



**RESULTS  
2Q20**

São Paulo, July 28, 2020

## Results Second Quarter 2020

Companhia Siderúrgica Nacional (“CSN”) (B3 S.A. – Brasil, Bolsa e Balcão: CSNA3) (NYSE: SID) **announces its results for the second quarter of 2020 (2Q20)** in Brazilian Reals, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), which are fully convergent with international accounting standards, and with Brazilian accounting practices.

All comments presented herein refer to the Company’s consolidated results for the **second quarter of 2020 (2Q20)** and comparisons refer to the second quarter of 2019 (2Q19) and first quarter of 2020 (1Q20). The Real/U.S. dollar exchange rate was R\$3.8322 on 06/30/2019, on 03/31/2020 R\$5.1987, on 06/30/2020 was R\$5.4416 (4.7% appreciation of the Dollar against the Real in the quarter).

### Operating and Financial Highlights in 2Q20

#### STRONG AND RESILIENT RESULTS DESPITE COVID-19

**Adjusted EBITDA** reached **R\$1,925 million** in 2Q20, or 45% higher comparing with the previous quarter, despite the global and domestic scenario troubled by the pandemic.

#### GOOD PERFORMANCE IN STEEL

**Price adjustments** compensated for occasional drop in domestic market volumes in some sectors due to COVID-19.

**Exports** in 2Q20 reached 53kton, compared to 21kton YoY.

#### IMPROVEMENT IN CEMENT

**EBITDA Margin** reached 16% in 2Q20 due to higher prices and volumes.

#### STRENGTHENING LIQUIDITY

**Adjusted Cash Flow** reached **R\$1,520MM**, reflecting actions to preserve liquidity.

**Adjusted cash and cash equivalents** reached **R\$5.2Bi, or + 25% against 1Q20**.

#### RECOVERY IN MINING

**Iron ore** sale totaled **7.7Mton** in 2Q20, 38% higher than the previous quarter, due to higher production, which resulted in the 2nd highest EBITDA recorded by the segment.

#### BETTER VOLUMES AND RESULTS IN LOGISTICS

**Recovery in sales volumes** resulted in **EBITDA increase of + 65%**, reaching R\$222MM.

	2Q20	1Q20	2Q19	2Q20 x 1Q20	2Q20 x 2Q19
<b>Steel Sales (thousand tons)</b>	<b>1,003</b>	<b>1,140</b>	<b>1,161</b>	<b>-12%</b>	<b>-14%</b>
- Domestic Market	615	775	771	-21%	-20%
- Foreign Market	388	365	390	6%	0%
<b>Iron Ore Sales (thousand tons)</b>	<b>7,743</b>	<b>5,610</b>	<b>10,143</b>	<b>38%</b>	<b>-24%</b>
- Domestic Market	1,084	1,086	1,139	0%	-5%
- Foreign Market	6,659	4,524	9,004	47%	-26%
<b>Consolidated Results (R\$ million)</b>					
Net Revenue	6,221	5,335	6,901	17%	-10%
Gross Profit	1,843	1,317	2,458	40%	-25%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>1,925</b>	<b>1,331</b>	<b>2,380</b>	<b>45%</b>	<b>-19%</b>
<b>EBITDA Margin %</b>	<b>29.7%</b>	<b>24.1%</b>	<b>33.5%</b>		
Adjusted Net Debt <sup>(2)</sup>	33,120	32,804	26,641	1%	24%
Adjusted Cash and Cash Equivalents <sup>(2)</sup>	5,177	4,129	3,177	25%	63%
Net Debt / Adjusted EBITDA	5.17x	4.78x	3.65x	0.39x	1.52x

<sup>1</sup> Adjusted EBITDA is calculated based on net profit/loss, plus depreciation and amortization, income tax, net financial result, share of profit (loss) of investees and other operating income (expenses), and includes the proportionate share of EBITDA of jointly owned subsidiaries MRS Logística (37.27%) and CBSI (50% 2Q19, 100% 2Q20).

<sup>2</sup> Adjusted net debt and adjusted cash and cash equivalents includes the stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI, our participation in this company until 1Q19, excluding forfaiting and drawee risk operations.

## CSN's Consolidated Result

- **Net revenue in 2Q20** totaled R\$6,221 million, 17% higher than 1Q20 and 10% lower YoY. The increase in sales in 2Q20 was mainly due to the recovery of production volumes and sales of iron ore compared to 1Q20.
- In **2Q20**, the cost of products sold totaled R\$4,378 million, 9% higher compared to 1Q20. Gross margin increased by 4.9 pp. compared to 1Q20, reaching 29.6% in 2Q20, due to improvement in steel prices and margin recovery in logistics and cement.
- In **2Q20**, **selling, general and administrative expenses** totaled R\$515 million, 3% higher than recorded in 1Q20, while the evolution of net revenue on the same comparison basis reached 17%. **Selling expenses** increased by only 2.3% in **2Q20**, while **general and administrative expenses** increased by 6.3% on the same comparative basis, representing 1.9 pp. of net revenue, 0.2 pp. higher compared to 1Q20.
- In **2Q20**, the **other operating income and expenses** line reached a negative amount of R\$791MM, mainly due to *hedge accounting* results.
- **Financial result** reached R\$285 million, impacted by the cost of debt of R\$536 million, partially offset by the appreciation of Usiminas shares, which generated a non-cash gain of R\$523 million, as well as financial income arising from the unappealable judicial decision favorable to the Company.

	2Q20	1Q20	2Q19	2Q20 x 1Q20	2Q20 x 2Q19
<b>Financial Result - IFRS</b>	<b>285</b>	<b>(1,201)</b>	<b>(358)</b>	<b>1,486</b>	<b>643</b>
Financial Revenue	457	65	85	392	372
Financial Expenses	(172)	(1,266)	(443)	1,094	271
Financial Expenses (ex-exchange rate variation)	(154)	(1,631)	(641)	1,477	487
<b>Result With Exchange Rate Variation</b>	<b>(18)</b>	<b>365</b>	<b>198</b>	<b>(383)</b>	<b>(216)</b>
Monetary and Exchange Rate Variation	(1,268)	(4,928)	295	3,660	(1,563)
Hedge Accounting	1,275	5,389	(97)	(4,114)	1,372
Derivative Result	(25)	(96)	1	71	(26)

- **Equity result of affiliated companies** was positive by R\$29 million in **2Q20**, compared to a negative amount of R\$45 million recorded in 1Q20, due to the recovery of MRS results.

	2Q20	1Q20	2Q19
MRS Logística	56	(34)	44
CBSI	-	-	1
TLSA	(12)	(6)	(3)
Arvedi Metalfer BR	(5)	(1)	-
Eliminações	(10)	(4)	(12)
<b>Equity in Results of Affiliated Companies</b>	<b>29</b>	<b>(45)</b>	<b>29</b>

- In **2Q20**, the Company registered **net income of R\$446 million**, compared to the net loss of R\$1,312 million recorded in 1Q20.

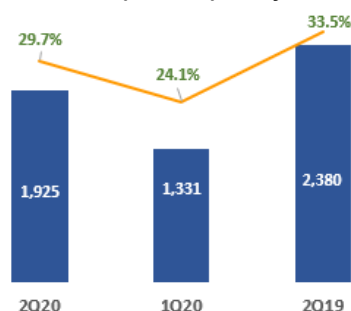
### Adjusted EBITDA

	2Q20	1Q20	2Q19	2Q20 x 1Q20	2Q20 x 2Q19
<b>Profit (loss) for the Period</b>	<b>446</b>	<b>(1,312)</b>	<b>1,894</b>	<b>1,758</b>	<b>(1,449)</b>
(-) Depreciation	428	415	332	12	96
(+) Income Tax and Social Contribution	392	206	(1,119)	186	1,511
(+) Finance Income	(285)	1,201	358	(1,486)	(643)
<b>EBITDA (ICVM 527)</b>	<b>981</b>	<b>511</b>	<b>1,465</b>	<b>470</b>	<b>(484)</b>
<b>(+) Other Operating Income (Expenses)</b>	<b>791</b>	<b>666</b>	<b>802</b>	<b>125</b>	<b>(12)</b>
(+) Free Cash Flow Hedge Accounting	775	365	262	410	512
(+) Others	16	301	540	(285)	(524)
(+) Equity in Results of Affiliated Companies	(28)	45	(29)	(73)	1
(+) Proportional EBITDA of Jointly Owned Subsidiaries	182	109	142	73	40
<b>Adjusted EBITDA</b>	<b>1,925</b>	<b>1,331</b>	<b>2,380</b>	<b>594</b>	<b>(455)</b>

\*The Company discloses adjusted EBITDA excluding interests in investments and other operating income (expenses) with the understanding that these items should not be considered when calculating recurring operating cash flow.

- **Adjusted EBITDA** reached R\$1,925 million in **2Q20**, versus R\$1,331 million in the first quarter, due to the recovery of iron ore sales volumes, with positive effects on logistics and good results for the Steel and Cement units, despite turbulent global economic scenario. Adjusted EBITDA margin reached 29.7%, or 5.6 pp. higher on the same basis of comparison.

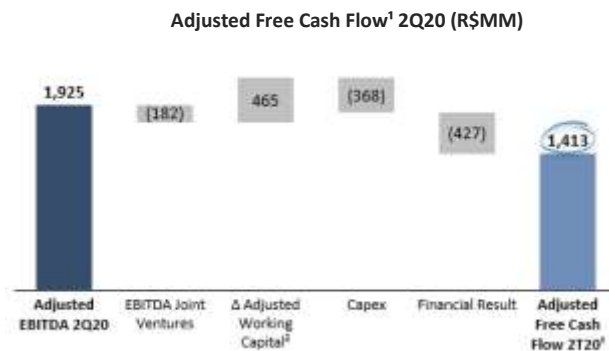
### Adjusted EBITDA (R\$ MM) e Adjusted Margin<sup>1</sup> (%)



<sup>1</sup> Adjusted EBITDA margin is calculated as the ratio between adjusted EBITDA and adjusted net revenue, which considers stakes of 100% in CSN Mineração and 37.27% in MRS and 50% in CBSI (50% 2Q19, 100% 2Q20).

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

Adjusted Cash Flow in 2Q20 reached R\$ 1,413MM, positively influenced by higher Ebitda, and by positive variation in working capital, based on multiple initiatives taken during the pandemic.



<sup>1</sup>Adjusted free cash flow is calculated from adjusted EBITDA less EBITDA of joint ventures, Capex, Income tax, financial result and variation of working capital <sup>1</sup>, excluding the impact of Glencore's prepay

<sup>2</sup>Adjusted Working Capital<sup>2</sup> is composed of the variation in Net Working Capital (+R\$245MM), plus the variation in long-term asset and liability accounts (-R\$360MM) adjusted with favorable legal decision (+R\$508MM) and additional PIS/COFINS credits (+R\$72MM) and disregarding the net variation of IR and CS.

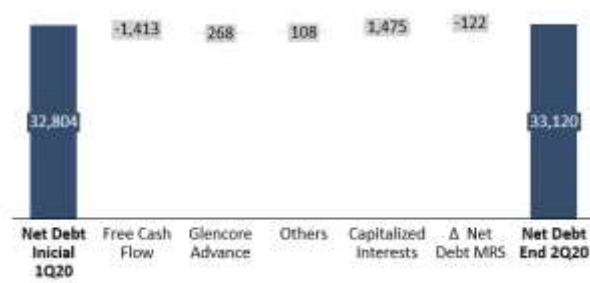
### Debt

On 06/30/2020, consolidated net debt reached R\$33,120 million, with the exchange rate variation being offset by cash generation in the period. Net debt/EBITDA ratio reached 5.17x, a one-off increase in light of the expected improvement in exports with the most devalued exchange rate.

**Debt (R\$MM) and Net Debt/Adjusted EBITDA(x)**



**Net Debt Build-up (R\$MM)**

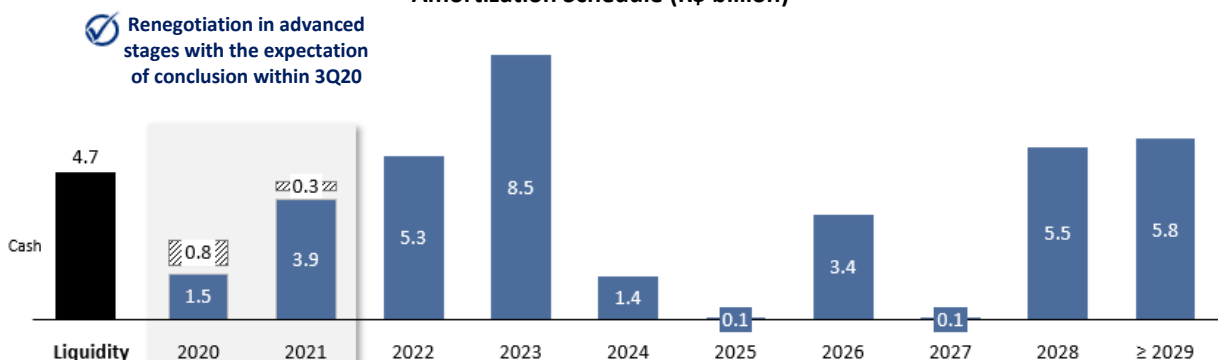


\*Others consist mainly of loans to the subsidiary Transnordestina Logística.

<sup>1</sup>Net Debt / EBITDA: For debt calculate purposes consider the final dollar for each period and for net debt and EBITDA the average dollar for the period.

In 2Q20, the Company rolled over part of its debt with Banco do Brasil and Caixa Econômica Federal in the amount of R\$1.7 billion, while advancing the extension with private banks.

**Amortization Schedule (R\$ billion)**



<sup>1</sup>IFRS: Not considering MRS participation (37,27%)

## Foreign Exchange Exposure

Net exchange exposure of consolidated balance sheet on 06/30/2020 was US\$ 14 million, as shown in the table below, in line with the company's policy of minimizing the impacts of exchange rate volatility on results.

	2020	1Q20	2Q19	2020 x 1Q20	2020 x 2Q19
Cash	412	270	295	53%	40%
Accounts Receivable	240	323	549	-26%	-56%
Short-term investment	24	23	-	4%	0%
Loans and Financing	(4,752)	(4,730)	(4,295)	0%	11%
Trade Payables	(142)	(87)	(109)	63%	31%
Other Payables	(3)	0	1	(8)	(3)
<b>Natural Foreign Exchange Exposure (Assets - Liabilities)</b>	<b>(4,221)</b>	<b>(4,200)</b>	<b>(3,558)</b>	<b>0%</b>	<b>19%</b>
Cash Flow Hedge Accounting	4,274	4,641	1,600	-8%	167%
Swap CDI x Dollar	(67)	(67)	-	0%	0%
<b>Net Foreign Exchange Exposure</b>	<b>(14)</b>	<b>374</b>	<b>(1,958)</b>	<b>-104%</b>	<b>-99%</b>

Hedge Accounting adopted by CSN correlates projected export in dollars with scheduled debt payments in the same currency. Therefore, the exchange rate variation of the dollar-denominated debt is temporarily accounted for under shareholders' equity, being recorded in the income statement when dollar revenues from exports are received.

## Investments

R\$367 million were invested in 2Q20, similar amount to 1Q20, due to measures adopted to preserve cash to face the Covid-19 pandemic, prioritizing projects that were reliable and safe in the Steel and Mining sectors.



## Net Working Capital

Net working capital applied to the business totaled **R\$3,581 million in 2Q20**, a decrease of R\$245 million despite the increase in inventories of finished products due to the temporary reduction in activity in April and May. The reduction was possible due to shortening deadline for receiving exports revenue, the extension of deadlines with suppliers, in addition to extraordinary tax deferrals offered in the context of COVID-19.

Net Working Capital applied to the business disregard Glencore's advance, as shown in the table below:

	2Q20	1Q20	2Q19	2Q20 x 1Q20	2Q20 x 2Q19
<b>Assets</b>	<b>9,766</b>	<b>9,451</b>	<b>11,176</b>	<b>315</b>	<b>(1,409)</b>
Accounts Receivable	1,812	2,206	3,339	(394)	(1,527)
Inventories	6,065	5,465	5,984	600	81
Prepaid Taxes	950	889	858	61	92
Credit from PIS/COFINS	608	500	654	108	(46)
Anticipated Expenses	163	209	142	(46)	21
Dividends Receivable	45	44	46	1	(1)
Other Assets NWC <sup>1</sup>	123	139	153	(16)	(30)
<b>Liabilities</b>	<b>6,185</b>	<b>5,625</b>	<b>5,217</b>	<b>560</b>	<b>968</b>
Trade Payables	4,565	4,390	3,999	175	566
Payroll and Related Taxes	554	461	376	93	179
Taxes Payable	385	271	220	114	164
Advances from Customers	155	110	81	45	74
Provision for Consumption	153	186	317	(33)	(164)
Other Liabilities NWC <sup>2</sup>	373	208	224	165	149
<b>Net Working Capital</b>	<b>3,581</b>	<b>3,826</b>	<b>5,959</b>	<b>(245)</b>	<b>(2,378)</b>

Operational Indicators	2Q20	1Q20	2Q19	2Q20 x 1Q20	2Q20 x 2Q19
Turnover Ratio (days) Receivables	23	32	39	-9	-16
Turnover Ratio (days) Inventory	106	104	106	2	0
Turnover Ratio (days) Suppliers	99	95	81	4	18
<b>Financial Cycle (PMR+PME-PMF)</b>	<b>30</b>	<b>41</b>	<b>64</b>	<b>-11</b>	<b>-34</b>

<sup>1</sup>Other Assets NWC: Consider: Advances and other Accounts Receivable.

<sup>2</sup>Other Liabilities NWC: Consider Other payable accounts, payable dividends, installment taxes and other provisions.

<sup>3</sup>Inventories average term doesn't consider Warehousing.

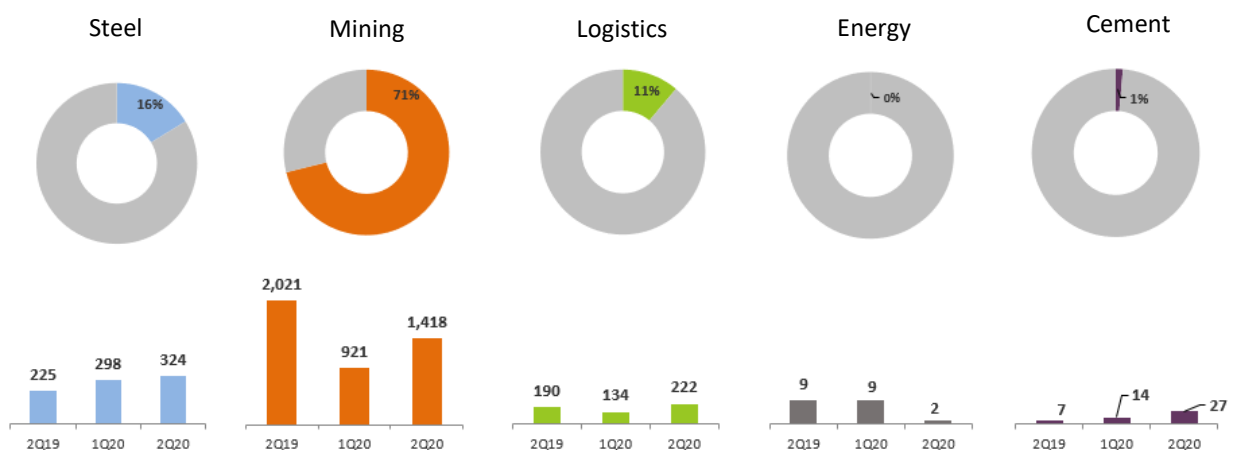
**Results by Business Segment**

STEEL	MINING	LOGISTICS	ENERGY	CEMENT
Usina Presidente Vargas Porto Real Paraná Lusosider Prada (Distribution and Packaging) Long Steel (UPV) SWT	Casa de Pedra Tecar Engenho Pires Fernandinho ERSA	Railways: MRS and FTL Port: Sepetiba Tecon	CSN Energia Itasa	Volta Redonda Arcos

**Net Revenue by Segment – 2Q20 (R\$ million)**



**Adjusted EBITDA by Segment – 2Q20 (R\$ million)**



Results 2Q20 (R\$ million)



Corporate Consolidated



			(Port)	(Railway)			Expenses/ Eliminations	
<b>Net Revenue</b>	<b>3,440</b>	<b>2,688</b>	<b>75</b>	<b>382</b>	<b>38</b>	<b>172</b>	<b>(574)</b>	<b>6,221</b>
Domestic Market	2,124	345	75	382	38	172	(778)	2,358
Foreign Market	1,316	2,343	-	-	-	-	204	3,863
COGS	(3,109)	(1,367)	(51)	(260)	(33)	(161)	604	(4,378)
<b>Gross Profit</b>	<b>330</b>	<b>1,321</b>	<b>23</b>	<b>122</b>	<b>5</b>	<b>11</b>	<b>30</b>	<b>1,843</b>
SG&A	(228)	(44)	(9)	(28)	(7)	(21)	(190)	(527)
Depreciation	222	141	8	105	4	37	(90)	428
Proportional EBITDA of joint ventures	-	-	-	-	-	-	182	182
<b>Adjusted EBITDA</b>	<b>324</b>	<b>1,418</b>	<b>22</b>	<b>200</b>	<b>2</b>	<b>27</b>	<b>(68)</b>	<b>1,925</b>

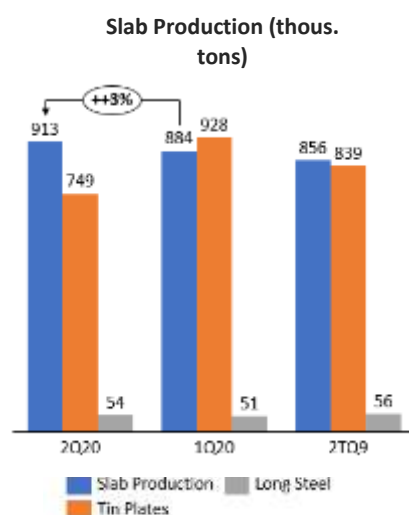
Results 1Q20 (R\$ million)	Steel	Mining	Logistics (Port)	Logistics (Railway)	Energy	Cement	Corporate Expenses/ Eliminations	Consolidated
<b>Net Revenue</b>	<b>3,542</b>	<b>1,646</b>	<b>75</b>	<b>282</b>	<b>42</b>	<b>146</b>	<b>(398)</b>	<b>5,335</b>
Domestic Market	2,511	263	75	282	42	146	(581)	2,738
Foreign Market	1,031	1,382	-	-	-	-	184	2,597
COGS	(3,237)	(823)	(49)	(270)	(29)	(145)	537	(4,018)
<b>Gross Profit</b>	<b>305</b>	<b>823</b>	<b>25</b>	<b>12</b>	<b>13</b>	<b>1</b>	<b>139</b>	<b>1,317</b>
SG&A	(214)	(46)	(10)	(26)	(8)	(23)	(183)	(510)
Depreciation	207	145	8	124	4	36	(110)	415
Proportional EBITDA of joint ventures	-	-	-	-	-	-	109	109
<b>Adjusted EBITDA</b>	<b>298</b>	<b>921</b>	<b>23</b>	<b>111</b>	<b>9</b>	<b>14</b>	<b>(45)</b>	<b>1,331</b>

Results 2Q19 (R\$ million)	Steel	Mining	Logistics (Port)	Logistics (Railway)	Energy	Cement	Corporate Expenses/ Eliminations	Consolidated
<b>Net Revenue</b>	<b>3,660</b>	<b>3,091</b>	<b>64</b>	<b>340</b>	<b>78</b>	<b>146</b>	<b>(479)</b>	<b>6,901</b>
Domestic Market	2,515	298	64	340	78	146	(687)	2,753
Foreign Market	1,146	2,793	-	-	-	-	209	4,147
COGS	(3,380)	(1,133)	(44)	(250)	(66)	(149)	580	(4,442)
<b>Gross Profit</b>	<b>280</b>	<b>1,959</b>	<b>20</b>	<b>90</b>	<b>11</b>	<b>(3)</b>	<b>101</b>	<b>2,458</b>
SG&A	(210)	(50)	(8)	(24)	(7)	(22)	(231)	(552)
Depreciation	155	112	14	98	4	32	(84)	332
Proportional EBITDA of joint ventures	-	-	-	-	-	-	142	142
<b>Adjusted EBITDA</b>	<b>225</b>	<b>2,021</b>	<b>26</b>	<b>164</b>	<b>9</b>	<b>7</b>	<b>(71)</b>	<b>2,380</b>

## Steel Results

According to the World Steel Association (WSA), global crude steel production totaled 430 million tons (Mton) in 2Q20, down 10% from 2Q19 due to Covid-19, with Asia producing alone 328.7 Mton, down 5%, while the European Union and North America, down 27.5% and 31.5%, YoY.

In **2Q20**, slab production by CSN totaled 913 thousand tons, 3.3% higher than in 1Q20 even with the stoppage of BF#2 at the end of May, showing the good performance of BF#3 post revamp.



In **2Q20**, total sales reached **1,003 thousand tons**, 12% lower when compared to 1Q20, mainly due to the expected slowdown in the domestic market due to the pandemic, however partially offset by foreign markets' commercial opportunities with the exchange rate depreciation.





In **2Q20**, steel volumes sold in the **domestic market** totaled 615 thousand tons, 20.7% lower than 1Q20 due to the pandemic, which had a major impact on the automotive and white goods sectors. Of this total, 555 thousand tons refer to flat steel and 59 thousand tons to long steel. According to data from the Brazil Steel Institute (IABr), apparent consumption based on the monthly average (April and May 2020), fell by 27.4% compared to 1Q20.

In the **foreign market**, sales in **2Q20** totaled 388 thousand tons, 7% higher than those made in the previous quarter, helping to mitigate the slowdown in the domestic market. During this period, 53 thousand tons were exported directly and 335 thousand tons were sold by subsidiaries abroad, 76 thousand tons by LLC, 191 thousand tons by SWT, 68 thousand tons by Lusosider.

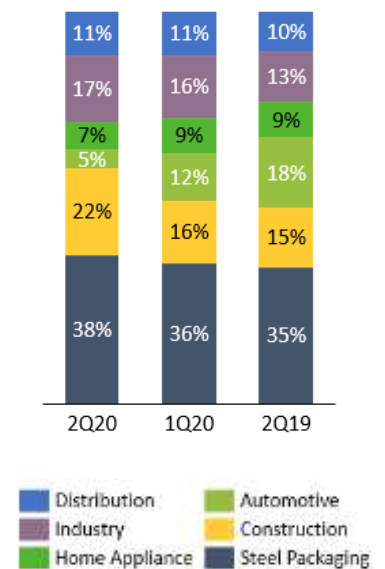
- In **2Q20**, with regards to total sales volume, share of coated products from flat steel increased to 53% against 49% in the previous quarter.

According to ANFAVEA (National Association of Motor Vehicle Manufacturers), in 2Q20 the **production of cars, light commercial vehicles, trucks and buses** reached 143,600 units, down 75%, compared to the previous quarter. Exports underperformed as well, totaling 30,500 vehicles, a volume 66% lower compared to the previous quarter.

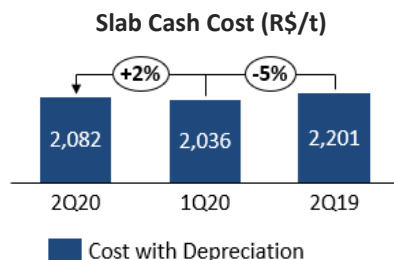
According to **ABRAMAT**, sales of civil construction decreased 3.9% in June, compared to the previous month.

According to **IBGE** data, production of home appliances registered an increase of 1.1% for the 12 months accumulated up to May 2020, compared to the same period.

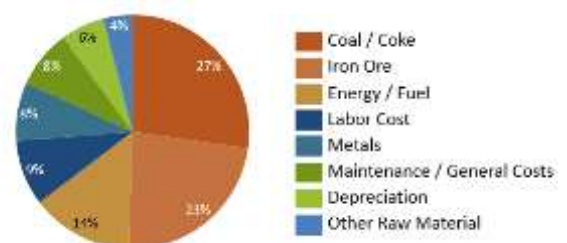
**Sales by Segment  
2Q20/1Q20/2Q19**



- Steel **net revenue** reached R\$3,440 million in **2Q20**, 3% lower than 1Q20. Despite the global and domestic scenario with lower volumes, the average price evolved in both markets (+ **6.4% in domestic market and + 20.1% in exports**) against the previous quarter.
- **Slab cash cost** in **2Q20** reached R\$ 2,082/ t, 2% higher than the previous quarter, impacted by the exchange rate variation in imported raw materials, in addition to the increase in iron ore prices in the quarter.



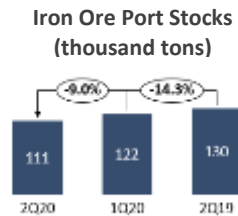
**Production Costs 2Q20**



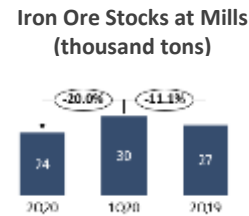
- **Adjusted EBITDA** reached R\$324 million in **2Q20**, 9% higher than 1Q20, bringing EBITDA margin to 9.4%, with a gain of 1.0 pp. in the period, with a significant increase in profitability from R\$261/ ton in 1Q20 to R\$324/ ton in 2Q20.

### Mining Results

In 2Q20, steel demand remained resilient in China despite the global pandemic (-10% YoY global crude steel production). Inventories at ports and plants remain low due to rain and logistics impacts in the previous quarter, which contributed to the appreciation of iron ore prices. In this context, **iron ore ended 2Q20 with an average of US\$93.3/dmt (Platts, Fe62%, N. China), higher than in 1Q20 (US\$89.00/dmt).**



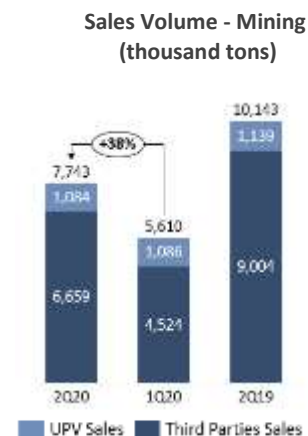
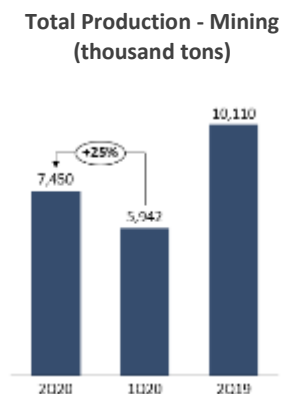
Source: Mysteel



Source: Mysteel

Regarding sea freight, Route BCI-C3 (Tubarão-Qingdao) reached an average of US\$11.8/wmt in 2Q20, down 14% compared to the previous quarter, due to the availability of ships in that specific period.

- In **2Q20**, CSN's **iron ore production** totaled 7.5 million tons, 25% higher than the previous quarter, due to better climatic conditions in the region and the development of new mining fronts.
- In **2Q20**, **sales volume** reached 7.7 million tons, 38% higher than the previous quarter due to the greater supply of iron ore.



- In **2Q20**, **net mining revenue** totaled R\$2,688 million, 63% higher than the previous quarter, due to the higher sales volume (+38%), prices and devalued currency. **Net unit revenue** was \$64.5 per wet ton, down 2% from the previous quarter. The indicator was influenced by the sale of lower quality products at an opportune time in the market, which contributed to the quarter's operating result.
- The **cost of products sold** from mining totaled **R\$1,367 million** in **2Q20**, an increase of 66% due to the higher volume sold. FOB Cash Cost was US\$17/t in 2Q20, a reduction due to higher production volumes in the period and devalued currency.
- **EBITDA** reached **R\$1,418 million** in **2Q20**, with a margin of 53%, reflecting the recovery in sales volume and the appreciation of iron ore prices.

### Cement Results

In **2Q20**, Cement segment **net revenue** reached R\$172 million, an 18% increase compared to the previous quarter due to higher sales volume compared to **1Q20**, in addition to price increases, which contributed to an **EBITDA** of R\$27 million and **EBITDA margin of 16%**.

### Logistics Results

**Railway Logistics:** In **2Q20**, **net revenue** reached R\$382 million, with **EBITDA** of R\$200 million and **EBITDA margin** of 52.3%

**Port Logistics:** In **2Q20**, 202 thousand tons of steel products were shipped by Sepetiba Tecon, in addition to 3 thousand tons of general cargo, about 32 thousand containers and 412 thousand tons of bulk goods. **Net revenue** reached R\$75 million, generating **EBITDA** of R\$22 million, with an **EBITDA margin** of 29.7%.

### Energy Results

In **2Q20**, the volume of energy traded totaled a **net revenue** of R\$38 million, with an **EBITDA** of R\$2 million and an **EBITDA margin** of 4.5%.

## ESG – Environmental, Social & Governance

### Governance

CSN established the Sustainability, Environment, Health and Safety Department and the new management is Helena Brennand Guerra, an executive with solid experience in the area of Sustainability, Health, Safety and Environment. Helena has developed her career for over 20 years in companies in various sectors such as: Steel, Energy, Oil & Gas, Mining and Reforestation. Helena takes on the mission of unifying the policies and practices of especially important and synergistic areas, as the name of the department suggests, focused on improving the sustainable performance of the processes of all the Company's businesses.

### Environment

CSN has protected areas covering more than 68 thousand hectares in Brazil. In Volta Redonda-RJ, as a measure of environmental compensation, the INEA approved the project developed in partnership with the Volta Redonda City Hall, which foresees, until the end of 2020, the implementation of several environmental actions in the municipality, with a value above R\$3 million, with more than 80% of its actions already concluded, including:

- Strengthening of the Vale dos Puris Wildlife Refuge, Municipal Conservation Unit, with more than 3,000 ha;
- Investments in the Fazenda Santa Cecília do Ingá Municipal Natural Park, with the donation of over 100 thousand seedlings;
- Still during the last quarter, we proceeded with the planting and maintenance of 4 thousand seedlings of native trees of the Atlantic Forest in the city, in a total of 8 thousand that will be planted by the end of 2020, in an urban environment, creating a credit bank for future compensations of Presidente Vargas Steelworks, and in parallel, carried out an arboreal Inventory of more than 13,000 arboreal individuals preserved in the UPV areas.

At the CSN Cimentos Arcos unit, we signed the Atlantic Forest Compensation, which will involve the donation of 29.4ha to the Chico Mendes Institute for Biodiversity Conservation (ICMBio) as a land regularization of the Cavernas do Peruaçu National Park (Itacarambi / MG).

Additionally, 1,217 hectares are being conserved and recovered within the Atlantic Forest biome, near CSN Mineração.

### Health and Safety

At our steelmaking units, there was a 22% reduction in the Frequency rate compared to the first half of 2019. In the accumulated number of accidents (CAF + SAF), we have a 25% YoY reduction.

### Coping with COVID19

We followed all COVID19 prevention and containment recommendations published by the competent health agencies. We have set up a Prompt Response Management Committee (Crisis Committee) with the objective of ensuring the health, safety and well-being of workers, which has defined several measures to deal with the crisis, including:

- Reinforcement in the cleaning of the environment with the availability of 70% alcohol gel in all plants;
- Distribution of fabric masks for each employee;
- Medical protocols such as: measuring body temperature in all employees prior to access to plants and offices, RT-PCR testing in symptomatic cases and in possible contacts;
- Increase in social distance;
- Home office to all employees belonging to the Risk Groups;
- Reinforcement of internal publications with prevention information to Covid 19;
- Cancellation of face-to-face meetings, in the units or outside, as well as participation in internal and external training, using electronic means to make work contacts.

As a result of our planning and actions to face Covid19, there were no downtime in our business units or impacts on our operations.

### Social Commitment

In addition to donations of 500 thousand fabric masks to cities and regions in which CSN has units, we financed part of the installation of the campaign hospital in Volta Redonda with 114 beds and distributed materials to the municipal health departments for the prevention of Covid-19.

### Capital Markets

In the **second quarter of 2020**, CSN's shares appreciated 56.31%, while the Ibovespa increased 33.94%. The average daily value (CSNA3) traded at B3, in turn, was R\$ 133 million. On the New York Stock Exchange (NYSE), the Company's American Depositary Receipts (ADRs) appreciated by 56.97%, while the Dow Jones rose 23.25%. The daily average trading (SID) with ADRs on the NYSE was US\$ 3.5 million.

	1Q20	2Q20
<b>Number of shares (in thousands)</b>	<b>1,387,524</b>	<b>1,387,524</b>
<b>Market Cap</b>		
Closing price (R\$/share)	6,98	10,68
Closing price (US\$/ADR)	1,31	1,96
Market cap (R\$ million)	9,685	14,819
Market cap (US\$ million)	1,818	2,720
<b>Total return including Dividends and Interest on Equity</b>		
CSNA3	(52.48%)	56.31%
SID	(63.81%)	56.97%
Ibovespa	(15.49%)	33.94%
Dow Jones	(24.08%)	23.25%
<b>Volume</b>		
Daily average (thousand shares)	14,491	14,657
Daily average (R\$ thousand)	158,635	132,694
Daily average (thousand ADRs)	4,447	2,109
Daily average (US\$ thousand)	12,056	3,538

Source: Bloomberg

Webcast - 2Q20 Earnings Presentation	Investor Relations Team
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<b>July 29th, 2020</b>	
10:00 a.m. (US EDT)	
11:00 a.m. (Brasília time)	
Phone.: +1 929 378-3440 / +1 516 300-1066	
Code: CSN	
Replay Phone: +55 11 3127-4999	
Replay Code: 28149215	
Webcast: <a href="#">click here</a>	

Some of the statements contained herein are forward-looking statements that express or imply expected results, performance or events. These include future results that may be implied by historical results and the statements under 'Outlook'. Actual results, performance or events may differ materially from those expressed or implied by the forward-looking statements as a result of several factors, such as the general and economic conditions in Brazil and other countries, interest rate 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).

**INCOME STATEMENT  
CONSOLIDATED – Brazilian Corporate Law (in thousands of reais)**

	2Q20	1Q20	2Q19
<b>Net Sales Revenue</b>	<b>6,220,683</b>	<b>5,334,653</b>	<b>6,900,742</b>
Domestic Market	2,358,059	2,737,943	2.753.249
Foreign Market	3,862,624	2,596,710	4.147.493
<b>Costs of Goods Sold (COGS)</b>	<b>(4,378,065)</b>	<b>(4,017,707)</b>	<b>(4,442,269)</b>
COGS, excluding Depreciation and Depletion	(3,962,839)	(3,614,107)	(4.119.264)
Depreciation/Depletion allocated to COGS	(415,226)	(403,600)	(323.005)
<b>Gross Profit</b>	<b>1,842,618</b>	<b>1,316,946</b>	<b>2,458,473</b>
<b>Gross Margin (%)</b>	<b>30%</b>	<b>25%</b>	<b>36%</b>
Selling Expenses	(396,847)	(387,639)	(424.137)
General and Administrative Expenses	(117,706)	(110,750)	(119.197)
General and Administrative Expenses	(12,356)	(11,581)	(8.640)
Other Income (Expenses), net	(790,794)	(666,235)	(802.487)
Equity in Results of Affiliated Companies	28,354	(45,108)	29.066
<b>Operating Income Before the Financial Result</b>	<b>553,269</b>	<b>95,633</b>	<b>1,133,078</b>
Net Financial Result	284,857	(1,201,138)	(357.676)
<b>Income before Income Tax and Social Contribution</b>	<b>838,126</b>	<b>(1,105,505)</b>	<b>775,402</b>
Income Tax and Social Contribution	(392,226)	(206,204)	1.119.060
<b>Profit for the Period</b>	<b>445,900</b>	<b>(1,311,709)</b>	<b>1,894,462</b>

**CASH FLOW**
**BALANCE SHEET**
**Brazilian Corporate Law (in thousands of reais)**

	06/30/2020	12/31/2019
<b>Current assets</b>	<b>16,048,634</b>	<b>12,725,805</b>
Cash and cash equivalents	4,213,552	1,088,955
Financial Investments	2,170,674	2,633,173
Accounts Receivable	1,812,545	2,047,931
Inventory	5,957,710	5,282,750
Other Current Assets	1,894,153	1,672,996
Taxes to recover	1,558,014	1,282,415
Prepaid expenses	162,875	203,733
Dividends receivable	45,153	44,554
Derivative financial instruments	1,678	1,364
Others	126,433	140,930
<b>Non-current Assets</b>	<b>38,906,442</b>	<b>38,143,471</b>
Long-term Assets	8,018,723	7,626,577
Financial Investments valued at amortized cost	130,041	95,719
Deferred Tax	2,495,441	2,473,304
Other non-current assets	5,393,241	5,057,554
Tax to recover	1,818,630	2,119,940
Judicial deposits	341,873	328,371
Prepaid expenses	117,804	139,927
Credits Related Parties	1,423,248	1,274,972
Others	1,691,686	1,194,344
Investments	3,644,899	3,584,169
Shareholdings	3,483,419	3,482,974
Investment Properties	161,480	101,195
Property, plant and equipment	19,904,144	19,700,944
Fixed Assets in Operation	19,433,734	19,228,599
Lease	470,410	472,345
Intangible Assets	7,338,676	7,231,781
<b>TOTAL ASSETS</b>	<b>54,955,076</b>	<b>50,869,276</b>
<b>Current Liabilities</b>	<b>12,489,062</b>	<b>11,619,957</b>
Payroll and Related Taxes	409,507	317,510
Trade Payables	3,963,814	3,012,654
Taxes Payable	1,089,255	541,027
Loans and Financing	4,852,358	5,125,843
Other Payables	2,099,646	2,526,444
Dividends and JCP Payable	40,984	13,252
Customer Advances	780,391	787,604
Payables – Drawee Risk	600,820	1,121,312
Lease Liabilities	35,784	35,040
Other Payables	641,667	569,236
Provisions for Tax, Social Security, Labor and Civil Risks	74,482	96,479
<b>Non-current Liabilities</b>	<b>37,003,447</b>	<b>27,887,387</b>
Loans, Financing and Debentures	32,143,001	22,841,193
Other Payables	2,300,834	2,493,702
Customer Advances	1,538,045	1,845,248
Lease Liabilities	439,099	439,350
Derivative financial instruments	116,962	
Other Payables	206,728	209,104
Deferred Taxes	550,551	589,539
Provisions for Tax, Social Security, Labor and Civil Risks	558,464	526,768
Other Provisions	1,450,597	1,436,185
Provisions for Environmental Liabilities and Deactivation	538,413	524,001
Pension and Health Plan	912,184	912,184
<b>Equity</b>	<b>5,462,567</b>	<b>11,361,932</b>
Capital Social Realizado	4,540,000	4,540,000
Capital Reserve	32,720	32,720
Profit Reserve	4,431,200	4,431,200
Accumulated Loss	(1,015,673)	
Other Comprehensive Income	(3,835,032)	1,170,624
Non-controlling Interest	1,309,352	1,187,388
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>54,955,076</b>	<b>50,869,276</b>



**CONSOLIDATED – Brazilian Corporate Law (in thousands of reais)**

	2Q20	1Q20
<b>Net Cash generated by Operating Activities</b>	<b>1,500,310</b>	<b>466,933</b>
Net income (loss) for the period attributable to controlling shareholders	345,178	(1,360,851)
Net income attributable to non-controlling shareholders	100,722	49,142
Charges on loans and financing raised	512,024	470,990
Charges on loans and financing granted	(9,014)	(11,481)
Charges on lease liabilities	13,070	13,056
Depreciation, depletion and amortization	452,314	437,507
Equity in results of affiliated companies	(28,354)	45,108
Deferred taxes	(103,181)	(11,351)
Provisions for tax, social security, labor, civil and environmental risk	11,595	(8,685)
Monetary and exchange rate variation, net	866,556	522,571
Write-off of fixed and intangible assets	929	1,400
Adjusted shares – VJR	(527,197)	962,561
Accounts receivable – restitution	(508,326)	-
Provisions for decommissioning and environmental liabilities	(6,228)	20,640
Provisions (reversal) for consumption and services	(1,209)	37,158
Other provisions	3,189	(1,579)
<b>Working Capital Variation</b>	<b>789,276</b>	<b>(188,011)</b>
Accounts receivable – third parties	376,412	(89,849)
Accounts receivable – related parties	65,145	(31,572)
Inventories	(427,984)	(13,512)
Borrowings – related parties	(31,516)	57,227
Judicial deposits	(8,753)	(4,749)
Trade payables	473,630	341,567
Trade payables – Drawee Risk	(336,756)	(183,736)
Payroll and related taxes	98,850	(14,420)
Taxes/Refis	603,969	(61,612)
Other Payments and Receipts	(4,328)	(20,572)
Customer advances - Glencore	(223,172)	(130,568)
Other	203,779	(36,215)
<b>Other Payments and Receipts</b>	<b>(411,034)</b>	<b>(511,242)</b>
Interest paid	(411,034)	(511,242)
<b>Cash Flow from Investing Activities</b>	<b>(419,613)</b>	<b>(404,851)</b>
Investments/Future Advance for capital increase	(36,538)	-
Acquisition of intangible assets	(366,866)	(353,698)
Loans granted - related parties	(19,542)	(82,089)
Loans received - related parties	9,531	3,022
Financial application, net of redemption	(6,198)	27,914
<b>Cash Flow from Financing Activities</b>	<b>(136,022)</b>	<b>2,157,127</b>
Loans and financing raised	510,718	4,553,970
Loan amortizations – principal	(610,101)	(2,363,666)
Borrowing costs	(10,041)	(9,131)
Lease amortizations	(26,564)	(23,910)
Dividends paid	(34)	(136)
<b>Exchange Rate Variation on Cash and Cash Equivalents</b>	<b>(12,261)</b>	<b>(27,026)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>932,414</b>	<b>2,192,183</b>
Cash and cash equivalents at the beginning of the period	3,281,138	1,088,955
Cash and cash equivalents at the end of the period	4,213,552	3,281,138