



São Paulo, February 22, 2021

## Financial Results of 2020 and Fourth Quarter

**CSN Mineração** presents its fourth quarter financial results of 2020 (4Q20) in Brazilian Reais, with all our financial demonstrations developed and in conformity with the International Financial Reports Standards (IFRS), issued by the International Accounting Standards Board (IASB). It is also in accordance with Brazilians accounting practices and converging in plenitude with international accounting norms issued by the *Comitê de Pronunciamentos Contábeis (CPC)* and referenced by the *Comissão de Valores Mobiliários (CVM)* in consonance with CVM's instruction nº 485 from 09/01/2010.

All comments in this document refers to the consolidated financial results of the **Companies fourth quarter of the year 2020 (4Q20) and the entirety of the year 2020**. The comparisons are relative to the third quarter of 2020 (3Q20) and of the fourth quarter of 2019 (4Q19). The dollar exchange currency at 12/31/2020 was R\$5.1967, at 09/30/2020 it was R\$5.6407 and at 12/31/2019 it was R\$4.0307.

## Operational and Financial Highlights

2020

4Q20

### SUBSTANCIAL PRICE PERFORMANCE AND RECORD RESULTS

Mining EBITDA reaching **R\$8,143MM**, linked with high price conduct.

### HISTORICAL RESULTS

Historical Quarter EBITDA scores in Mining attaining R\$3,176MM, surpassing 19.3% of the 3Q20 amount, due to rising in prices.

Net Revenue of R\$4,516MM in virtue of positive price fluctuations, partially atoned by selling volume reduction.

### ROBUST CASH POSITION AND LOW FINANCIAL LEVERAGE

Strong free cash flow generation of **R\$5.510MM** positively influenced by the Company's operating performance with high prices and exchange rates at a favorable export trade level. The Company ended 2020's financial year with a cash balance of R\$2,974MM and low leverage, with debt of R\$1,325MM.

### STRONG CASH GENERATION AND DIVIDEND DISTRIBUTOR

Strong free cash flow generation of **R\$1.828MM** positively determined by strong increase in the Platts Index during last quarter. With an excellent operating performance, the Company distributed dividends in 4Q20 in the total amount of R\$1,300MM and deliberated interest on equity of R\$405MM.

### IPO PREPARATION

Primary offer brings **R\$ 1.3 billion** to the cash, in order to accelerate the Itabirito P15 project

**Consolidated Framework CMIN**

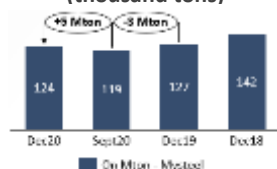
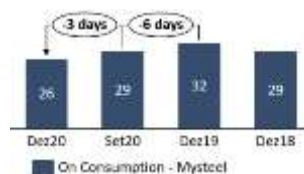
	4Q20	3Q20	4Q19	2019	2020	4Q20 x 3Q20	4Q20 x 4Q19	2020 X 2019
<b>Iron Ore Sales (thousand tons)</b>	<b>8,638</b>	<b>9,165</b>	<b>10,334</b>	<b>38,545</b>	<b>31,155</b>	<b>-6%</b>	<b>-16%</b>	<b>-19%</b>
- Domestic Market	998	1,050	953	3,649	4,217	-5%	5%	16%
- Foreign market	7,640	8,115	9,382	34,896	26,938	-6%	-19%	-23%
<b>Consolidated Results (R\$ million)</b>								
Net Revenue <sup>(1)</sup>	4,516	3,930	2,514	9,992	12,757	15%	80%	28%
Gross Profit	2,498	2,625	1,212	5,627	7,277	-5%	106%	29%
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>3,176</b>	<b>2,663</b>	<b>1,290</b>	<b>5,900</b>	<b>8,143</b>	<b>19%</b>	<b>146%</b>	<b>38%</b>
<sup>(1)</sup> Ebtida Margin %	70.34%	67.74%	51.30%	59.05%	63.83%			

<sup>1</sup> Adjusted EBITDA is calculated from net income (loss), plus depreciation and amortization, taxes on profit, net financial income and the results of other operating income/expenses.

<sup>2</sup> 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.

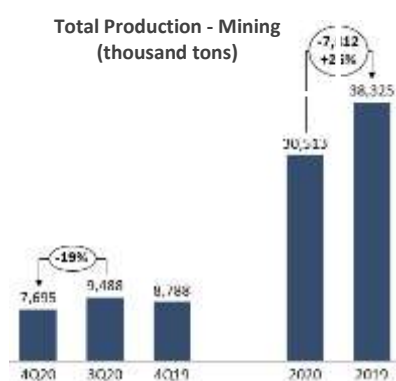
**Operational Result CSN Mineração**

China's economic stimulus during the entirety of the year 2020 granted a strong margin recuperation and heated the iron demand during 4Q20. The increase in demand ballooned the referenced prices, in consideration with the limited offer in the transoceanic market. The ore inventory in ports and power plants remain in a low level, granting high selling prices. In this context, **the iron ore finished the 4Q20 with an average of US\$133.7/dmt (Platts, Fe62%, N. China) 13% higher in relation to the 3Q20 (US\$118.2/dmt)**. On annual bases, the price average in 2020 was **US\$108.9/dmt, 17% higher than 2019 (US\$93.4/dmt)**.

**Inventory of Iron Ore in Ports**  
 (thousand tons)

**Inventory of Iron Ore in Mills**


In relation to the **Sea Freight**, the maritime route BCI-C3 (*Tubarão-Qingdao*) reached an average of **US\$15.63/wmt** in 4Q20 **12.5% lower** than last quarter, due to seasonality. On annual bases the freight reached an average of **US\$14.82/wmt** in 2020, in contrast to last year's US\$18.60.

- In **4Q20, CMIN's production + iron ore purchase volume** totaled 7.7 million tons, 19% lower than the previous quarter, mainly due to higher levels of rain in the seasonal period and temporary restrictions related to COVID-19. In **2020**, production + purchase of third parties reached 30.5 million tons, 20% below 2019 as an result of an above-average climatic factors in the first quarter, delays in licensing of mining fronts, and impacts and measures related to the pandemic with a one-off increase in absenteeism levels, already reverted to new sales.
- Over 4Q20 the sales amount attained 8.6 million tons, 6% lesser than last quarter, due to fewer ore disponibility. On 2020 the sales amount decreased 20% in relation to last year because of a lower production caused by heavy rains.



\* Production Volume and Effective Purchasing

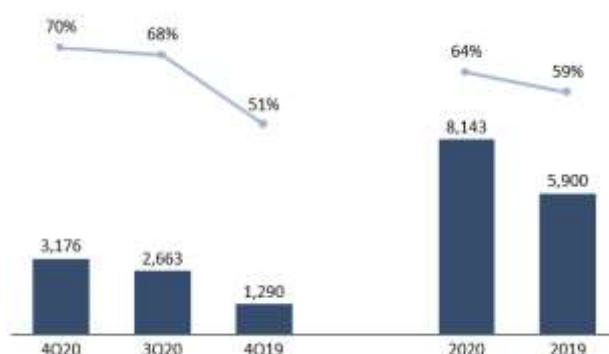
### Consolidated Result CSN Mineração

- Adjusted **net revenue** in 2020 and 4Q20 totaled R\$12.757 million and R\$4.516 million, respectively, being 28% and 80% higher than in 2019 and 4Q19, respectively. In an interest of an exchange rate devaluation and to Platts' rising price (+17% compared to 2019) despite the lower availability of ore for sale. Unit net revenue in 4Q20 was \$96.88 per wet ton, up 21.5% from the previous quarter.
- In 2020, the cost of products sold summed R\$5,481 million, 26% higher than in 2019, due to a higher purchase of third-parties ore, and the increased price of this asset. The cost of products sold from mining accounted R\$2,018 million in 4Q20, 55% higher than in 3Q20 due to the accelerated depreciation of the technical and functional obsolescence of dams, the rise of the Platts index in 4Q20 also impacted the cost of ore purchase. The cost C1 was USD16.5/t in 4Q20, an increase of 8% compared to 3Q20 mainly concentrated on a higher port expenditure, also impacted by the Platts Index.
- EBITDA reached R\$8.143 million and R\$3.176 million in 2020 and 4Q20, with both annual and quarterly records. EBITDA margin of 63.8% and 70.3%, respectively, as a reflection of Platts' appreciation.

	4Q20	3Q20	4Q19	2019	2020	4Q20 x 3Q20	4Q20 x 4Q19	2020 x 2019
Net income for the period	1,342	1,467	712	3,664	4,031	(125)	630	366
(+) Depreciation	767	164	132	468	1,213	603	636	745
(+) Income taxes	516	744	300	1,531	1,759	(228)	216	228
(+) Net financial results	363	96	74	108	512	268	290	404
<b>EBITDA (ICVM 527)</b>	<b>2,989</b>	<b>2,472</b>	<b>1,217</b>	<b>5,772</b>	<b>7,515</b>	<b>517</b>	<b>1,772</b>	<b>1,744</b>
(+) Equity results	(31)	(18)	(1)	(55)	(48)	(13)	(30)	7
(+) Other Operating Income /Expenses	218	209	73	184	676	9	145	492
<b>EBITDA Adjusted</b>	<b>3,176</b>	<b>2,663</b>	<b>1,290</b>	<b>5,900</b>	<b>8,143</b>	<b>513</b>	<b>1,886</b>	<b>2,243</b>

<sup>1</sup> The Company discloses its adjusted EBITDA excluding other operating income (expenses) because it understands that it should not be considered in the calculation of recurring operating cash generation.

### Adjusted EBITDA (R\$ MM) and Adjusted Margin<sup>1</sup> (%)



<sup>1</sup> Adjusted EBITDA Margin is calculated from the division between Adjusted EBITDA and Net Revenue

- During 2020 the Gross Profit cumulated R\$7,277 million, an 29% increment in comparison to 2019. In 4Q20 the Gross Profit summed R\$2,498 million, 5% lower than last quarter. The Gross margin reduced 12 percentual points in contrast to 3Q20, devolving to 55% in 4Q20, largely due to rapid dams depreciation.
- During 2020 reached a negative amount of R\$676 million. Mainly to the effects of cash flow hedge strategies of the derivative instrument of the Platts index, the operational idleness caused by the delay on environmental licenses liberations, and the implementation of dry filtering process during first quarter.
- During 2020 the Financial Result summed a negative result of R\$512 million, due to the appreciation in currency fluctuations of the Dollar against the Real, summed with monetary adjustments of commitments with maturities above 90 days.

	4Q20	3Q20	4Q19	2019	2020	4Q20 x 3Q20	4Q20 x 4Q19	2020 X 2019
<b>Financial Results - IFRS</b>	<b>(363)</b>	<b>(96)</b>	<b>(74)</b>	<b>(108)</b>	<b>(512)</b>	<b>(268)</b>	<b>(290)</b>	<b>404</b>
Financial Revenues	5	5	6	31	28	(0)	(1)	3
Financial Expenses	(369)	(101)	(80)	(139)	(541)	(268)	(289)	402
Financial Expenses (ex-exchange variation)	(195)	(77)	(32)	(176)	(404)	(118)	(163)	228
Income with Exchange Variation	(174)	(24)	(48)	37	(136)	(149)	(126)	174

- In 2020 the Equity Result was positive by R\$48 million against the R\$55 million in 2019, in function of the MRS result.
- In 2020 the Company registered a Net Profit of R\$4,031 million, in comparison of 2019's R\$3,664 million profit. This was possible due to increments in the operations results, currency fluctuations and the rising prices of the Platts Index.

### Free Cash Flow<sup>1</sup>

The Free Cash Flow in this quarter attained R\$1,828 million, determined by the exceptional operational performance. In 2020 the Free Cash Flow summed R\$5,510 million, boosted by the high ore demand and rising prices of the Platts Index.



<sup>1</sup>The concept of free cash flow is calculated from adjusted Ebitda, subtracting CAPEX, IR and CSLL, Financial Results and changes in Net Working Capital<sup>2</sup>, and excluding the effect of Glencore's advances.

<sup>2</sup>Adjusted Working Capital<sup>2</sup> for the quarter consists of the change in Net Working Capital (+R\$819MM), plus the change in long-term asset and liability accounts (-R\$185MM).

<sup>3</sup>The Adjusted Working Capital 2020 is composed of the change in Net Working Capital (-R\$1,147MM), plus the change in long-term asset and liability accounts (+R\$65MM).

## Debt

On December 31, 2020, CSN Mineração Net Debt was negative reaching R\$1,648 million in order of a strong cash generation in the period. The leverage indicator measured by the Net Debt/EBITDA ratio was -0.20x.

In 4Q20, the amortizations in the

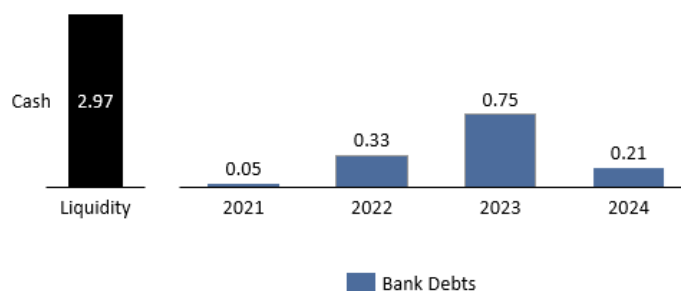
### Indebtedness (R\$ Billion) and Net Debt /Adjusted EBITDA(x)



Company made amount of R\$344

million and raising funds of R\$131 million. The Company has enough cash for full payment of its debt.

### Amortization Schedule (R\$ Billion)



## Investments

CSN Mineração invested R\$702 million in 2020, especially in projects to reduce tailings waste, improve mass recovery and iron ore quality, increase the safety and stability of its dams, filter tailings and priority projects for safety and reliability of operations.

	2020	4Q20	3Q20	2019	4Q19
Business Expansion	128	35	28	174	28
Operational Continuity	574	151	189	576	164
<b>Total Investments IFRS</b>	<b>702</b>	<b>186</b>	<b>216</b>	<b>750</b>	<b>192</b>

## Net Working Capital

The Net Working Capital applied to the business totaled **R\$2.210 million in 4Q20**, an increase of R\$1,147 million compared to 4Q19, due to the excellent operational performance and consequent increase in the Company's receivables.

	4Q20	3Q20	4Q19	2020	2019
<b>Assets</b>	<b>3,660</b>	<b>3,094</b>	<b>2,160</b>	<b>3,660</b>	<b>2,160</b>
Accounts Receivable	2,826	2,291	1,434	2,826	1,434
Inventory <sup>3</sup>	660	704	552	660	552
Recoverable taxes	66	39	54	66	54
Prepaid Expenses	91	16	103	91	103
Other NWC Expenses <sup>1</sup>	17	44	39	17	39
<b>Liabilities</b>	<b>1,450</b>	<b>1,703</b>	<b>1,097</b>	<b>1,450</b>	<b>1,097</b>
Suppliers	1,043	1,311	836	1,043	836
Labor Obligations	98	124	106	98	106
Recoverable taxes	165	116	83	165	83
Clients Advances	92	99	16	92	16
Other Liabilities <sup>2</sup>	52	53	56	52	56
<b>Net Working Capital</b>	<b>2,210</b>	<b>1,391</b>	<b>1,063</b>	<b>2,210</b>	<b>1,063</b>

The calculation of the Net Working Capital applied to the business does not take from Glencore's advances, as shown in the following table:

<sup>1</sup>Other CCL Assets: Considers: Advance employees and other accounts receivable

<sup>2</sup>To Oest CCL Liabilities: Considers: Other accounts payable, installment taxes and other provisions

<sup>3</sup>Inventories: 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.

#### 4Q20 Results Presentation Webcast

#### Investor Relations Team

Conference call in Portuguese with simultaneous translation to English

February 30, 2021

11h00 (Brasília Time)

10:00 am (New York Time)

Tel.: +55 11 3181-8565 / +55 11 4210-1803

Código: CMIN

Tel. replay: +55 11 3193-1012

Código replay: 8816464#

Webcast: [clique aqui](#)

CFO e Diretor Executivo de RI – Pedro Oliva

José Henrique Triques ([jose.triques@csn.com.br](mailto:jose.triques@csn.com.br))

Daniilo Dias ([daniilo.dias@csn.com.br](mailto:daniilo.dias@csn.com.br))

Some of the statements contained here are future perspectives that express or imply expected results, performance or events. These prospects include future results that may be influenced by historical results and by the statements made in 'Perspectives'. The current results, performance and events can differ significantly from the assumptions and perspectives and involve risks such as: general and economic conditions in Brazil and other countries; interest and exchange rate levels, protectionist measures in the USA, Brazil and other countries, changes in laws and regulations and general competitive factors (on a global, regional or national basis).



## **ESG – Environmental, Social & Governance**

Important initiatives marked the year 2020 in the development of ESG themes at CSN Mineração. In October, through its parent company, CSN Mineração became a signatory to the United Nations Global Compact, joining the organization's Climate Action Platform.

In December, the Integrated Report of the CSN Group - biennium 2018/2019: *GRI Standards* was disclosed, contemplating information and relevant aspects of management of CSN Mineração. In addition, there was the launch of the ESG ([esg.csn.com.br](http://esg.csn.com.br)) website, which aggregates information from the entire CSN Group, and the realization of our First ESG Week, an *online event* that brought the ESG concept and management of the CSN Group to internal and external audiences, in addition to having the participation of experts in the three pillars.

Also in December, the CSN Group's CEO was approved and the Integrated Policy on Sustainability, Environment, Health and Safety at Work was announced, valid for all csn group companies. Rescuing the acronym "SEMPRE", already widely present in the management of the CSN group, the new Policy formalizes the commitment of CSN companies, among them CSN Mineração with the Sustainable Development Goals (SDGs), of the United Nations, and reinforces the importance of safe, ethical, transparent, inclusive behavior, protection of the environment and biodiversity, seeking to promote these principles throughout its value chain.

Finally, we have established ESG ambitions of the CSN Group, and specific to CSN Mineração, which will guide our journey towards a more efficient, integrated and sustainable management, among them:

1. **Gender equality:** doubling, by 2025, the percentage of women in CSN Mineração workforce, based on the 2019 figures;
2. **GHG emissions:** reduce by 10% the intensity of GHG emissions (tCO<sub>2</sub>e/ton of ore produced) of scopes 1 and 2 by 2030;
3. **Energy:** achieve energy from 100% renewable sources by 2021;
4. **Water:** reduce by 10%, by 2030, the capture of water per ton of ore produced, base 2019;
5. **Certifications:** certify, by 2021, the PORT TECAR at ISO 14.001:2015;
6. **Occupational Safety:** in addition to zero accident, which is the main objective, the goal is to reduce by 10% year-on-year the frequency rate of accidents;

### A - ENVIRONMENTAL MANAGEMENT

The Company has an Environmental Management System (SGA), implemented according to the requirements of the international standard ISO 14001: 2015 and certified by an independent international body duly accredited with INMETRO, in its Stone House unit (ISO 14,001) since 2000.

CSN Mineração reports its emissions in an integrated manner to its parent company, following *the GHG Protocol guidelines* to support its carbon management, risk mitigation and adaptation to climate change. For the sixth consecutive year, the CSN Group received the *GHG Protocol Gold Seal* for reporting emissions from all its units and subject to external verification. Also responding to the request of investors, the CSN Group reports *annually to the Carbon Disclosure Project (CDP)* the guidelines followed regarding climate change, supply chain and water security. In 2020, we had a score improvement in Climate Change from D to C, corroborating the commitment to the continuous improvement of our GHG emissions in CSN companies. In 2021 CSN Mineração will also report its emissions in cdp individually.

CSN Mineração is committed to the responsible management of its water resources. To meet this commitment, we have 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. In addition to the 32% reduction in water

consumption achieved in 2020 through the implementation of filtration technology and dry stacking of tailings, by 2023, we will reduce water consumption in the Central Plant by 45% and raise the circulation rate of this plant from the current 80% to the level of 95%.

In addition, for 2021, the World Wildlife Fund - WWF and *Aqueduct's Water Risk Filter* tools of the *World Resources Institute* - WRI are planned to evaluate physical, regulatory and operational risks of the basins, in addition to the company's own operational risk, in order to contribute to the reporting of *gri standards* water indicators, version 2018, CDP Water Safety and SASB.

Regarding the energy matrix used by the Company in 2019 and 2020, we had 100% of the energy used from renewable sources and we reached in advance the ambition established for the year 2021, which became definitive for CSN Mineração.

Valuing the protection of biodiversity, we preserve and protect more than 4,000 hectares, an area 3 times larger than our operational area, being: 1,847 hectares of legal reserve and RPPN areas, with predominant vegetation of Semi decidual Seasonal Forest in high degree of preservation, and another 2,584 hectares recovered, in recovery and/or conserved within the Atlantic Forest biome in the triennium 2018/2019/2020

In 2020, CSN Mineração carried out important actions aimed at protecting biodiversity: land regularization and donation to ICMBIO of areas in the National Parks of Sempre Vivas and Cavernas do Peruaçu National Park, all of which were included in the São Francisco River watershed, contributing to the conservation of biodiversity and water recharge in that region. In addition, another 550 hectares of areas used by mining, including sterile piles and tailings, are recomposed by planting hydro sowing and seedlings, creating green areas and mitigating impacts related to particulate matter emissions.

#### MANAGEMENT OF DAMS AND ENVIRONMENTAL LICENSES

The company is at the forefront of mining tailings management worldwide, having invested around R\$ 400 million in technologies that have enabled better management of tailings with dry filtration and stacking, making since the beginning of 2020 our processes 100% independent of the use of the tailings dam,

We follow the guidelines and recommendations on the operation and safety of dams established by ICOLD (*International Commission on Large Dams*), an international non-governmental commission, which encourages the exchange of information on planning, design, construction and operation of large dams. These standards and practices are in line with the requirements of the International Council on Mining and *Metals* (ICMM). According to the classification of the dam (Ordinance 70.389/2017 of the ANM), 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

On another front, 2020 also marked the end of the process of mischaracterization of our first Tailings Dam, Dam B5. During 2021 we continued to advance the schedule for decharacterization of the other 4 (four) dams of CSN Mineração. It is important to highlight that all dams of CSN Mineração are at zero emergency level, according to the National Mining Agency (ANM), and hold a declaration of stability issued by anm.

#### **B - SOCIAL MANAGEMENT**

##### SAFETY OF WORK:

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 indicators.

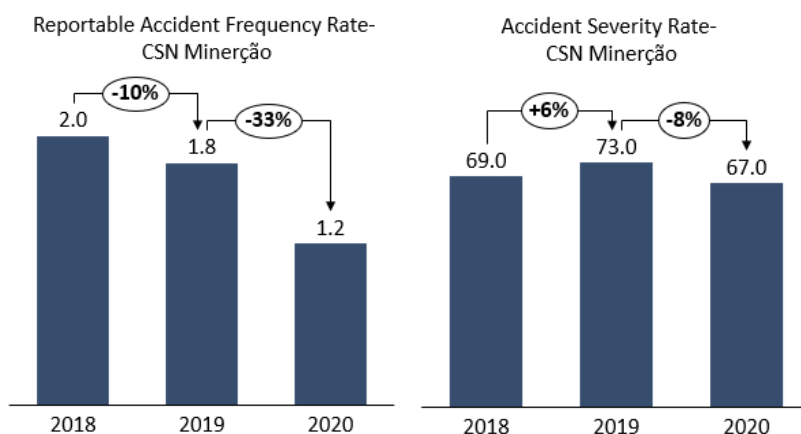


CSN Mineração has Health and Safety guidelines based on good market practices, regulatory standards and national and international recommendations. Through the Corporate Policy of Sustainability, Environment and Health and Safety of the CSN Group and its Specific Manual of Occupational Safety and Health Management, which contains guidelines to guide the actions of all its own employees and contracted companies regarding safety, proactivity, legal compliance, mitigation and control of hazards, risks and the prevention of occupational injuries and diseases through the ten elements aimed at defining responsibilities and the needs of specific prevention instruments.

These guidelines include, but are not limited to: Commitment and Leadership; Communication; Rules and procedures; Behavioral Development; Risk and change management; Legal requirements; Planning; Management of service providers; Management of skills and abilities.

In order to monitor and measure policy effectiveness, 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, a specific web platform to record and report anomalies and report weekly indicators for high administration.

The year 2020 brought significant results in our safety indicators, among which:



In the last quarter of 2020 we were also able to complete the implantation of distribution control and registration of PPE delivery through automated system, which brought more safety to the worker by ensuring the periodicity of exchange and a reduction of costs for unnecessary losses.

Also through the use of state-of-the-art technology was implanted in all large equipment a system for identifying signs of operator fatigue, where it was possible to observe a 100% reduction in accidents in operations,

#### FACING COVID-19

Among the actions adopted to protect its more than 6,400 employees, strict and technically validated health measures and processes were implemented for the indispensable protection of the health of each of those involved. Among them stand out:

- Strengthening the hygiene of environments;
- Availability of alcohol in gel 70%;
- Distribution of fabric masks for all employees;

- Increase, clarification and incentive to social distancing;
- Expansion of the chartered transport fleet by almost 100%, enabling a maximum occupancy of 50% in their buses;
- Strengthening internal publications with covid-19 prevention information;
- Cancellation of face-to-face meetings, in units or outside, as well as participation in internal and external training, using electronic means to carry out work contacts;
- Cancellation of trips;

In addition to the adoption of validated medical protocols with:

- Body temperature measurement of all employees in access to mines and offices;
- RT-PCR testing on about 1,454 employees in 2020, and immediate removal in cases of symptomatic and professional collaborators who had contact with the suspected case, only returning to work after confirmation of negative test;
- Removal of cases tested positive for 14 days, according to the protocol of the Ministry of Health and WHO;
- Removal of employees from risk groups, according to who and ministry of health criteria, with home-office implementation;
- In addition, the Communication Management of CSN and CSN Mineração has been systematically disseminating 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, among others, helped preserve the health and lives of our employees and ensure that there was no impact on our operational performance.

## Diversity

We are preparing the future of CSN Mineração, which depends on people and the quality of its human capital stock. One of our most relevant tasks is to identify young talent, promoting them to managerial positions and preparing them to be the future leaders of the company.

CSN Mineração has, through its parent company, a commitment to zero tolerance to any type of discrimination practice, expressed in its Code of Ethics. We understand that an inclusive and diverse environment is important to stimulate innovation and ensure the continuity of our business, CSN Mineração also believes that an inclusion approach is key to eliminating barriers that prevent the hiring and retention of women, and the consequent improvement of performance due to gender diversity. In 2020, a bold goal was set: to double the female workforce at CSN Mineração by 2025.

However, during 2020, the advent of COVID-19 brought challenges to CSN Mineração Diversity agenda, which had already been consolidated through face-to-face activities in 2019. Still, we were able to implement the Empowering Women Program, which began at the Presidente Vargas Plant, also at CSN Mineração, whose results will unfold throughout 2021.

## SOCIAL RESPONSIBILITY

In the relationship 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.

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.

CSN Mineração social responsibility projects aim to value the potential of people and regions where the Company operates, seeking partnership with the public authorities and civil society. These actions are implemented by the CSN Foundation and

are committed to promoting the transformation of people and communities through social, educational and cultural development.

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). In 2020, even adapting to the digital environment, the school maintained the schedule of activities of the face-to-face classes, with 219 scholarship students. In 2018, there were 348 scholarship students and in 2019, 260 scholarship students.

Our other programs are:

- Youth Program
- Environmental Education Program - PEA
- Citizen Boy Project
- The CSN Foundation Cultural Center
- The CSN Community Space

The CSN Foundation is also responsible for curating projects of partner institutions, in 2020, CSN supported 86 projects, thus expanding its social performance.

These actions demonstrate the company's social commitment to the communities in which it is inserted. Alongside partner entities we continue mobilized by a Brazil with more social inclusion and opportunities, doing well, doing more and doing it forever.

#### C - GOVERNANCE MANAGEMENT

CSN Mineração constantly seeks to develop mechanisms to improve the governance of ESG aspects. In 2020, The CSN Group established a Sustainability, Environment, Health and Safety at Work Board, with immediate reporting to the Company's CEO and corporate structure, which operates in an integrated manner with the General Management of Environment, Health and Safety of CSN Mineração and its entire executive and technical staff. This Corporate Board has synergistic performance with the CSN Foundation and with the financial and legal-corporate areas of the entire CSN Group.

In addition, at the end of 2020, the CSN Group began the establishment of an ESG Committee, an advisory structure of the Board of Directors of the CSN Group, which will be formalized in February 2021. The performance of the ESG committee of the CSN Group will certainly bring positive repercussions also in the ESG management at CSN Mineração.

**INCOME STATEMENT**

Corporate Law – in Thousands of Reais

	4Q20	3Q20	4Q19	2020	2019
<b>Net Sales Revenue</b>	<b>4,852,008</b>	<b>4,238,829</b>	<b>3,176,678</b>	<b>13,789,531</b>	<b>11,455,946</b>
Internal market	487,638	420,543	233,673	1,496,600	891,133
External Market	4,364,370	3,818,286	2,943,005	12,292,931	10,564,813
<b>Cost of Goods Sold (CPV)</b>	<b>(2,018,349)</b>	<b>(1,304,771)</b>	<b>(1,302,090)</b>	<b>(5,480,608)</b>	<b>(4,364,471)</b>
CPV, without Depreciation and Exhaustion	(1,251,003)	(1,140,380)	(1,170,348)	(4,267,706)	(3,896,314)
Depreciation/Exhaustion answered at cost	(767,346)	(164,391)	(131,742)	(1,212,902)	(468,157)
<b>Gross Profit</b>	<b>2,833,659</b>	<b>2,934,058</b>	<b>1,874,588</b>	<b>8,308,923</b>	<b>7,091,475</b>
<b>Gross Margin (%)</b>					
Sales Expenses	(381,417)	(398,052)	(678,871)	(1,219,967)	(1,506,414)
General and Administrative Expenses	(43,107)	(37,866)	(37,896)	(159,249)	(153,190)
Depreciation and Amortization in Expenses	(12)	(12)	(12)	(47)	(53)
Other Operating Income (expenses)	(218,012)	(209,175)	(73,446)	(675,806)	(183,702)
Equity Income	30,537	18,440	1,225	48,534	55,202
<b>Operating Profit before Financial Result</b>	<b>2,221,648</b>	<b>2,307,393</b>	<b>1,085,588</b>	<b>6,302,388</b>	<b>5,303,318</b>
Net Financial Result	(363,378)	(95,764)	(73,689)	(512,391)	(108,113)
<b>Profit Before Tax</b>	<b>1,858,270</b>	<b>2,211,629</b>	<b>1,011,899</b>	<b>5,789,997</b>	<b>5,195,205</b>
Current income tax and social contribution	(516,282)	(744,148)	(299,866)	(1,759,287)	(1,530,942)
<b>Net Profit</b>	<b>1,341,988</b>	<b>1,467,481</b>	<b>712,033</b>	<b>4,030,710</b>	<b>3,664,263</b>

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

	4Q20	3Q20	4Q19	2020	2019
Net sales revenue	4,852,008	4,238,829	3,176,678	13,789,531	11,455,946
Freight and maritime insurance	(336,110)	(308,559)	(663,025)	(1,032,402)	(1,464,369)
<b>Adjusted net revenue - FOB base</b>	<b>4,515,898</b>	<b>3,930,270</b>	<b>2,513,653</b>	<b>12,757,129</b>	<b>9,991,577</b>
<b>COSG</b>	<b>(2,018,349)</b>	<b>(1,304,771)</b>	<b>(1,302,090)</b>	<b>(5,480,608)</b>	<b>(4,364,471)</b>
COSG without depreciation	(1,251,003)	(1,140,380)	(1,170,348)	(4,267,706)	(3,896,314)
Depreciation	(767,346)	(164,391)	(131,742)	(1,212,902)	(468,157)
<b>Adjusted gross profit - FOB base</b>	<b>2,497,549</b>	<b>2,625,499</b>	<b>1,211,563</b>	<b>7,276,521</b>	<b>5,627,106</b>
<b>Adjusted gross margin - FOB base (%)</b>	<b>55%</b>	<b>67%</b>	<b>48%</b>	<b>57%</b>	<b>56%</b>
<b>Adjusted SG&amp;A expense - FOB base</b>	<b>(88,426)</b>	<b>(127,371)</b>	<b>(53,754)</b>	<b>(346,861)</b>	<b>(195,288)</b>
SG&A Expenses	(424,536)	(435,930)	(716,779)	(1,379,263)	(1,659,657)
Freight and maritime insurance	336,110	308,559	663,025	1,032,402	1,464,369
Other operating income (expenses), net	(218,012)	(209,175)	(73,446)	(675,806)	(183,702)
Equity income	30,537	18,440	1,225	48,534	55,202
Financial result, net	(363,378)	(95,764)	(73,689)	(512,391)	(108,113)
<b>Result before IR and CSLL</b>	<b>1,858,270</b>	<b>2,211,629</b>	<b>1,011,899</b>	<b>5,789,997</b>	<b>5,195,205</b>
IR e CSLL	(516,282)	(744,148)	(299,866)	(1,759,287)	(1,530,942)
<b>Net income for the period</b>	<b>1,341,988</b>	<b>1,467,481</b>	<b>712,033</b>	<b>4,030,710</b>	<b>3,664,263</b>

**BALANÇO PATRIMONIAL**

Legislação Societária – Em Milhares de Reais

	31/12/2020	30/09/2020	31/12/2019
<b>Current Assets</b>	<b>6,597,075</b>	<b>5,884,519</b>	<b>2,646,338</b>
Cash and Cash Equivalents	2,972,521	2,844,115	428,077
Financial Investments	1,425	3,148	36,132
Accounts Receivable	2,825,734	2,290,665	1,434,073
Inventory	512,440	562,319	468,433
Recoverable taxes	66,120	39,154	53,969
Other Current Assets	218,835	145,118	225,654
Advances to Suppliers	92,207	84,788	83,209
Other Assets	126,628	60,330	142,445
<b>Non-Current Assets</b>	<b>13,025,331</b>	<b>13,492,804</b>	<b>13,231,609</b>
Recoverable taxes	77,429	77,806	74,195
Long Term Inventory	347,304	144,499	144,499
Other Non-Current Assets	286,498	503,292	385,929
Advances to Suppliers	222,834	261,430	318,967
Other Assets	63,664	241,862	66,962
Investments	1,225,372	1,227,076	1,197,938
Immobilized	6,852,757	7,300,592	7,186,660
Immobilized in Operation	4,912,678	5,463,679	5,561,750
Right of Use in Lease	82,717	85,829	88,807
Ongoing Immobilized	1,857,362	1,751,084	1,536,103
Intangible	4,235,971	4,239,539	4,242,388
<b>TOTAL ASSET</b>	<b>19,622,406</b>	<b>19,377,323</b>	<b>15,877,947</b>
<b>Current Liabilities</b>	<b>4,598,123</b>	<b>4,468,250</b>	<b>2,176,596</b>
Social and Labor Obligations	65,950	95,890	66,893
Suppliers	1,393,323	1,341,843	825,571
Tax Obligations	1,710,484	1,397,596	404,094
Loans and Financing	45,014	213,635	43,347
Advance of customers	884,472	800,562	699,494
Dividends and JCP payable	344,200	223,643	-
Other Obligations	146,802	388,458	133,117
Lease liabilities	7,741	10,986	3,886
Derivative financial instruments	893	263,283	-
Other obligations	138,168	114,189	129,231
Labor and Civil Social Security Tax Provisions	7,878	6,623	4,080
<b>Non-Current Liabilities</b>	<b>4,422,586</b>	<b>4,240,931</b>	<b>4,343,814</b>
Loans, Financing and Debentures	1,280,000	1,338,372	1,436,636
Suppliers	166,774	-	-
Advance of customers	1,722,281	1,933,673	1,840,929
Environmental liabilities and deactivation	444,522	332,211	330,560
Other Obligations	317,807	215,706	239,526
Lease liabilities	74,360	74,579	82,076
Taxes to offset	161,366	61,659	65,428
Other accounts payable	82,081	79,468	92,022
Deferred Taxes	436,463	366,386	433,485
Provisions for Environmental Liabilities and Deactivation	54,739	54,583	62,678
<b>Equity</b>	<b>10,601,697</b>	<b>10,668,142</b>	<b>9,357,537</b>
Realized Share Capital	6,103,873	6,103,873	6,103,873
Capital Reserve	141,723	141,723	141,723
Profit Reserves	4,029,643	1,703,874	2,783,874
Accumulated Profit/(loss)	-	2,465,079	-
Equity Valuation Adjustments	322,635	322,635	322,635
Other Comprehensive Results	3,823	(69,042)	5,432
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>19,622,406</b>	<b>19,377,323</b>	<b>15,877,947</b>

**CASH FLOW STATEMENT**

Corporate Law – in Thousands of Reais

	4Q20	3Q20
<b>Net Cash generated by Operating Activities</b>	<b>1,845,832</b>	<b>2,107,907</b>
Net income / Loss for the period	1,341,988	1,467,481
Equity in results of affiliated companies	(30,537)	(18,440)
Monetary and exchange rate variation, net	1,274	(16,281)
Charges on lease liabilities	10,393	11,022
Charges on loans and financing raised	(16,047)	(14,413)
Charges on loans and financing granted	1,575	1,818
Losses with derivative instrument	117,400	182,185
Amortization transaction cost	1,110	727
Depreciation and amortization	773,812	164,646
Deferred taxes	516,282	744,148
Income from the loss or disposal of assets	1,762	-
Other	(10,262)	(6,223)
<b>Working Capital Variation</b>	<b>(435,895)</b>	<b>(291,227)</b>
Accounts Receivable - Clients	(505,097)	(1,037,180)
Inventory	49,879	(19,141)
Recoverable Taxes	(26,588)	3,209
Other assets	(18,535)	(181,808)
Accounts receivable - CSN	31,176	18,191
Suppliers	84,076	444,327
Payroll and related taxes	(29,939)	805
Taxes to offset	71,957	31,794
Accounts receivable- Glencore	(120,493)	464,222
Other accounts payable	27,669	(15,646)
<b>Other Payments and Receipts</b>	<b>(427,023)</b>	<b>(117,536)</b>
Hedge Accounting cash flow	(267,771)	(31,814)
Dividends Received MRS	45,166	-
Income tax and social contribution paid	(204,418)	(85,722)
Interest paid on loans and financing	(11,898)	(9,232)
<b>Cash Flow from Investing Activities</b>	<b>(186,484)</b>	<b>(152,592)</b>
Acquisition of intangible assets	(186,484)	(152,592)
<b>Cash Flow from Financing Activities</b>	<b>(1,519,044)</b>	<b>(1,094,125)</b>
Loans and financing raised	(344,299)	(9,931)
Borrowings	130,668	-
Borrowing costs	(265)	-
Dividends paid	(1,300,000)	(1,080,000)
Lease amortizations	(5,148)	(4,194)
<b>Exchange Rate Variation on Cash and Cash Equivalents</b>	<b>128,406</b>	<b>851,958</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,844,115</b>	<b>1,992,157</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,972,521</b>	<b>2,844,115</b>