



2Q21 EARNINGS CALL

July 28, 2021



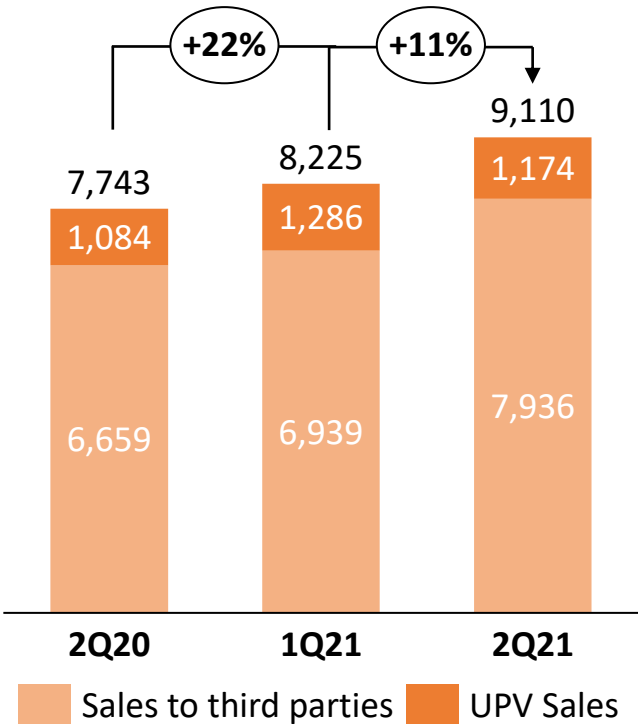
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HIGHLIGHTS 2Q21

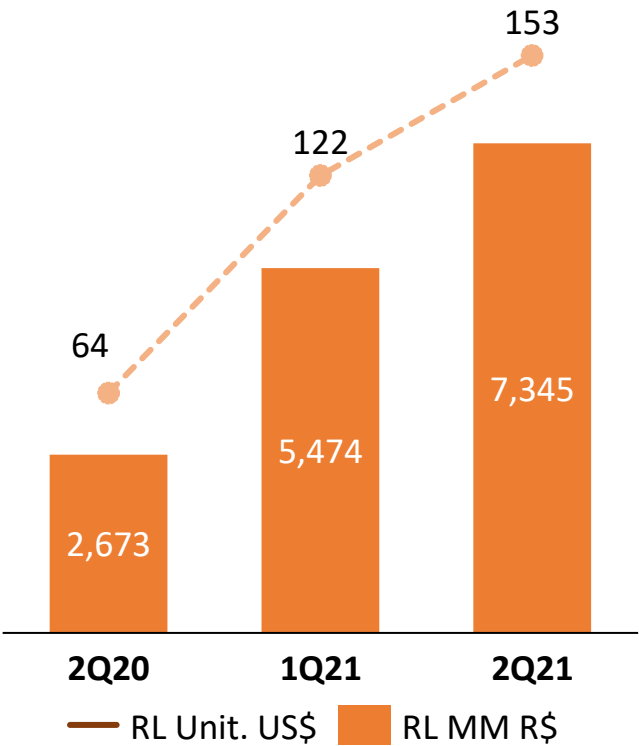
- 1 Record quarterly **EBITDA** of R\$5 billion, supported by the price of ore in the international market and the increase in production in 2Q21;
- 2 **Free Cash Flow** reached **R\$2,886MM in 2Q21**, positively impacted by strong operating performance;
- 3 In 2Q21, the Company contracted its first **long-term financing** at competitive cost to finance its capacity addition projects;
- 4 **Expansion projects** in full swing: final assembly of the optimization of the central plant (CMAI3, re-grinding, spirals) and conclusion of the contracting of engineering teams for other projects;
- 5 Approved the distribution of R\$1.8 billion in interim dividends for the year 2021 and the payment of the remaining balance of R\$288 million from 2020, totaling R\$2.1 billion to be distributed on 8/10/2021.

SALES AND FOB NET REVENUE

SALES VOLUME
(Thousand tons)



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

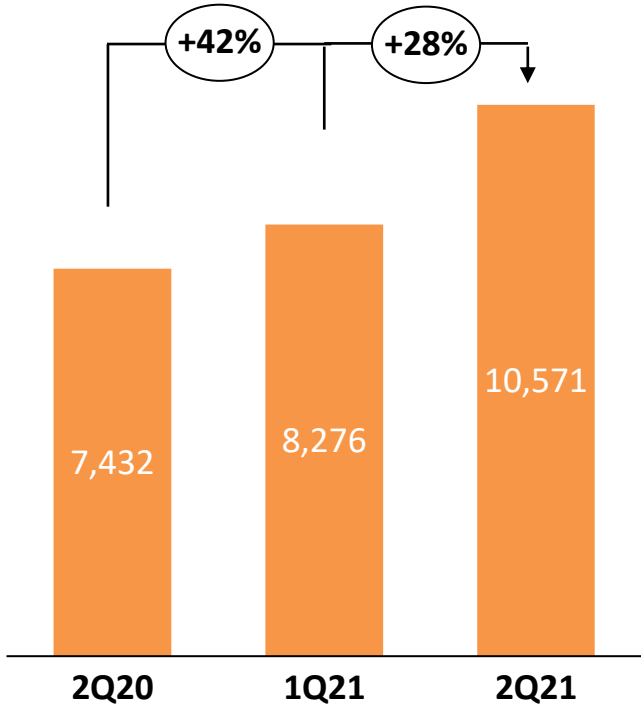


🔗 FOB adjusted net revenue 34.2% higher than in the previous quarter, driven by price increases in the foreign market and higher sales volume.

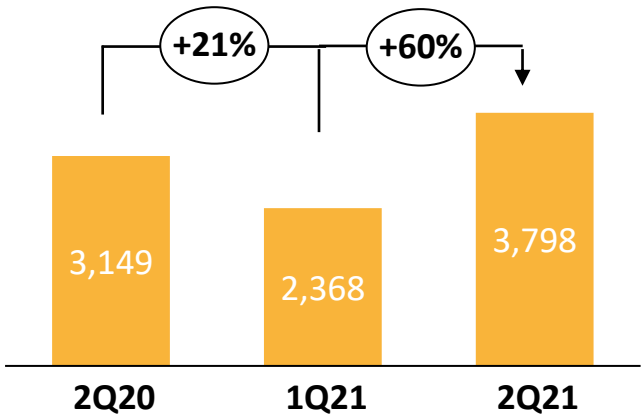
Source: CSN Mineração / Note 1: Net Revenue is a composition of the FOB Itaguaí export price and the domestic market price FCA Casa de Pedra.

PRODUCTION VOLUME AND INVENTORY

TOTAL PRODUCTION¹
(Thousand tons)



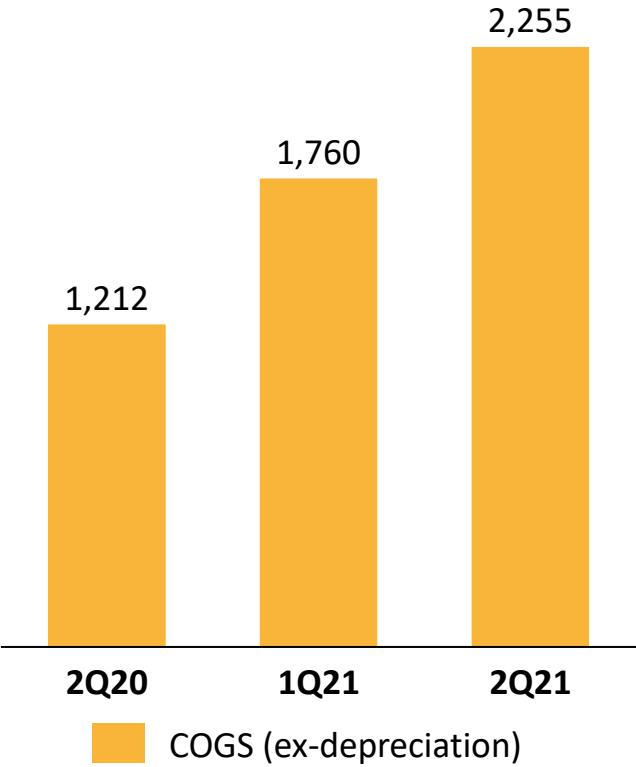
IRON ORE INVENTORY
(Thousand tons)



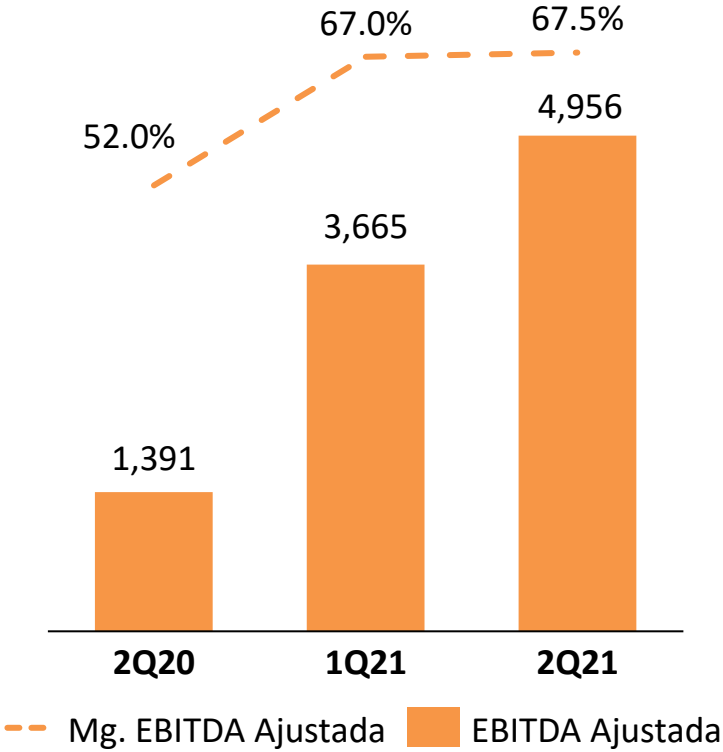
- ⚙ The good operational performance favored by the low rainfall in 2Q21 allowed for a strong production yield;
- ⚙ There was also a strong recovery of inventory in the period.

COGS AND EBITDA

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



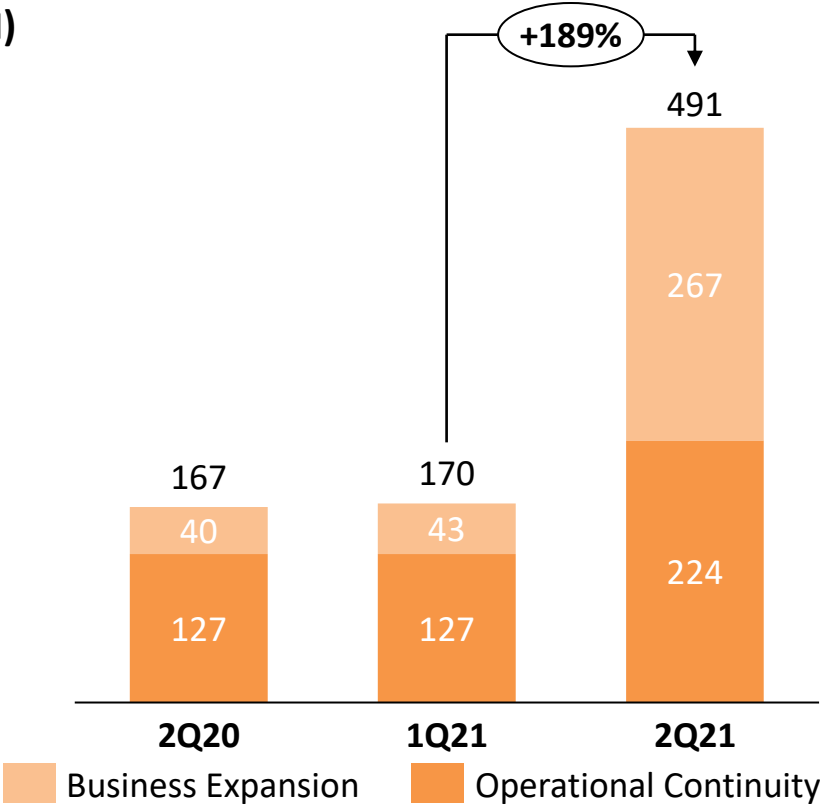
ADJUSTED EBITDA AND ADJUSTED MARGIN
(R\$ MM e %)



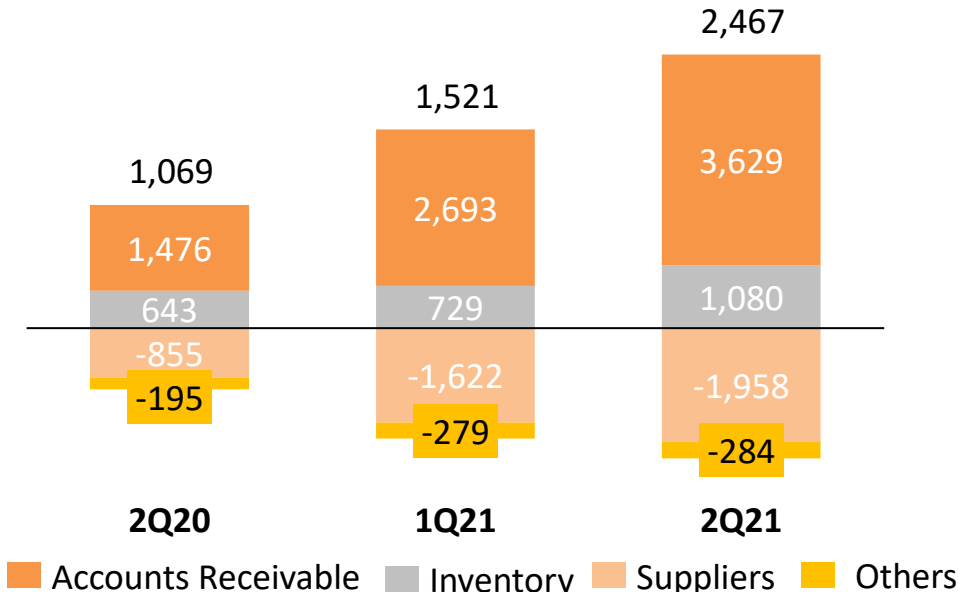
Record revenue levels kept the EBITDA margin at one of the highest levels in the global market. EBITDA of R\$ 5bn is 3.5x higher than that recorded in the same period in 2020.

INVESTMENTS AND NWC

INVESTMENTS¹
(R\$ MM)



NET WORKING CAPITAL
(R\$ MM)



As expected, there was an acceleration in investments this quarter as a result of acquisitions of large equipment and disbursements related to projects to expand capacity and operational improvement, as well as spare parts to support the Casa de Pedra operation.

Source: CSN Mineração / Note 1 - Investments include acquisitions through loans and financing.

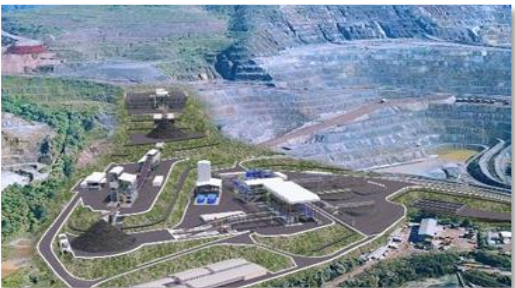
STATUS OF THE MAIN EXPANSION PROJECTS



Expansion of the Planta Central



Tailing's recovery



Itabirito Project P15 and P4

ADDITIONAL CAPACITY & CAPEX

+6 Mtpa
R\$1,2Bn

+8 Mtpa
R\$1,1Bn

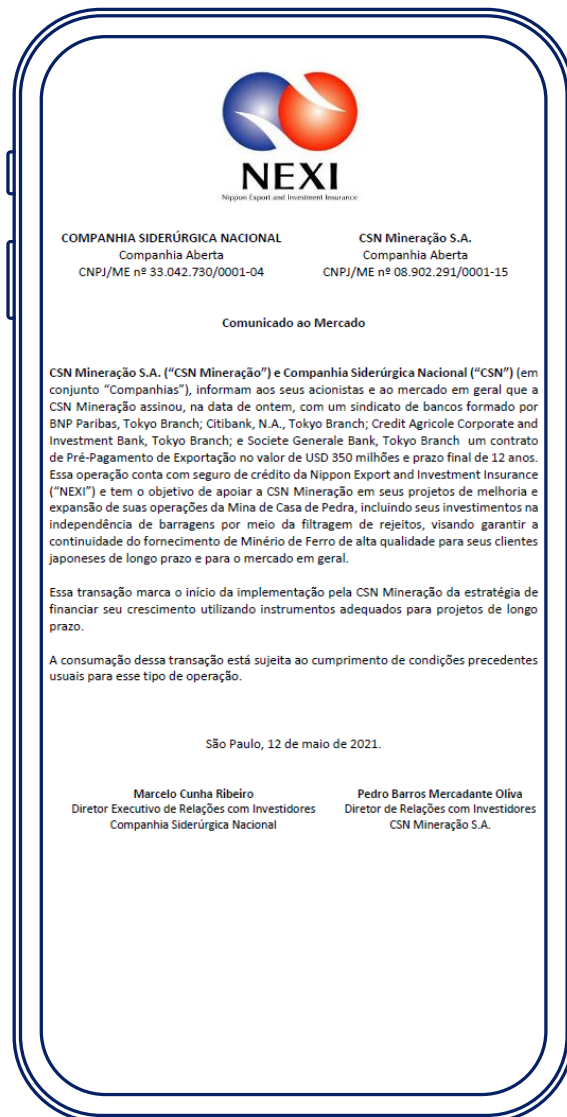
+19.4 Mtpa
R\$4,0Bn

CURRENT STATUS

- ✚ Hiring of all foreseen engineering staff, totaling 150 employees;
- ✚ Advanced negotiation of equipment purchase contracts for the P15 project (crushing, grinding, flotation, screening, thickening);
- ✚ Final assembly of the optimization projects of the Central Plant (CMAI3, re-grinding, spirals);
- ✚ CMAI B4/Lamas with advanced conceptual and basic engineering;

Expected start for 2022/2023/2024

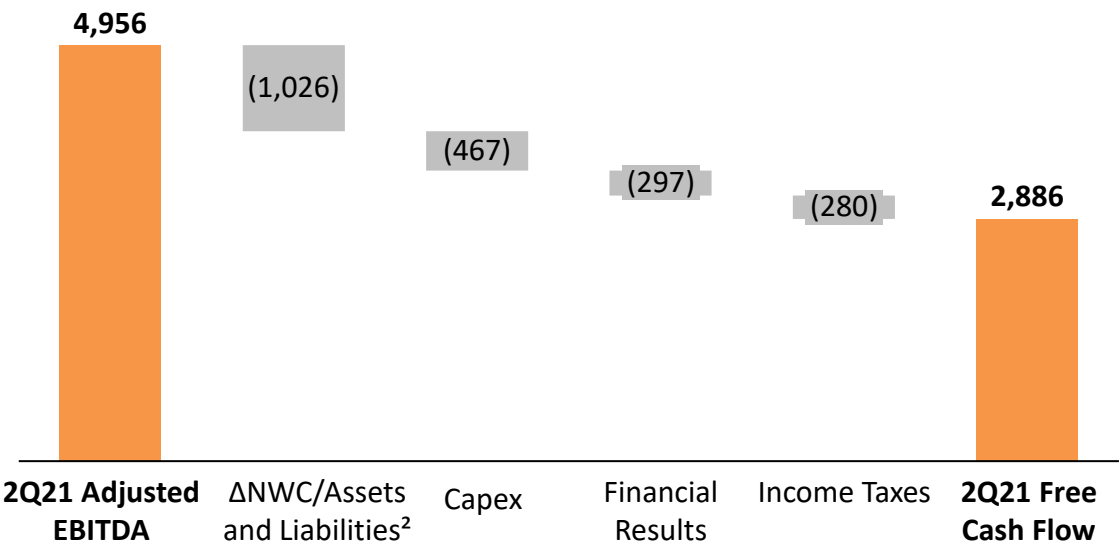
SEARCH FOR ATTRACTIVE FINANCING FOR LONG-TERM PROJECTS



- ✚ In May, CSN Mineração signed with a syndicate of banks an Export Prepayment Agreement in the amount of USD 350 million with a term of 12 years. This operation has credit insurance from NEXI and is intended to support projects to improve and expand the operations of the Casa de Pedra Mine.

FREE CASH FLOW

FREE CASH FLOW
(R\$ MM)

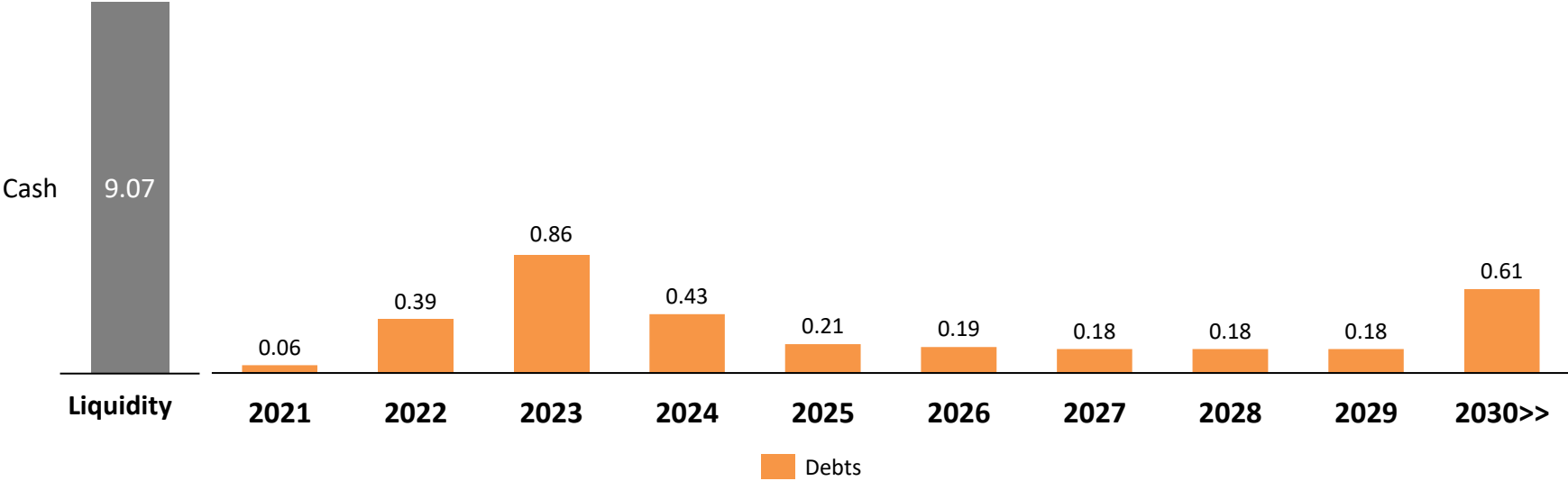


🔗 The adjusted cash flow achieved by the company reinforces the sustainability of the business and the effect of the good pricing moment in the international market. Additionally, the result achieved will become an important source of financing for long-term projects and payment of dividends.

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.

AMORTIZATION SCHEDULE

AMORTIZATION SCHEDULE
(R\$ BI)



✚ The company’s Cash Flow went from R\$5.12bn in 1Q21 to R\$9.07bn in 2Q21, an increase of over 77%, as a result of the strong cash generation observed in the period.

A close-up photograph of a robotic arm in a factory. The arm has a green motor housing and is wrapped in yellow tape. It is positioned over a metal workpiece. The background is blurred, showing industrial equipment. A semi-transparent red rectangle is overlaid on the left side of the image, containing the text "CSN INOVA" in white.

CSN INOVA

PARTNERSHIP WITH ITOCHU TO ACCELERATE THE DECARBONIZATION OF THE PRODUCTIVE PROCESS

CSN Mineração firma parceria para descarbonização e transformação digital em suas operações

Empresa assinou um MoU com a Itochu, integrante do consórcio asiático que é um dos seus principais acionistas, sobre colaboração com os Objetivos de Desenvolvimento Sustentáveis (ODS)

A CSN Mineração e a Itochu, multinacional japonesa e sócia minoritária da companhia, celebram a assinatura de um memorando de entendimentos (MoU – Memorandum of Understanding) para acelerar a descarbonização dos seus processos produtivos e impulsionar sua transformação digital, a fim de aumentar a eficiência da mina Casa de Pedra (CdP), uma das maiores e mais importantes do País, localizada em Congonhas (MG). O acordo firmado pelas duas gigantes prevê potenciais parcerias comerciais com empresas de tecnologia do Japão e de outros países para promover os Objetivos de Desenvolvimento Sustentável (ODS) da ONU nas operações da mineradora.

"Estamos muito felizes com essa parceria, que demonstra mais uma ação importante na construção de um novo capítulo de inovação e sustentabilidade na história da mineração. A CSN

- ✚ MOU signed with ITOCHU to accelerate the decarbonization of production processes and drive digital transformation in order to increase the Casa de Pedra mine efficiency;
- ✚ In addition to signing the MOU, the first stage of contributions has already begun: ITOCHU and its partner GE Digital have started a digital transformation project in Casa de Pedra.



ENVIRONMENTAL AND SOCIAL MANAGEMENT

ENVIRONMENTAL AND SOCIAL IMPACT - ESG

COMMUNICATION AND CLIMATE ACTIONS

- ✓ Reporting to **CDP**;
- ✓ Completion of the GEE **Inventory**;
- ✓ Construction of the TCFD **Risk Matrix**;
- ✓ Creation of **Grupo Clima**;
- ✓ Signature of the **MOU** with ITOCHU Corporation.

DAMS AND WATER

- ✓ **Started** the works on the Vigia Dam's belt waterway;
- ✓ Compared to 2020, **12% reduction** in new water consumption for production/ton of ore;
- ✓ **100%** of effluents within the legal limit.

SAFETY

- ✓ **13.8%** reduction in the Reportable Accident Frequency Rate (CAF+SAF) compared to the same period in 2020.

ENVIRONMENTAL PROTECTION

- ✓ We preserve and protect more than **4,000** hectares, an area **3x** larger than our operational area;
- ✓ Revegetation of **18.6** hectares in the period;
- ✓ **100%** renewable energy;
- ✓ **100%** of PTS (Total Suspended Particles) and PM (Particulate Matter) measurements, within the legal limit.

SOCIAL AND DIVERSITY

- ✓ **CSN Group joins MOVER** - Movement for Racial Equity;
- ✓ **26.52%** increase in the female participation in the Company, from **13.92%** in January to **15.99%** in June/21;
- ✓ **3,203** teenagers impacted by the projects carried out by CSN Institution in the period.





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