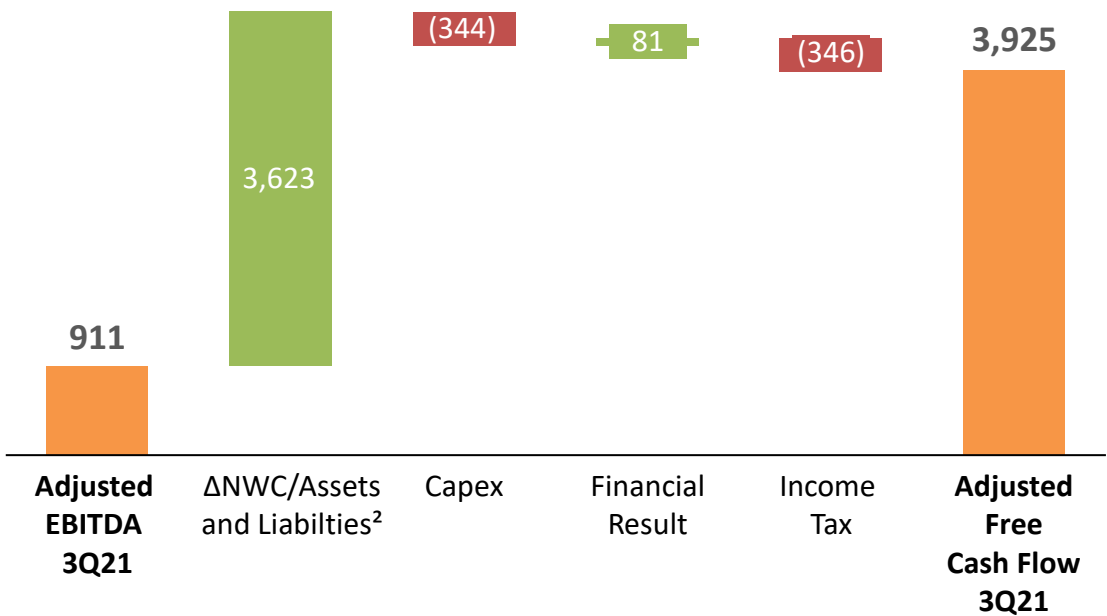
AMORTIZATION SCHEDULE
(R\$ BI)



➦ Amortization schedule after the issuance of the company's first debenture. In 3Q21, CSN Mineração had a cash of R\$ 11.8 billion, representing an increase of 30% over last quarter.

FREE CASH FLOW

FREE CASH FLOW (R\$ MM)



- ⚙ The combination of a reduction in working capital and exchange variation resulted in an increase in the Company's Adjusted Cash Flow.
- ⚙ This performance reinforces the sustainability of the business and the resilience of the Company in delivering a strong cash generation, even in a period with great pressures on results.

Source: CSN Mineração / Note 1 – The concept of adjusted cash flow is calculated based on Adjusted Ebitda, subtracting CAPEX, IR, Financial Result and changes in Assets and Liabilities², excluding the effect of the Glencore advance. / Note 2 - The ΔCCL/Assets and Liabilities ² is composed of the change in Net Working Capital, plus the change in long-term assets and liabilities accounts and disregarding the net change in income tax and social contribution.



ENVIRONMENTAL AND SOCIAL MANAGEMENT

ENVIRONMENTAL AND SOCIAL IMPACT - ESG



COMMUNICATION AND CLIMATE ACTION

- ✓ Launch of the 1st Integrated Report (2020);

DAMS and WATER

- ✓ Completion of a new audit cycle **with Stability Statements** issued in September, and zero level of emergency in all dams;
- ✓ Compared to 2020, **18% reduction** in new water consumption for ore production/ton;

SOCIAL AND DIVERSITY

- ✓ Increase of **27%** in the Female participation in the Company, from **14.13%** in December to **17.95%** in September/21;
- ✓ **10%** increase in PCD representativeness;



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