Financial statements

Mineração Usiminas S.A.

At December 31, 2024
with Independent Auditor’s Report

Contents

Mineração Usiminas S.A.

Balance sheet
All amounts in thousands of reais

	Note	12/31/2024	12/31/2023
Assets			
Current assets			
Cash and cash equivalents	8	1,829,939	1,528,457
Marketable securities	9	409,580	374,628
Trade receivables	10	420,169	738,304
Inventories	11	152,243	160,181
Taxes recoverable	12	41,735	12,166
Dividends receivable	31	30,845	26,487
Derivative financial instruments	6	1,045	-
Other receivables		28,969	6,047
Total current assets		2,913,480	2,846,270
Noncurrent assets			
Long-term receivables			
Deferred income tax and social contribution	14	546,272	591,344
Judicial deposits	15	267,224	211,691
Income tax and social contribution recoverable	24	10,459	9,683
Contractual advances	13	367,255	327,285
Long-term inventory		104,009	22,766
Other receivables		1,294	142
		1,296,513	1,162,911
Investments	16	719,360	618,055
Investment properties		74,772	71,152
Property, plant and equipment	17	1,400,023	1,469,642
Intangible assets	18	1,673,258	1,694,539
Total noncurrent assets		5,163,926	5,016,299
Total assets		8,077,406	7,862,569
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables, contractors, and freight charges	20	272,371	311,441
Salaries and payroll charges		48,725	58,812
Taxes payable	21	25,289	35,804
Lease liabilities	22	16,076	28,931
Income tax and social contribution payable	14	-	8,499
Derivative financial instruments	6	-	11,913
Dividends and interest on capital payable	31	28,790	21,041
Environmental remediation liability	23	52,342	6,703
Other payables		12,430	40,969
Total current liabilities		456,023	524,113
Noncurrent liabilities			
Lease liabilities	22	29,323	34,632
Environmental remediation liability	23	248,790	290,795
Provision for litigation	24	78,620	70,506
Payables to related companies	31	27,612	51,780
Other payables		1,828	6,982
Total noncurrent liabilities		386,173	454,695
Total liabilities		842,196	978,808
Equity	25		
Share capital		3,441,042	3,194,542
Revenue reserves		3,792,536	3,687,543
Carrying value adjustments		1,632	1,676
Total equity		7,235,210	6,883,761
Total liabilities and equity		8,077,406	7,862,569

The accompanying notes are an integral part of these financial statements.

Mineração Usiminas S.A.

Statement of income

In thousands of reais unless otherwise stated

	Note	Years ended 12/31/2024	12/31/2023
Revenue	26	2,960,663	3,529,770
Cost of sales	27	(2,449,816)	(2,456,765)
Gross profit (loss)		510,847	1,073,005
Operating income (expenses)			
Selling expenses	29	(262,866)	(326,510)
General and administrative expenses	29	(51,796)	(51,645)
Other operating income (expenses), net	29	(88,910)	(153,228)
Share of profit or loss of jointly-controlled subsidiaries and associates	16	148,605	127,042
		(254,967)	(404,341)
Operating profit		255,880	668,664
Finance result	30	338,542	199,427
Profit before income tax and social contribution		594,422	868,091
Income tax and social contribution	14		
Current		(68,554)	(235,037)
Deferred		(45,133)	45,957
		(113,687)	(189,080)
Profit for the year		480,735	679,011

The accompanying notes are an integral part of these financial statements.

Mineração Usiminas S.A.

Statement of comprehensive income
All amounts in thousands of reais

	Years ended 12/31/2024	12/31/2023
Profit for the year	480,735	679,011
Other components of comprehensive income:		
Item that will not be subsequently reclassified to profit or loss		
Actuarial gain (loss) on retirement benefits, net of taxes	3,383	6,201
Item that may be subsequently reclassified to profit or loss		
(Recognition) reversal of hedge accounting, net of taxes	(3,427)	16,427
Total other comprehensive income (loss)	(44)	22,628
Total comprehensive income for the year	480,691	701,639
Attributable to:		
Controlling stockholders	480,691	701,639
Non-controlling interests	-	-

Items in the statement above are presented net of taxes. Tax effects relating to each component of other comprehensive income are disclosed in Note 14.

The accompanying notes are an integral part of these financial statements.

Mineração Usiminas S.A.

Statement of changes in equity
All amounts in thousands of reais

		Revenue reserves				
	Share capital	Legal reserve	Reserve for investments and working capital	Carrying value adjustments	Retained earnings (accumulated deficit)	Total equity
At December 31, 2022	3,194,541	181,540	3,848,009	(20,952)	-	7,203,138
Comprehensive income for the year						
Profit for the year	-	-	-	-	679,011	679,011
Hedge accounting	-	-	-	16,427	-	16,427
Actuarial gains	-	-	-	6,201	-	6,201
Total comprehensive income for the year	-	-	-	22,628	679,011	701,639
Transfer to reserves	-	33,951	459,050	-	(493,001)	-
Dividends and interest on capital	-		(835,006)	-	(186,010)	(1,021,016)
At December 31, 2023	3,194,541	215,491	3,472,053	1,676	-	6,883,761
Comprehensive income for the year						
Profit for the year	-	-	-	-	480,735	480,735
Hedge accounting	-	-	-	(3,427)	-	(3,427)
Actuarial gains (losses)	-	-	-	3,383	-	3,383
Total comprehensive income for the year	-	-	-	(44)	480,735	480,691
Capital increase	246,500	-	(246,500)	-	-	-
Transfer to reserves	-	24,037	327,456	-	(351,493)	-
Dividends and interest on capital	-	-	-	-	(129,242)	(129,242)
At December 31, 2024	3,441,041	239,528	3,553,009	1,632	-	7,235,210

The accompanying notes are an integral part of these financial statements.

Mineração Usiminas S.A.

Statement of cash flows
All amounts in thousands of reais

	Note	Years ended 12/31/2024	12/31/2023
Cash flows from operating activities			
Profit for the year		480,735	679,011
Adjustments to reconcile profit or loss			
Charges and indexation accruals// foreign exchange variations, net		(61,837)	54,372
Depreciation, amortization and depletion	27	329,119	314,154
Gain/loss on the sale/write-off of PP&E/investment		(622)	382
Share of profit or loss of jointly-controlled subsidiaries and associates	16	(148,605)	(127,042)
Impairment of assets (reversal of impairment)		(3,620)	(1,562)
Current income tax and social contribution		68,554	235,037
Deferred income tax and social contribution	14	45,133	(45,957)
Constitution (reversal) of provisions		9,982	70,907
(Increase) decrease in assets			
Trade receivables		299,985	(137,956)
Inventories		(71,206)	3,723
Taxes recoverable		(35,383)	(45,335)
Judicial deposits		(36,099)	(36,406)
Contractual advances		(40,121)	(72,080)
Others		(44,571)	7,845
Increase (decrease) in liabilities			
Trade payables		(39,070)	(12,393)
Taxes payable		(24,848)	12,786
Others		(178,544)	(58,377)
Income tax and social contribution paid		(73,157)	(203,930)
Settlement of derivative transactions		22,817	(172,183)
Net cash provided by operating activities		498,642	581,750
Cash flows from investing activities			
Marketable securities		(34,952)	137,888
Purchases of property, plant and equipment	17	(154,590)	(324,288)
Proceeds from sale of property, plant and equipment		622	(382)
Additions to intangible assets	18	(6,968)	(6,319)
Dividends received		43,018	43,113
Net cash provided by (used in) investing activities		(152,870)	(149,988)
Cash flows from financing activities			
Payment of lease liabilities		(25,282)	(26,158)
Dividends and interest on capital paid		(107,160)	(1,058,575)
Net cash provided by (used in) financing activities		(132,442)	(1,084,733)
Exchange variation gains (losses), net, on cash and cash equivalents		88,152	(29,094)
Net increase (decrease) in cash and cash equivalents		301,482	(682,065)
Cash and cash equivalents at the beginning of the year		1,528,457	2,210,522
Cash and cash equivalents at the end of the year		1,829,939	1.528457
Net increase (decrease) in cash and cash equivalents		301,482	(682,065)

The accompanying notes are an integral part of these financial statements.

1 Operations

Mineração Usiminas S.A. ("Mineração Usiminas" or "Company") is a privately-held corporation headquartered in the city of Belo Horizonte, State of Minas Gerais. Its stockholders are Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("Usiminas"), which holds a 70% interest in its capital and the Sumitomo Group, with 30% interest.

The Company and its jointly-controlled subsidiaries and associates are mainly engaged in operations relating to mineral deposits and the trading of iron ore, railroad transportation, logistics and cargo terminals. Currently, the Company has iron ore treatment facilities in the municipalities of Itatiaiuçu and Mateus Leme in the State of Minas Gerais, with an annual production capacity of 12 million metric tons (unaudited). The Company's production is substantially intended for the foreign market and for consumption of its parent company, Usiminas.

The Company holds the following direct or indirect investments in jointly-controlled subsidiaries and associates:

(a) Jointly-controlled subsidiary

Company	Ownership interest (%)	Voting capital (%)	Location	Core business
Modal Terminal de Granéis Ltda.	50	50	Itaúna/ MG	Operation of highway and railway cargo terminals, storage and handling of iron ore and steel products, and road cargo transportation.

(b) Associates

Company	Ownership interest (%)	Voting capital (%)	Location	Core business
Terminal de Cargas Sarzedo Ltda.	22.22	22.22	Sarzedo/MG	Cargo storage, handling and transportation, and terminal operation.
Usiminas Participações e Logística S.A.	83.30	49.90	Belo Horizonte/ MG	Investment in MRS Logística S.A, with a 11.20% interest in the company's share capital and participation in its control group (i).
Terminal de Cargas of Paraopeba Ltda.	22.22	22.22	Sarzedo/MG	Cargo storage, handling and transportation, and terminal operation.

(i) MRS Logística S.A. is a logistics company that manages a railway network in the States of Minas Gerais, Rio de Janeiro and São Paulo.

2 Approval of the financial statements

The issue of these financial statements was authorized by the Board of Directors on March 27, 2025.

3 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are described below.

Accounting policies related to transactions deemed immaterial were not included in these financial statements.

The accounting policies, which are consistent with those adopted in the previous year, have been evenly applied to the Company and its associates and jointly-controlled subsidiaries. The financial statements of subsidiaries were adjusted, where necessary, to meet this criterion.

3.1 Basis of preparation and statement of compliance

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified to reflect the measurement of financial assets and financial liabilities (including derivative financial instruments, if any) at fair value through profit or loss.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The financial statements have been prepared and are presented in accordance with International Financial Reporting Standards ("IFRS") issued by the *International Accounting Standards Board (IASB)*, and the accounting practices adopted in Brazil, issued by the Brazilian Accounting Pronouncements Committee (CPC). Disclosures are limited to all information of significance to the financial statements, being consistent with that used by management in the performance of its duties.

3.2 Joint ventures and associates

The Company classifies its investments as follows:

- associated companies are entities over which the Company does not have the control or joint control, but has significant influence through the participation in decisions relating to their financial and operating policies; and

- jointly-controlled subsidiaries are entities in which the Company shares the control with one or more parties.

Investments in associates and jointly-controlled subsidiaries are accounted for using the equity method and are initially recognized at cost.

In the year ended December 31, 2024, the Company used, for equity accounting purposes, in accordance with CPC 18 (R2) and IAS 28, the financial statements of November 30, 2024 of the associates Terminal de Cargas Sarzedo Ltda, Terminal de Cargas de Paraopeba Ltda, and of the jointly-controlled subsidiary Modal Terminal de Granéis Ltda. The fiscal year of the associated company Usiminas Participações e Logística S.A (UPLS) is the same as that of the Company.

The Company's share of profit or loss of its associates and jointly-controlled subsidiaries is recognized in the statement of income and its share of changes in reserves is recognized in the Company's reserves. When the Company's share of losses in an associate or jointly-controlled subsidiary is equal to or greater than the carrying amount of the investment, including any other receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or jointly-controlled subsidiary.

Accounting policies of associates have been changed, where necessary, to ensure consistency with the policies adopted by the Company.

3.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Brazilian reais (R$), which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or valuation, when the items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

Foreign exchange gains and losses relating to assets and liabilities are presented in the statement of income as finance result.

3.4 Cash and cash equivalents and marketable securities

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, and other short-term highly liquid investments, with immaterial risk of change in value, which are held for the purpose of meeting short-term commitments.

(b) Marketable securities

These are highly liquid investments, which are not intended to meet short-term commitments.

3.5 Financial assets

(a) Classification

Upon initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

A financial asset is measured at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:

- the asset is held within a business model whose objective is achieved through both the collection of contractual cash flows and the sale of financial assets; and

- the contractual terms of the financial asset give rise, on specific dates, to cash flows that represent payments of principal and interest on the principal amount outstanding.

All other financial assets are classified as measured at fair value through profit or loss.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost, as measured at fair value through other comprehensive income, or at fair value through profit or loss. This designation has the purpose of eliminating or significantly reducing a possible accounting mismatch arising from gains or losses produced by the respective asset measured on different bases.

(b) Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date. Investments are initially recognized at fair value plus the transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and the transaction costs are expensed in the statement of income for the period in which they arise. The fair value of investments with publicly available quotations is based on current bid prices. The fair value of financial assets without an active market is established through the use of valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(c) Impairment of assets carried at amortized cost

The Company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or a group of financial assets is impaired. The criteria used to determine whether there is objective evidence of impairment loss include:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- probability that the debtor will enter bankruptcy or financial reorganization; and
- the disappearance of an active market for that financial asset because of financial difficulties.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; and
- the Company has transferred its rights to receive cash flows from the asset or has agreed to pay to a third party the full amount of the cash flows received with no significant delay, as a result of a "transfer" agreement; and (a) the Company has transferred substantially all the risks and benefits of the asset, or (b) the Company has not transferred or retained substantially all risks and rewards related to the asset, but transferred the control over this asset.

When the Company has transferred its rights to receive cash flows from an asset, or has entered into a transfer agreement and has not substantially transferred or retained all the risks and rewards related to an asset, the asset is recognized to the extent of the continuous involvement of the Company with such asset.

(e) Offsetting of financial assets

Financial assets or liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.6 Financial liabilities

(a) Recognition and measurement

A financial liability is classified as measured at fair value through profit or loss if it is held for trading or designated as such on initial recognition. Transaction costs are recognized in profit or loss as incurred. These financial liabilities are measured at fair value and any changes in fair value are recognized in the statement of income for the year.

The Company's financial liabilities, which are initially recognized at fair value, include trade and other payables, borrowings, and derivative financial instruments. Borrowings and payables are added by the transaction costs directly related to them.

(b) Subsequent measurement

After initial recognition, borrowings, debentures, trade and other payables are subsequently measured at amortized cost, using the effective interest rate method. The discount rates for lease liabilities were estimated by management based on risk-free interest rates observable in the Brazilian market plus a spread, and adjusted for the term of the lease agreements.

(c) Borrowing costs

Borrowing costs related to the acquisition, construction or production of an asset that requires a significant amount of time to be ready for its intended use or sale are capitalized as part of the cost of that asset. Borrowing costs comprise interest and other costs incurred by the Company in connection with the borrowing of funds

(d) Derecognition of financial liabilities

A financial liability is derecognized when the obligation is revoked, canceled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or when the terms of an existing liability are substantially modified, such a replacement or modification is treated as settlement of the original liability and recognition of a new liability, and the difference in the corresponding book values is recognized in the statement of income.

(e) Offsetting of financial instruments

Financial assets or liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.7 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value through profit or loss.

3.8 Inventories

Inventories are stated at the lower of the average purchase or production cost (weighted moving average) and the net realizable value. Imports in transit are stated at the accumulated cost of each import.

The storeroom houses maintenance and replacement materials that are available for immediate consumption regardless of the turnover, which can exceed 12 months in certain strategic situations.

The acquisition and production cost is increased by expenses related to transportation, storage and non-recoverable taxes. Net realizable value is the estimated selling price in the ordinary course of business, less estimated completion costs and directly related selling expenses. The net realizable value of certain inventories held in the storeroom was based on the estimated selling price in the normal course of business.

3.9 Judicial deposits

Judicial deposits are those made in a bank account in connection with legal proceedings, in Brazilian currency and adjusted for inflation, for the purpose of ensuring the settlement of potential future liabilities.

3.10 Property, plant and equipment

Property, plant and equipment are recorded at cost of acquisition, formation or construction, less depreciation and, where applicable, impairment losses. Upon replacement, the key components of certain property, plant and equipment items are recorded as individual and separate assets and depreciated considering the specific economic useful lives of these components. The carrying amount of the replaced component is derecognized. Maintenance costs incurred to keep the original performance pattern are expensed in the statement of income as incurred. Expenditures on engineering, research, studies and development are accounted for as operating expenses until the economic feasibility of a specific project is confirmed; from then on, the expenses incurred will be accounted for under property, plant and equipment.

Depreciation of property, plant and equipment items is calculated using the straight-line method to allocate their cost to the residual values over their estimated useful lives, except for mine decommissioning costs (environmental restoration liabilities) (Notes 3.15 and 17).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, during the year.

An asset's carrying amount is adjusted immediately when it is greater than its estimated recoverable amount.

The Company has parts and spare parts for the maintenance of property, plant and equipment items, with estimated useful lives of more than 12 months. Accordingly, the balance of inventories of these parts and spare parts is classified in property, plant and equipment.

3.11 Investment properties

Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are stated at fair value, which reflects the market conditions on the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in the statement of income for the year in which they are generated. Investment properties are written off when they are sold or no longer used on a permanent basis, and when no future economic benefit is expected from their sale. The difference between the net proceeds from the sale and the carrying amount of the asset is recognized in the statement of income for the year when the asset is written off.

3.12 Intangible assets

(a) Goodwill

Goodwill represents the positive difference between the amount paid and/or payable for the acquisition and the net fair value of the acquired entity's assets and liabilities. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose, duly segregated by operating segment.

(b) Mineral rights

Mineral rights are recorded at acquisition cost and reduced based on the depletion of the mineral reserves.

Mineral rights arising from acquisitions of companies are recognized at their fair values, considering the allocation of assets and liabilities acquired. Mineral rights are depleted, using the unit-of-production method, as the reserves are exploited.

(c) Software

Software licenses purchased are capitalized and amortized on a straight-line basis over their estimated useful lives at the rates described in Note 18

3.13 Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill, for example, are not subject to amortization and are tested annually for impairment. Assets with defined useful lives are reviewed to identify evidence of impairment at the balance sheet date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indicator exists, the assets are tested for impairment. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units (CGU's)). An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount.

3.14 Provisions for litigation

Provisions for lawsuits related to labor, social security, tax and civil claims are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the related amount can be reliably estimated.

3.15 Environmental restoration liability

The provision for environmental restoration, when related to an asset construction or acquisition, is recorded as part of the cost of that asset and takes into consideration management's estimates.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, which reflects current market assessments and the risks specific to the obligation. The increase in the provision due to the time elapsed is recognized as interest expense.

The Company recognizes a liability for the expected costs of mine closure and decommissioning of the related mining assets in the period in which they occur, discounted to present value. The Company considers the accounting estimates related to the reclamation of degraded areas and mine decommissioning costs as a critical accounting practice, since it involves significant provision values and is based on a number of assumptions, such as interest and inflation rates, the useful life of the asset considering the current depletion level, and the projected depletion dates of each mine. These estimates are reviewed annually.

3.16 Current and deferred income tax and social contribution

Income taxes are recognized in the statement of income, except to the extent that they relate to items recognized directly in equity or in the statement of comprehensive income.

Deferred taxes are calculated on income tax and social contribution losses and the corresponding temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes, generally when related to the same legal entity and the same tax authority.

3.17 Employee benefits

(a) Supplementary retirement plan

The Company offers its employees supplementary pension plans, which are managed by Previdência Usiminas.

Currently, the only pension plan offered to the Company's employees that accept new enrollments is USIPREV, a Variable Contribution plan. However, Founder Members, that is, participants who enrolled in the plan before April 13, 2011, may also opt for converting their account balance into a monthly life annuity. In such case, during the payout phase, the characteristics of USIPREV will be similar to those of a Defined Benefit plan.

The liability recognized in the balance sheet in respect of Defined-Benefit-type plans is the present value of the defined benefit obligation at the balance sheet date minus the market value of plan assets, adjusted for: (i) actuarial gains and losses; (ii) rules to determine the asset ceiling; and (iii) minimum funding requirements. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the future cash outflows using market interest rates denominated in the currency in which the benefits will be paid, and with terms to maturity that approximate those of the related retirement plan liability.

Actuarial gains and losses are charged or credited directly to other comprehensive income for the period in which they occur. The contributions are expensed in the period in which they are incurred.

(b) Post-retirement healthcare benefit plan

The Company records the obligations in accordance with the legislation in force, which ensures to employees who contributed to the retirement plan the right to remain as beneficiaries after retirement, provided that they continue to pay the full amount of the contributions to the plan. The maintenance term after retirement is one year for each year of contribution; however, if the contributions have been made for at least ten years, this term is indefinite.

These obligations are valued annually by independent actuaries.

(c) Employee profit sharing

The Company offers its employees profit sharing based on the fulfillment of previously set operating and financial targets. These amounts are recorded under "Cost of sales", "Selling expenses" and "General and administrative expenses", in accordance with the position of each employee.

3.18 Revenue recognition

Revenue is shown net of taxes, returns, rebates and discounts. Revenue is measured at the fair value of the consideration received or receivable, to the extent it is probable that future economic benefits will flow to the entity and the amounts of revenue and costs can be reliably measured.

Sales of the Company's products refer basically to sales of iron ore as sinter feed, pellet feed, and granulated. The Company recognizes revenue on the date the product is delivered to the buyer, in accordance with the contractual conditions. In certain cases, the selling price is determined provisionally on the date of the sale and subsequently adjusted based on changes in quoted market prices up to the date when the final price is fixed.

3.19 Finance income (costs)

Finance income arises primarily from financial assets, such as trade receivables and financial investments, the interest and earnings of which are recognized on a *pro rata temporis* basis, using the effective interest rate method.

Finance costs arise primarily from financial liabilities, such as borrowings and provisions for litigations; the related interest and inflation adjustments are recognized on a *pro rata temporis* basis, using the effective interest rate method.

3.20 Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to the Company's stockholders is recognized as a liability in the financial statements at year-end, in accordance with its bylaws. Amounts above the minimum mandatory limit established by law are only provided for when approved at a General Stockholders' Meeting.

The tax benefit of interest on capital, where applicable, is recognized at the computation of income tax and social contribution. In the Company's financial statements, the same accounting treatment is adopted for interest on capital and dividends.

3.21 Leases

The Company, as a lessee, recognizes a right-of-use asset representing its right to use the leased asset, and a lease liability representing its obligation to make future lease payments. Exemptions are allowed for short-term leases and leases of low-value assets. The Company recognizes new assets and liabilities for its leases, and the depreciation of right-of-use assets and interest expense on lease liabilities. The discount rates for lease liabilities were estimated by management based on risk-free interest rates observable in the Brazilian market plus a spread, and adjusted for the term of the lease agreements.

3.22 Pronouncements issued but not yet effective at December 31, 2024

The Company does not expect that the adoption of the standards described below could have a material impact on its financial statements in future periods.

IFRS 18	Presentation and Disclosure of Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to CPC 18 (R3)	Investments in Associates, Subsidiaries and Joint Ventures
ICPC 09	Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Application of the Equity Method
Amendments to CPC 02 (R2)	Effects on Changes in Exchange Rates and Translation of Financial Statements
CPC 37 (R1)	First-time Adoption of International Financial Reporting Standards

4 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make certain judgments and estimates and adopt assumptions that affect the stated amounts of revenue, expenses, assets and liabilities and their related disclosures, as well as the disclosure of contingent liabilities.

4.1 Judgments

In the process of applying the Company’s accounting policies, management used the following judgments, which have the most significant effects on the amounts recognized in the financial statements:

Classification of investment control

The Company classifies its investments in accordance with CPC 18 (R2) - Investment in Associates and Joint Ventures and CPC 19 (R2) - Joint Ventures, the adoption of which is subject to the use of judgment to determine the extent of control and significant influence over investees. The Company has an investment classified as a Joint Venture, in which control is shared regardless of the percentage of ownership interest in the investee's capital.

4.2 Estimates and assumptions

Presented below are the main assumptions concerning sources of uncertainty in future estimates and other important sources of uncertainty in estimates at the balance sheet date, which involve significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of non-financial assets

Annually, the Company tests goodwill and other long-term assets for impairment. For purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units (CGU's)). The recoverable amounts of CGUs have been determined based on value-in-use calculations, which require the use of estimates (Note 19).

(b) Income tax, social contribution, and other tax credits

Management reviews, on a regular basis, the recoverability of deferred tax assets considering the historical profit generated and the estimated future taxable profit, based on technical feasibility studies (Note 14 (b)).

(c) Fair value of derivatives and other financial instruments

The fair value of derivatives and other financial instruments that are not traded in an active market is determined through the use of valuation techniques. Management uses its judgment to select among a variety of methods and assumptions that are mainly based on market conditions existing at each reporting date.

(d) Retirement plan benefits

The present value of the retirement plan obligations depends on a number of factors that are determined based on actuarial calculations. The assumptions used in determining the net cost (income) of pension plans include the discount rate.

The appropriate discount rate at the end of each year is used to determine the present value of estimated future cash outflows.

Other key assumptions for retirement plan obligations are based on current market conditions.

(e) Provisions for litigation

The Company is a party to several judicial and administrative proceedings (Note 24). and sets up provisions for all litigations classified as involving probable risk of loss. The probability of loss is assessed based on available evidence, which include the opinion of internal and external legal consultants.

(f) Provision for environmental restoration and asset retirement obligation

Based on specialized technical surveys, the Company determines and records provisions for the expected costs of future decommissioning of its operations and reclamation of the areas affected by its activities. At the recognition of the provision, the estimated costs are capitalized in property, plant and equipment and depreciated over the useful life of the corresponding mining assets, generating an expense that is recognized in the statement of income for the year. In 2024 and 2023, the monthly adjustment of the provision for environmental restoration balance was based on the Broad Consumer Price Index (IPCA).

(c) Useful lives of property, plant and equipment

The depreciation of property, plant and equipment is calculated using the straight-line method over the useful lives of the assets. The useful lives of assets are based on reports issued by the Company's engineers or external consultants, and are reviewed annually.

5 Financial risk management objectives and policy

The Company has a financial risk management program in place that seeks to reduce the impacts of such risks on its financial assets, financial liabilities and cash flows. This program was prepared in accordance with the financial policy of its parent company Usiminas. Management evaluates and monitors these risks, and where necessary, adopts measures to mitigate their effects, including by contracting derivative financial instruments.

5.1 Financial risk factors

The activities of Mineração Usiminas exposed it to a number of financial risks, such as market risk, foreign exchange risk, interest rate risk, fair value risk, credit risk and liquidity risk. These risks are managed through rules and policies established by the Board of Directors, which include the use of financial instruments and investment of cash surplus.

5.2 Policy for the use of financial instruments

The policy for managing financial assets and liabilities has the purpose of: (i) maintaining the intended liquidity;, (ii) defining the concentration level of operations; (iii) controlling the level of exposure to financial market risks.

Management monitors the risks to which the Company is exposed and evaluates the need to contract derivative transactions in order to minimize the impacts on its financial assets and liabilities, and reduce the volatility in its cash flows caused mainly by foreign exchange exposure, as well as by the effects of the iron ore price.

5.3 Financial risk management policy

(a) Credit risk

Credit risk arises mainly from the exposure of the Company's financial resources held by financial institutions, securities and notes acquired from publicly traded companies, and credit to customers.

As a means to mitigate credit risk, with respect to cash and cash equivalents, Mineração Usiminas carries out transactions exclusively with prime financial institutions.

With respect to financial investments, only securities and notes of entities rated by international rating agencies as "A-" or higher are traded. In addition, other criteria must be complied with, such as equity and cash concentration by institution.

The sales policy of Mineração Usiminas seeks to minimize any risks arising from customer defaults. The finance and sales departments assess and monitor customer performance. Customers are selected based on their ability to pay, debt ratio and evaluation of their balance sheet.

(b) Liquidity risk

The policy for managing financial assets and liabilities involves an analysis of the counterparties based on their financial statements, equity and credit rating. This policy aims to ensure the Company's intended liquidity, to define the concentration level of its operations, as well as to control its exposure to financial market risks, thus diluting the liquidity risk.

Cash flow forecast is based on the budget approved by the Board of Directors. Whenever necessary, cash flow estimate is reviewed and updated.

At December 31, 2024, the cash maintained by Mineração Usiminas was invested in Bank Deposit Certificates (CDBs), repurchase agreements and investment funds.

The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

The contracted undiscounted cash flows are shown below:

	Less than 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years
At December 31, 2024				
Trade payables	218,397	-	-	-
Payables to related companies	53,974	-	-	-
Lease liabilities	19,624	19,067	12,531	654
Swap	1,045	-	-	-
At December 31, 2023				
Trade payables	252,831	-	-	-
Payables to related companies	58,610	51,780	-	-
Lease liabilities	34,298	15,255	24,641	1,213

(c) Foreign exchange risk

(i) Foreign exchange exposure

Mineração Usiminas carries out transactions with counterparties abroad and, therefore, is exposed to foreign exchange risk, mainly related to the U.S. dollar. The Company's net exposure in foreign currency at December 31, 2024 and 2023 is shown below:

	12/31/2024	12/31/2023
Assets in foreign currency		
Cash and cash equivalents	563,667	498,160
Trade receivables	317,337	471,391
	881,004	969,551
Liabilities in foreign currency		
Trade payables	(1,690)	(38,294)
Net exposure	879,314	931,257

(ii) Sensitivity analysis - foreign exchange risk arising from assets and liabilities denominated in foreign currency

The analysis below estimates the negative impact on the Company's future finance result of any unfavorable variation in the foreign exchange rate against the U.S. Dollar (R$/US$). Three scenarios were defined, considering the net exposure to assets denominated in foreign currency at December 31, 2024. Scenario I considers a 5% reduction in the foreign exchange rate (R$/US$) effective at December 31, 2024. Scenarios II and III consider a reduction of 25% and 50%, respectively, in the same variable.

		12/31/2024		
Currency	Interest rate at the end of the year	Scenario I	Scenario II	Scenario III
US$	6.1923	5.8827	4.6442	3.0962

Gains (losses) on the finance result, considering Scenarios I, II and III, are shown below:

			12/31/2024
Currency	**Scenario I**	**Scenario II**	**Scenario III**
US$	(272,236)	(1,361,266)	(2,722,444)

(d) Interest rate risk

The Company has financial investments in Reais (R$) that are linked to the Interbank Deposit Certificate (CDI) rate, and fixed-rate investments in U.S. dollars abroad. The net exposure to interest rates is as follows:

	12/31/2024	**12/31/2023**
Assets in CDI		
Cash and cash equivalents	1,261,339	1,028,732
Marketable securities	409,580	374,628
Net exposure	1,670,919	1,403,360

(i) Sensitivity analysis of changes in interest rates

The analysis below estimates the negative impact on the Company's future finance result of any unfavorable variation of the interest rate indexed to the CDI rate. Three scenarios of analysis were defined considering the net exposure of assets linked to the CDI rate, at December 31, 2024. Scenario I considers a 5% reduction in the interest rate as of December 31, 2024. Scenarios II and III consider a reduction of 25% and 50%, respectively, in the same variable.

The sensitivity analysis of the interest rate variation based on the related scenarios is presented below:

				12/31/2024
Index	**Interest rate at the end of the year**	**Scenario I**	**Scenario II**	**Scenario III**
CDI	12.15%	11.54%	9.11%	6.08%

Gains (losses) on the finance result, considering Scenarios I, II and III, are shown below:

			12/31/2024
Index	**Scenario I**	**Scenario II**	**Scenario III**
CDI	(10,193)	(40,603)	(50,629)

5.4 Capital management

The Company's capital management aims to establish a capital structure that ensures business continuity in the long term, while providing the expected return to stockholders. At December 31, 2024, in addition to not having any material financial liabilities, the Company retained a significant level of cash, to be used in future projects.

6 Derivative financial instruments

The Company enters into hedging transactions related to iron ore prices and foreign exchange rates for the purpose of hedging its financial position and cash flows. Management's decision about the contracting of financial hedges is based on an analysis of future prices of ore and projected foreign exchange rates (R$/US$).

The Company does not enter into derivative financial instruments for speculative purposes. In accordance with its policy, the Company does not settle transactions before their original maturity date and does not prepay its derivatives.

At December 31, 2024, the transactions with derivative financial instruments entered into by the Company were as follows:

Hedged item	Maturity groups by month/year	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Gain/loss for the period
				31/12/2024		12/31/2023		31/12/2024	12/31/2023	31/12/2024
		Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset (liability) position	Asset (liability) position	Gain (loss)
COMMODITIES' PRICE HEDGE										
iron ore (CFR China 62% Fe)	03/24	Ore FWD USD 130.08	Ore_Fut_SCOG4	-	-	R$ 96,387	R$ 96,387	-	(6,225)	3,885
iron ore (CFR China 62% Fe)	04/24	Ore FWD USD 129.00	Ore_Fut_SCOH4	-	-	R$ 7,010	R$ 7,010	-	(422)	1,071
iron ore (CFR China 62% Fe)	04/24	Ore FWD USD 129.08	Ore_Fut_SCOH4	-	-	R$ 87,315	R$ 87,315	-	(5,266)	13,599
iron ore (CFR China 62% Fe)	05/24	Ore FWD USD 122.23	Ore-Fut_SCOJ4	-	-	-	-	-	-	3,522
iron ore (CFR China 62% Fe)	05/24	Ore FWD USD 125.03	Ore-Fut_SCOJ4	-	-	-	-	-	-	6,589
iron ore (CFR China 62% Fe)	06/24	Ore FWD USD 123.25	Ore_Fut_SCOK4	-	-	-	-	-	-	1,142
iron ore (CFR China 62% Fe)	03/24	Ore FWD USD 135.04	Ore_Fut_SCOG4	-	-	-	-	-	-	707
iron ore (CFR China 62% Fe)	06/24	Ore FWD USD 107.62	Ore_Fut_SCOK4	-	-	-	-	-	-	(7,633)
iron ore (CFR China 62% Fe)	06/24	Ore FWD USD 110.00	Ore_Fut_SCOK4	-	-	-	-	-	-	(3,865)
iron ore (CFR China 62% Fe)	08/24	Ore FWD USD 118.02	Ore_Fut_SCON4	-	-	-	-	-	-	10,202
iron ore (CFR China 62% Fe)	10/24	Ore FWD USD 119.06	Ore_Fut_SCOU4	-	-	-	-	-	-	10,994
iron ore (CFR China 62% Fe)	11/24	Ore FWD USD 101.65	Ore_Fut_SCOV4	-	-	-	-	-	-	(2,105)
iron ore (CFR China 62% Fe)	11/24	Ore FWD USD 92.90	Ore_Fut_SCOV4	-	-	-	-	-	-	(658)
iron ore (CFR China 62% Fe)	11/24	Ore FWD USD 92.67	Ore_Fut_SCOV4	-	-	-	-	-	-	(5,891)
iron ore (CFR China 62% Fe)	11/24	Ore FWD USD 92.70	Ore_Fut_SCOV4	-	-	-	-	-	-	(3,312)
iron ore (CFR China 62% Fe)	11/24	Ore FWD USD108,5	Ore_Fut_SCOV4	-	-	-	-	-	-	103
iron ore (CFR China 62% Fe)	12/24	Ore FWD USD 97.22	Ore_Fut_SCOX4	-	-	-	-	-	-	(3,137)
iron ore (CFR China 62% Fe)	12/24	Ore FWD USD 95.62	Ore_Fut_SCOX4	-	-	-	-	-	-	(2,049)
iron ore (CFR China 62% Fe)	01/25	Ore FWD USD 97.56	Ore_Fut_SCOZ4	R$ 79,632	R$ 79,632	-	-	(5,604)	-	-
iron ore (CFR China 62% Fe)	01/25	Ore FWD USD 105.21	Ore_Fut_SCOZ4	R$ 87,109	R$ 87,109	-	-	1,484	-	-
iron ore (CFR China 62% Fe)	02/25	Ore FWD USD 107.08	Ore_Fut_SCOF5	R$ 43,385	R$ 43,385	-	-	2,819	-	-
iron ore (CFR China 62% Fe)	02/25	Ore FWD USD 106.1	Ore_Fut_SCOF5	R$ 43,785	R$ 43,785	-	-	2,367	-	-
iron ore (CFR China 62% Fe)	03/25	Ore FWD USD 100.47	Ore_Fut_SCOG5	R$ 82,035	R$ 82,035	-	-	(21)	-	-
								Gain (loss) on export revenue for the year		**23,164**
							Book balance (asset position net of the liability position)	**1,045**	**(11,913)**	

The carrying amounts of the derivative financial instruments are as follows:

	12/31/2024	12/31/2023
Current assets	1,045	-
Current liabilities	-	11,913

	12/31/2024	12/31/2023
In gross revenue – foreign market	23,164	(156,755)

(b) Hedging activities – cash derivative financial instruments (hedge accounting)

At December 31, 2024 and 2023, Mineração Usiminas S.A.:

- Entered into derivative financial instruments transactions to manage the risk of fluctuations in ore prices, which affects its sales in the foreign market.

- Designated some derivative transactions as hedge accounting. Hedge accounting involves the recognition, in profit or loss, of net gains/losses arising from changes in the fair value of the hedging instrument and the hedged item at the same time.

- Performed retrospective and prospective hedge effectiveness tests in accordance with IAS 39/CPC 38, which showed 100% effectiveness for both, transactions with derivative financial instruments designated as hedge instruments, and exports designated as hedged items.

The derivative financial instruments transactions designated as hedging instruments at December 31, 2024 are shown below:

					12/31/2024
		Index			
Hedged item	Maturity (year/month)	Asset position	Liability position	Notional amount (contracted)	Gain (loss)
Iron ore (CFR China 62% Fe)	01/25	Ore FWD USD 97.56	Ore_Fut_SCOZ4	R$ 79,632	(5,604)
Iron ore (CFR China 62% Fe)	01/25	Ore FWD USD 105.21	Ore_Fut_SCOZ4	R$ 87,109	1,484
Iron ore (CFR China 62% Fe)	02/25	Ore FWD USD 107.08	Ore_Fut_SCOF5	R$ 43,385	2,819
Iron ore (CFR China 62% Fe)	02/25	Ore FWD USD 106.10	Ore_Fut_SCOF5	R$ 43,785	2,367
Iron ore (CFR China 62% Fe)	03/25	Ore FWD USD 100.47	Ore_Fut_SCOG5	R$ 82,035	(21)
					1,045

Hedge accounting recognized in equity is shown below:

	Consolidated	
	12/31/2024	12/31/2023
Opening balance recognized in equity (a)	328	(16,099)
Gain (loss) recognized as hedging instrument in the period	1,045	(11,913)
Gain (loss) recognized as hedged item in the period	(5,739)	12,411
Net gain (loss) recognized in the year	(4,694)	498
Balance before deferred taxes on gain (loss)	(4,366)	(15,601)
Deferred taxes on gain (loss) recognized in the year (34%)	1,595	(170)
Gain (loss) recognized in the year, net of deferred taxes (b)	(3,427)	16,427
Closing balance recognized in equity (a + b)	(3,099)	328
Gain (loss) recycled from equity to export revenue (redemptions)	23,164	(156,755)

7 Financial instruments by category

			12/31/2024			12/31/2023
	Assets at amortized cost	Assets at fair value through profit or loss	Total	Assets at amortized cost	Assets at fair value through profit or loss	Total
Assets						
Cash and cash equivalents	1,829,939	-	1,829,939	1,528,457	-	1,528,457
Marketable securities	-	409,580	409,580	-	374,628	374,628
Trade receivables	420,169	-	420,169	738,304	-	738,304
Derivative financial instruments	-	1,045	1,045	-	-	-
Other financial asset instruments	30,845	-	30,845	27,959	-	27,959
	2,280,953	410,625	2,691,578	1,625,907	1,043,441	2,669,348

			12/31/2024			12/31/2023
	Liabilities at amortized cost	Liabilities at fair value through profit or loss	Total	Liabilities at amortized cost	Liabilities at fair value through profit or loss	Total
Liabilities						
Trade payables	272,371	-	272,371	311,441	-	311,441
Lease liabilities	45,399	-	45,399	63,563	-	63,563
Derivative financial instruments	-	-	-	-	11,913	11,913
Payables to related companies	27,612	-	27,612	51,780	-	51,780
	345,382	-	345,382	426,784	11,913	438,697

The fair values are classified into different hierarchic levels, based on inputs used in valuation techniques, as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than the quoted prices included in Level 1, which are observable for the asset or liability, either directly (that is, as prices) or indirectly (derived from prices);
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At December 31, 2024, financial instruments measured at fair value include financial investments that are fully classified at Level 2.

The amounts of the financial instruments measured at fair value do not significantly differ from their carrying amounts, since they have been contracted and recorded considering rates and conditions adopted in the market for transactions of similar nature, risk and terms.

8 Cash and cash equivalents

Cash and cash equivalents include financial assets, as follows:

	12/31/2024	12/31/2023
Banks - current accounts	4,933	1,565
Banks- current accounts abroad	563,667	498,160
Bank Deposit Certificates (CDB) and repurchase commitments (i)	1,261,339	1,028,732
	1,829,939	1,528,457

(i) Balance at December 31, 2023, restated (Note 9).

At December 31, 2024, financial investments in CDBs earned on average 103.01% (104.64% at December 31, 2023) of the CDI rate.

9 Marketable securities

	12/31/2024	12/31/2023
Investment funds	409,580	374,628

At December 31, 2024, financial investments in CDBs earned on average 103.01% (104.64% at December 31, 2023) of the CDI rate. Investment Funds earned on average 102.39% (102.66% at December 31, 2023) of the CDI rate. As these investment funds are exclusive to Usiminas, there are no obligations to third parties to be disclosed.

At December 31, 2024, Mineração Usiminas S.A.. adopted the criterion of classifying as marketable securities its financial investments in CDBs with a redemption grace period of more than 90 days. At December 31, 2023, the Company classified as marketable securities its financial investments in CDBs with a contractual term of more than 180 days. Therefore, the amount of R$668,813 presented as securities in the financial statements as at December 31, 2023, is being restated as cash and cash equivalents at December 31, 2024, for comparative purposes.

The original and restated balances, as well as the adjustments made in the balance sheet and in the statement of cash flows at December 31, 2023 are shown below:

(a) Balance sheet

	12/31/2023		
	Original balance	**Reclassifications**	**Restated balance**
Current assets			
Cash and cash equivalents	859,644	668,813	1,528,457
Marketable securities	1,043,441	(668,813)	374,628
	1,903,085	-	1,903,085

(b) Statement of cash flows

	12/31/2023		
	Original amounts	**Reclassifications**	**Restated amounts**
Net cash from investing activities			
Marketable securities	810,987	(673,099)	137,888
Total net cash provided by (used in) investing activities	523,111	(673,099)	(149,988)
Cash and cash equivalents - opening balance	868,610	1,341,912	2,210,522
Cash and cash equivalents - closing balance	859,644	668,813	1,528,457
Increase (decrease) in cash and cash equivalents	(8,966)	(673,099)	(682,065)

10 Trade receivables

	12/31/2024	12/31/2023
Trade payables in local currency	13,457	10,718
Trade payables in foreign currency	317,337	471,391
Trade receivables	330,794	482,109
Receivables from related parties (Note 31)	89,375	256,195
	420,169	738,304

At December 31, 2024 and 2023, no trade receivables were overdue.

11 Inventories

	12/31/2024	12/31/2023
Current assets		
Finished products	72,060	88,656
Work in progress	10,329	22,527
Raw materials	1,511	5
Storeroom	83,927	80,749
Imports in transit	1,241	602
Provision for losses	(16,825)	(32,358)
	152,243	160,181
Noncurrent assets (i)		
Raw materials	143,296	49,323
Provision for losses	(39,287)	(26,557)
	104,009	22,766
Total inventories	256,252	182,947

(i) Based on its production plan, Mineração Usiminas classifies as noncurrent iron ore inventories that are expected to be realized in more than 12 months.

Changes in the provision for inventory losses were as follows:

	12/31/2024	12/31/2023
Opening balance	(32,358)	(4,895)
(Recognition) reversal of provision for adjustment of inventories to net realizable value	15,533	(27,463)
Closing balance	(16,825)	(32,358)

At December 31, 2024, the Company recorded a reversal of R$15,533 (R$27,463 at December 31, 2023) in the provision for inventory losses, as a result of the write-off of inventories due to deterioration caused by the storage process and the movement of iron ore and warehouses. The corresponding entry for this provision was recorded in the statement of income under “Cost of sales”.

Changes in the provision for inventory losses in noncurrent assets were as follows:

	12/31/2024	12/31/2023
Opening balance	(26,557)	(22,265)
(Recognition) reversal of provision for adjustment of inventories to net realizable value	(12,730)	(4,292)
Closing balance	(39,287)	(26,557)

At December 31, 2024, the Company recorded a provision for inventory losses in the amount of R$12,730, referring to the deterioration caused by the storage process and the movement of iron ore and warehouses. The corresponding entry for this provision was recorded in the statement of income under “Cost of sales”.

12 Taxes recoverable

Taxes recoverable recorded in current assets are presented below:

	12/31/2024	12/31/2023
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS)	22,144	11,785
ICMS (i)	322,827	269,307
Provision for impairment of ICMS credits	(322,827)	(269,307)
Income Tax (IR) – Litigation (ii)	19,591	-
Others	-	381
	41,735	12,166

(i) Mineração Usiminas has an accumulated ICMS credit balance, for which a provision was set up, since there is no expectation of recovery.
(ii) Negative balance of Income Tax, pending court decision.

13 Contractual advances

The Company has a lease agreement in force, signed in July 2011, related to the lease of mining rights adjacent to its mining reserves. Starting October 15, 2012, the date on which the lease agreement was authorized by the National Mining Agency (ANM), the agreement is effective for 30 years, or until the depletion of these mineral reserves.

The monthly lease payments are linked to the volume of ore extracted from the areas covered by the lease agreement. As from 2015, a minimum annual volume of 3.6 million metric tons was established. In the event the annual volume of ore extracted is below the minimum volume set, a payment under a take-or-pay arrangement will be due, corresponding to the difference between the minimum volume set and the volume effectively extracted. The agreement was amended on December 19, 2019 and on July 20, 2024, with the inclusion of a mechanism for compensation of unmined ore.

This amendment established that exclusively for the period from January 1, 2019 to December 31, 2027, the minimum annual volume unmined and paid for under a take-or-pay arrangement, in accordance with the original contract, will be treated as a credit during the period from 2028 to 2039, to be offset against the volume to be mined which exceeds the minimum annual volume set.

At December 31, 2024, in accordance with the provisions of the lease agreement and respective amendments, the Company recognized as a contractual advance, in noncurrent assets, the credit to be offset, in the amount of R$367,255 (R$327,285 at December 31, 2023).

14 Income tax and social contribution

(a) Taxes on profit

Income tax expenses differ from the theoretical values that would have been obtained using the statutory nominal rates applied to profit before taxation, as shown below:

	12/31/2024	12/31/2023
Profit before income tax and social contribution	594,422	868,091
Statutory rates	34%	34%
Taxes on profit calculated at nominal rates	(202,104)	(295,151)
Adjustments to determine taxable profit:		
Equity in the results of investees	50,525	43,194
Permanent exclusions (additions)	468	(3,166)
Tax incentives	3,270	9,954
Interest on capital	34,154	56,089
Taxes on profit computed	(113,687)	(189,080)
Current	(68,554)	(235,037)
Deferred	(45,133)	45,957
Taxes on profit in the result	(113,687)	(189,080)
Effective rates	19%	22%

(b) Deferred income tax and social contribution

The balances and changes in deferred income tax and social contribution assets and liabilities at nominal rates are shown below:

	12/31/2023	Equity/ Comprehensive income	Recognized in the statement of income	12/31/2024
Assets				
Income tax and social contribution				
Temporary provisions				
Provision for litigation	23,972	2,759	-	26,731
Environmental remediation liability	20,676	18,299	-	38,975
Provision for inventory adjustments	20,031	(953)	-	19,078
Goodwill on merger of companies	271,456	(3,962)	-	267,494
Provision for profit sharing	11,465	(3,032)	-	8,433
Impairment of assets	77,691	(1,210)	-	76,481
Provision for environmental liability	1,588	116	(1,704)	-
Hedge accounting	-	-	1,596	1,596
Others	182,487	(11,696)	-	170,791
Total assets (a)	609,366	321	(108)	609,579
Liabilities				
Income tax and social contribution				
Deferred foreign exchange gains (losses)	-	41,357	-	41,357
Monetary adjustment of judicial deposits	14,006	6,606	-	20,612
Lease - Law 11.638	-			
Hedge accounting	169	-	(169)	-
Adjustment to present value	3,847	(2,509)	-	1,338
Total liabilities (b)	18,022	45,454	(169)	63,307
Total noncurrent assets, net (a-b)	591,344	(45,133)	61	546,272

The long-term deferred income tax and social contribution were tested for impairment and justified based on projected future taxable profit as estimated by the Company's management. These projections make use of data from reports issued by renowned entities operating in the mining industry, and macroeconomic projections provided by public agencies, among others.

(c) Income tax and social contribution in current liabilities

	12/31/2024	12/31/2023
Income tax		
Current income (expense)	(49,535)	(170,393)
Prepayments and offsets in the year	49,535	167,312
	-	(3,081)
Social contribution		
Current income (expense)	(19,019)	(64,644)
Prepayments and offsets in the year	19,019	59,226
	-	(5,418)
Total income tax and social contribution payable	-	(8,499)

(d) Income tax and social contribution recoverable

At December 31, 2024, the balance of income tax and social contribution recoverable, recorded in noncurrent assets and amounting to R$10,459 (R$9,683 at December 31, 2023) arises from the decision of the Brazilian Federal Supreme Court that ruled as unconstitutional the levy of income tax (IRPJ) and social contribution (CSLL) on the interest amounts (based on the SELIC received by taxpayers as a refund of overpaid taxes.

Once a final decision is issued, the corresponding amount will be considered in the tax calculations, pursuant to the rules of the Brazilian Federal Revenue Service.

15 Judicial deposits

	12/31/2024	12/31/2023
Opening balance	211,691	156,546
Additions	36,423	36,654
Reversals	(324)	(248)
Write-offs	(60)	(314)
Adjustment for inflation	19,494	19,053
Closing balance	**267,224**	**211,691**

At December 31, 2024, the additions to judicial deposits refer basically to tax claims in the amount of R$35,462 (R$32,368 at December 31, 2023) related to the writ of mandamus filed to challenge the requirement of Financial Compensation for Mineral Resources Exploration (CFEM). As the Company, based on the opinion of its internal and external legal advisors, considers that the lawsuit associated with this judicial deposit involves a possible risk of loss, no provision has been set up.

16 Investments

(a) Changes in investments

	12/31/2023	Equity in the results of investees	Dividends	Actuarial liability	12/31/2024
Jointly-controlled subsidiary					
Modal	2,437	4,595	(4,488)	-	2,544
Associates					
Terminal Sarzedo (i)	5,871	14,150	(12,024)	-	7,997
Terminal Paraopeba	932	(13)	-	-	919
Usiminas Participações e Logística S.A. (UPL)	596,947	129,873	(30,863)	75	696,032
	606,187	148,605	(47,375)	75	707,492
Goodwill					
Modal	4,668	-	-	-	4,668
Terminal Sarzedo	7,200	-	-	-	7,200
	11,868	-	-	-	11,868
	618,055	148,605	(47,375)	75	719,360

In order to calculate the investment in the associate Terminal Sarzedo prepaid dividends of R$1,067 received in December should be deducted from equity (as presented in item (b) below), with the addition of R$1,413 related to the profit computed in December 2023.

(b) Financial information on associated companies

The Company's equity in the results of its associates at December 31, 2024 is shown below:

	Country of registration	Ownership interest (%)	Assets	Liabilities	Equity	Net revenue	Result
Terminal Sarzedo	Brazil	22.22	96,464	43,441	53,023	162,209	62,599
Terminal Paraopeba	Brazil	22.22	4,140	12	4,128	-	(61)
Usiminas Participações e Logística S.A. (UPL)	Brazil	83.30	872,628	37,056	835,572	-	155,910

The Company used the balance sheet at November 30, 2024 to calculate the effects of equity in the results of the associates Terminal Sarzedo and Terminal Paraopeba.

The capital of the associate UPL is comprised of 33.3% of voting shares and 66.7% of non-voting shares. The Company owns 100% of non-voting capital and 49.9% of the voting capital, and is not the controlling stockholder of UPL.

There were no changes in ownership interests in 2024 and 2023.

(c) Jointly-controlled subsidiary

The summarized financial information of the jointly-controlled subsidiary Modal is presented below:

(i) Summarized balance sheet

	12/31/2024	12/31/2023
Assets		
Current assets	4,518	3,984
Property and equipment	1,850	1,958
Total assets	6,368	5,942
Liabilities and equity		
Current	1,280	1,067
Equity	5,088	4,875
Total liabilities and equity	6,368	5,942

(ii) Summarized statement of income

	12/31/2024	12/31/2023
Net revenue from sales and services	16,415	12,382
Cost of sales	(5,485)	(4,529)
Operating income (expenses)	(36)	(57)
Finance income (costs)	266	305
Provision for income tax and social contribution	(1,968)	(1,508)
Profit for the year	9,192	6,593

17 Property, plant and equipment

	Weighted average rate of annual depreciation (%)	12/31/2024 Cost	12/31/2024 Accumulated depreciation	12/31/2024 PP&E, net	12/31/2023 Cost	12/31/2023 Accumulated depreciation	12/31/2023 PP&E, net
Assets in operation							
Buildings	18	309,579	(167,264)	142,315	305,790	(133,485)	172,305
Machinery and equipment	21	1,031,756	(754,978)	276,778	909,004	(633,153)	275,851
Facilities	26	973,557	(706,012)	267,545	961,221	(622,997)	338,224
Furniture and fittings	30	7,475	(5,389)	2,086	6,806	(4,441)	2,365
IT equipment	40	30,751	(22,823)	7,928	31,746	(20,777)	10,969
Vehicles	52	14,489	(13,617)	872	14,320	(12,653)	1,667
Tools and instruments	29	15,175	(9,254)	5,921	13,538	(6,778)	6,760
Right-of-use assets	35	57,327	(26,856)	30,471	151,823	(87,310)	64,513
Environmental remediation liability	-	310,804	(137,579)	173,225	223,411	(74,934)	148,477
		2,750,913	(1,843,772)	907,141	2,617,659	(1,596,528)	1,021,131
Land		166,458	-	166,458	147,260	-	147,260
Total PP&E in operation		2,917,371	(1,843,772)	1,073,599	2,764,919	(1,596,528)	1,168,391
Under construction							
Construction in progress		325,594	-	325,594	300,467	-	300,467
Imports in transit		271	-	271	266	-	266
Others		559	-	559	518	-	518
Total under construction		326,424	-	326,424	301,251	-	301,251
		3,243,795	(1,843,772)	1,400,023	3,066,170	(1,596,528)	1,469,642

Changes in property, plant and equipment were as follows:

	12/31/2023	Additions (i)	Write-offs	Depreciation	Transfers	Other	12/31/2024
Assets in operation							
Buildings	172,305	2,869	-	(33,779)	920	-	142,315
Machinery and equipment	275,851	14,681	-	(95,945)	82,191	-	276,778
Facilities	338,224	1,804	-	(83,016)	10,533	-	267,545
Land	147,260	-	-	-	19,183	15	166,458
Tools and instruments	6,760	-	-	(2,533)	1,694	-	5,921
Environmental remediation liability	148,477	87,393	-	(62,645)	-	-	173,225
Right-of-use assets	64,513	-	(10,709)	(16,490)	(6,843)	-	30,471
Others	15,001	-	(40)	(6,462)	2,387	-	10,886
	1,168,391	106,747	(10,749)	(300,870)	110,065	15	1,073,599
Assets under construction							
Construction in progress	301,251	135,236	-	-	(110,065)	2	326,424
	1,469,642	241,983	(10,749)	(300,870)	-	17	1,400,023

(i) Additions to property, plant and equipment comprise cash purchases of R$154,590.

	12/31/2022	Additions (i)	Measurement - IFRS 16 (ii)	Write-offs	Depreciation	Transfers	12/31/2023
Assets in operation							
Buildings	72,967	37,134	-	-	(24,216)	86,420	172,305
Machinery and equipment	196,807	15,945	-	(379)	(95,610)	159,088	275,851
Facilities	389,107	4,843	-	-	(85,268)	29,542	338,224
Land	136,939	-	-	-	-	10,321	147,260
Tools and instruments	2,524	-	-	-	(2,022)	6,258	6,760
Environmental remediation liability	187,168	15,329	-	-	(54,020)	-	148,477
Right-of-use assets	61,497	-	19,379	-	(16,363)	-	64,513
Others	14,707	122	-	(1,299)	(6,248)	7,719	15,001
	1,061,716	73,373	19,379	(1,678)	(283,747)	299,348	1,168,391
Assets under construction							
Construction in progress	334,123	266,244	-	-	-	(299,116)	301,251
	1,395,839	339,617	19,379	(1,678)	(283,747)	232	1,469,642

(i) Additions to property, plant and equipment comprise cash purchases of R$324,288.
(ii) Right-of-use assets comprise equipment lease agreements in the amount of R$19,379.

At December 31, 2024, depreciation was recognized in "Cost of Sales", "Selling expenses", "General and administrative expenses" and "Other operating expenses" in the amounts of R$294,926, R$1,584, R$2,481 and R$1,879 (R$269,770, R$1,536, R$2,809 and R$9,632 at December 31, 2023), respectively.

18 Intangible assets

Changes in intangible assets were as follows:

	Mineral rights (i)	Mining easement	Other (ii)	Total
Net book value at December 31, 2023	1,685,403	572	8,564	1,694,539
Additions	-	-	6,968	6,968
Write-offs	-	-	-	-
Amortization	(26,260)	(143)	(1,846)	(28,249)
Transfers	-	-	-	-
At December 31, 2024	1,659,143	429	13,686	1,673,258
Total cost	1,850,796	4,478	32,078	1,887,352
Accumulated amortization	(191,653)	(4,049)	(18,392)	(214,094)
Net book value at December 31, 2024	1,659,143	429	13,686	1,673,258

(i) Mineral rights are amortized according to the depletion of mines.
(ii) Refers basically to software with an average amortization rate of 38% p.a.

	Mineral rights (i)	Mining easement	Other (ii)	Total
Net book value at December 31, 2022	1,710,472	715	7,704	1,718,891
Additions	-	-	6,319	6,319
Write-offs	-	-	(32)	(32)
Amortization	(25,069)	(143)	(5,195)	(30,407)
Transfers	-	-	(232)	(232)
At December 31, 2023	1,685,403	572	8,564	1,694,539
Total cost	1,850,796	4,478	25,111	1,880,385
Accumulated amortization	(165,393)	(3,906)	(16,547)	(185,846)
Net book value at December 31, 2023	1,685,403	572	8,564	1,694,539

(iii) Mineral rights are amortized according to the depletion of mines.
(iv) Refers basically to software with an average amortization rate of 46% p.a.

At December 31, 2024, amortization of intangible assets was recognized in "Cost of sales" and "General and administrative expenses" in the amounts of R$27,537, R$549 and R$163, (R$25,945 and R$4.462 at December 31, 2023), respectively.

19 Impairment of non-financial assets

The recoverable amount of non-financial assets is calculated using the discounted cash flow method based on economic and financial projections for each Cash-generating Unit (CGU). These projections consider changes observed in the economic scenario, as well as assumptions of expected results and the history of profitability of each CGU.

At December 31, 2024, Mineração Usiminas evaluated its cash generating units as described below:

(a) Impairment testing of goodwill

The Company tested for impairment the cash generating units that include intangible assets with indefinite useful lives (goodwill)

and no impairment losses on goodwill were identified for the years ended December 31, 2024 and 2023.

The recoverable value was calculated based on eight-year projections of sales volumes, average prices and operating costs prepared by the commercial and planning departments, considering the inflation forecast from market reports, as well as the need for working capital and investments to maintain the assets tested.

The discount rates used were based on market information available on the testing date. In 2024, the effective rate used to discount the cash flow of each cash generating unit was 9.44%, and the nominal rate, 13.25%.

(b) Impairment testing of mineral rights

The recoverable amount of the mining CGU assets was updated to reflect management's best estimates of future results from the processing and sale of iron ore, based on projections of sales price, expenses and investments. This evaluation may change depending on fluctuations in commodity prices, and any changes in long-term expectations may lead to future adjustments in the recognized amount.

The discount rate applied to the projections of future cash flows was an estimate of the rate that the market would use to address the risks of the asset being evaluated. In 2024, the effective rate used was 9.44% and the nominal rate, 13.25%. The Company considered market sources to define the inflation and foreign exchange rates used in projections of future cash flows. For the projection of annual exchange rates (R$/US$), the long-term inflation rates in the United States and Brazil were considered. Short-term projections of iron ore prices (CFR China, 62% Fe) ranged from US$95.00 to US$106.30/metric ton, and US$90.00 for long-term projections. The prices used to calculate future cash flows are within the range of estimates disclosed by market analysts.

In the year ended December 31, 2024, no impairment /reversal of impairment was recorded for mineral rights in intangible assets. The remaining impairment loss of R$224,943 continues to be monitored by the Company and may be reversed considering future projections.

(c) Other noncurrent assets

The Company owns a plot of land of 862,465 m2 in the city of Itaguaí/RJ, recorded under Investment properties, for which a fair value assessment is carried out annually by a specialized company. This valuation, conducted by a specialized firm in the fiscal year 2024, determined the fair value of the asset to be BRL 74,772 (December 31, 2023 - BRL 71,152), resulting in a reversal of *impairment* of BRL 3,620.

This reversal of impairment was recognized in the statement of income for the year, under Other operating income (expenses) (Note 29 (c)).

20 Trade payables, contractors, and freight charges

	12/31/2024	12/31/2023
Domestic suppliers	216,707	211,539
Foreign suppliers	1,690	38,294
Payables to related companies (Note 31)	53,974	61,608
	272,371	311,441

At December 31, 2024, the Company did not enter into forfaiting transactions. Some of the Company's suppliers contracted, on its own initiative, forfaiting transactions with banks, in the amount of R$9,570 (R$12,232 at December 31, 2023). These transactions did not change the balance sheet balances, as no financial charges were imputed to the Company.

21 Taxes payable

	12/31/2024	12/31/2023
State Value-Added Tax (ICMS)	331	691
Withholding Income Tax (IRRF)	101	167
Tax on Services (ISS)	1,678	1,900
Social Integration Program (PIS)/Social Contribution on Revenues	488	622
Financial Compensation for Mineral Resources Exploration (CFEM)	17,843	27,435
Mining Activities Control, Monitoring and Inspection Fee (TFRM)	1,838	2,093
Others	3,010	2,896
	25,289	35,804

22 Lease liabilities

Changes in lease liabilities are shown below:

	12/31/2024	12/31/2023
Opening balance	63,563	65,025
Addition	-	19,379
Payments	(25,282)	(26,158)
Interest accrued	5,367	6,617
Reduction	(10,395)	-
Foreign exchange variation	12,146	(1,300)
Closing balance	45,399	63,563
Current liabilities	16,076	28,931
Noncurrent liabilities	29,323	34,632

At December 31, 2024, the Company had lease agreements, mainly related to vehicles used for internal transportation in mines (off road vehicles). Lease liabilities are measured at the present value of lease payments, based on risk-free interest rates observable in the Brazilian market for the term of the agreements

The rates used in the calculation ranged between 9.55% and 16.74% p.a. at December 31, 2024 and 2023.

The estimated future minimum payments related to lease agreements are shown below:

					12/31/2024
	Less than 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Lease agreements	19,624	19,067	12,531	653	51,876
Adjustment to present value	(3,548)	(2,114)	(779)	(35)	(6,477)
	16,076	16,953	11,752	618	45,399

					12/31/2023
	Less than 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Lease agreements	34,298	15,255	24,641	1,213	75,407
Adjustment to present value	(5,367)	(3,548)	(2,813)	(116)	(11,844)
	28,931	11,707	21,828	1,097	63,563

The table below shows the estimated value of the potential right of PIS/COFINS recoverable, which is included in the lease payments, according to the scheduled payment periods:

		12/31/2024
Cash flow	**Nominal**	**Adjusted to present value**
Lease payment	47,077	41,200
Potentially recoverable PIS/COFINS (9.25%)	4,798	4,199
	51,875	45,399

		12/31/2023
Cash flow	**Nominal**	**Adjusted to present value**
Lease payment	68,432	57,683
Potentially recoverable PIS/COFINS (9.25%)	6,975	5,880
	75,407	63,563

23 Environmental restoration liability

Mineração Usiminas S.A. has recorded a provision for environmental restoration of areas being exploited and asset retirement obligation, the changes in which are shown below.

Changes in the provision for environmental restoration were as follows:

	12/31/2024	12/31/2023
Opening balance	297,498	322,090
Addition	13,039	15,009
Monetary variation	87,393	15,329
Amortizations	(96,798)	(54,930)
	301,132	297,498
Current liabilities	52,342	6,703
Noncurrent liabilities	248,790	290,795

Expenditures related to environmental restoration and asset retirement obligation were recorded as part of the costs of these assets against the provision that will support such expenses, based on management's estimates. These estimates are reviewed periodically, and the amounts previously recorded are adjusted, if necessary.

In 2024, as required by the legislation, the Company hired a specialized consulting firm to review these estimates. In addition to the existing reclamation plans, this review considered the continuity of the Samambaia Dam De-characterization Plan This new plan, approved by management, was set in motion in 2023, with completion scheduled for the end of 2025, and total estimated expenditure of R$202,349. Up to December 31, 2024, the expenses under the Plan totaled R$150,006, in addition to expenditures incurred with the recovery of other areas.

24 Provision for litigation

Changes in the provisions for litigation were as follows:

	12/31/2024	12/31/2023
Opening balance	70,506	10,011
Additions	4,027	50,212
Interest/inflation indexation	8,699	13,531
Repayments/reductions	(612)	(1,299)
Reversals of principal	(3,179)	(729)
Reversals of interest	(821)	(1,220)
	78,620	70,506

Provisions for litigation were set up to cover probable losses on administrative and judicial proceedings related to tax, labor, civil, and environmental matters. The accrued amounts were considered sufficient by management, based on the assessment and opinion of its internal and external legal advisors.

Additions to the provisions in 2024 refer mainly to labor claims in the amount of R$2,090, and civil and tax claims in the amount of R$1,937 (R$47,405 for environmental claims related to mining site boundaries, and R$2,807 for labor and tax claims at December 31, 2023). The adjustments are related to environmental contingency lawsuits in the amount of R$6,808, and other matters in the amount of R$1,891 (R$12,413 for environment-related claims; and R$1,118 for other matters at December 31, 2023).

The amortization balances at December 31, 2024 refer to labor claims in the amount of R$590 and civil claims in the amount of R$22 (labor claims amounting to R$786, and civil claims of R$513 at December 31, 2023). At December 31, 2024, the balance of reversals relates mainly to tax matters in the amount of R$3,471. At December 31, 2023, the amount refers mainly to an environmental lawsuit in the amount of R$1,573.

(a) Litigation - probable losses

Provisions for litigation were recorded to cover probable losses arising from administrative and judicial proceedings in amounts considered sufficient by management, based on the advice and evaluation of its internal and external legal counsel. The main lawsuits at December 31, 2024 and 2023 were as follows:

Description	Status	12/31/2024 Balance	12/31/2023 Balance
Actions involving employees, former employees, and third parties of Mineração Usiminas claiming various labor and social security benefits.	Awaiting judgment before the competent authorities, in various instances.	7,957	5,995
Action seeking the non-incidence of social security contributions (INSS) on various amounts paid to its employees.	Awaiting judgment in the second judicial instance.	-	3,379
Notice of infraction concerning mining outside the boundaries of the Company's concession, based on an unsolicited report to the Brazilian National Mining Agency (ANM)	Pending judgment at administrative level.	30,161	26,934
Notice of infraction concerning mining activities outside the boundaries of the Company's concession.	Pending judgment at administrative level.	36,296	32,751
Other civil and environmental proceedings .	-	1,490	1,430
Other tax proceedings.	-	2,716	17
Total		78,620	70,506

(b) Litigation - possible losses

Mineração Usiminas is a party to other proceedings involving a risk of loss classified as possible by management, based on advice of its internal and external legal counsel, for which no provisions have been recorded, as shown below:

Description	Status	12/31/2024 Balance	12/31/2023 Balance
Tax assessment notice for the collection of PIS and COFINS on the use of credits on services related to a legal entity's activity.	Pending judgment at the administrative level.	48,616	45,849
Lawsuit requesting the exclusion of freight and insurance expenses incurred at the sale of mineral products from the calculation and payment of the CFEM.	Pending judgment by the appellate court.	246,582	195,377
Lawsuit for collection of CFEM debts related to the Mining Process..	Pending judgment at the administrative level.	63,035	58,989
Tax assessment notice issued by the Federal Revenue Service to collect income tax (IRPJ) and social contribution (CSLL) amounts arising from adjustments to the tax bases for the 2019 calendar year.	Pending judgment at the administrative level.	37,459	34,483
Lawsuit disputing the collection of ICMS and tax rate differential (DIFAL) on purchases of materials for use and consumption.	Pending judgment by the trial court.	98,978	-
Other civil proceedings.	-	34,300	30,452
Other labor proceedings.	-	30,406	30,704
Other tax proceedings.	-	11,475	13,133
Total		570,851	408,987

25 Equity

(a) Share capital

At December 31, 2024, the Company's share capital totaled R$3,441,042 (R$3,194,542 at December 31, 2023).

At December 31, 2024 and 2023, the Company's shareholding was as follows:

Shareholder	12/31/2024 and 12/31/2023 Common shares Quantity	%
Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas	1,968,125,146	70.00
Sumitomo Corporation (Japan)	822,395,150	29.25
Sumitomo Corporation do Brasil S.A.	21,087,055	0.75
Total	2,811,607,351	100.00

The Annual and Extraordinary Stockholders' Meeting held on April 29, 2024 approved a capital increase of R$246,500, through the use of funds from the reserve for investment and working capital, in compliance with Article 199 of Law 6,404/1976.

Each common share gives its holder the right to one vote at General Meetings.

The stockholders are entitled to a minimum dividend of 25% of the profit for the year, calculated in accordance with the Brazilian corporate legislation.

(b) Capital and revenue reserves

Revenue reserves

- Legal reserve - which amounted to R$239,527 at December 31, 2024 (R$215,491 at December 31, 2023), is credited annually with 5% of profit for the year up to a maximum of 30% of the capital, provided that it includes the capital reserve amount (according to Law 6,404/1976, paragraph 1 of Article 193).

- The reserve for investments and working capital totaled R$3.553.009 at December 31, 2024 (R$3,472,053 at December 31, 2023). In accordance with the Company's bylaws, this reserve is intended for the development of its activities, based on capital budget needs.

The allocation of revenue reserves exceeding the amount of share capital, will be decided at the General Stockholders' Meeting (as provided for in Article 199 of Law 6,404/1976).

(c) Carrying value adjustments

Carrying value adjustments related substantially to:

- actuarial gains and losses calculated in accordance with CPC 33 and IAS 19. At December 31, 2024, this account credit balance totaled R$4,730 (debit balance of R$1,348 at December 31, 2023).

- Hedge accounting: net effect of hedge accounting, after deduction of taxes (Note 6). At December 31, 2024, this account debit balance totaled R$3,098 (credit balance of R$328 at December 31, 2023).

(d) Dividends and interest on capital

Proposed dividends and interest on capital related to the profit computed for 2024 and 2023 are as follows:

	12/31/2024	12/31/2023
Profit for the year	480,735	679,011
Allocation to the legal reserve (5%)	(24,037)	(33,951)
Calculation basis of dividends and interest on capital	456,698	645,060
Proposed minimum dividends and interest on capital (25%), net of IRRF	114,175	161,265
Proposed dividends to be considered as minimum mandatory dividend	28,790	21,041
Interest on capital paid, considered as minimum mandatory dividend	85,385	140,224
Interest on capital paid - additional provision (i)	735	1,206
Income Tax Withheld at Source (IRRF) on interest on capital (i)	14,332	23,539
Total dividends and interest on capital, gross	129,242	186,010

(i) Arising from the tax benefit (Brazil-Japan agreement) of one of the stockholders. At December 31, 2024, the effective IRRF rate levied on the payment of interest on capital was 14.3% (14.3% December 31, 2023).
(ii) Calculated based on the net amount of IRRF.

Changes in dividends and interest on capital payable are shown below:

Nature	12/31/2024	12/31/2023
Dividends payable at the beginning of the year	21,041	58,600
Additional dividends and interest on capital related to the prior year	-	835,006
Payment of dividends and interest on capital	(121,493)	(1,058,575)
Proposed dividends and interest on capital	129,242	186,010
Total net dividends payable at the end of the year	28,790	21,041

The Company's bylaws provide for the distribution of minimum mandatory dividend corresponding to 25% of adjusted profit for the year, as established in law. Dividends payable were deducted from equity at the end of the reporting period and recorded in liabilities.

The Board of Directors’ meeting held on April 29, 2024 approved the distribution of dividends for 2023 to its stockholders in the amount of R$21,041.

The Board of Directors ‘meeting held on December 12, 2024, approved the distribution of interest on capital to the stockholders, in the gross amount of R$100,453, calculated based on the Long-term Interest Rate (TJLP), of which the net amount of R$86,119 was deducted from the mandatory minimum dividend for 2024.

26 Revenue

The reconciliation between gross and net revenue is as follows:

	12/31/2024	12/31/2023
Sales of products		
Domestic market	808,634	747,592
Deemed as exports	704,879	692,208
Foreign market	1,577,816	2,214,626
Gross revenue	3,091,329	3,654,426
Deductions from revenue	(130,666)	(124,656)
Net revenue	2,960,663	3,529,770

27 Expenses by nature

	12/31/2024	12/31/2023
Depreciation, amortization, and depletion	(329,119)	(314,154)
Employee benefit expenses	(205,667)	(238,038)
Freight charges and insurance	(885,144)	(966,757)
Raw materials and consumables	(532,240)	(473,709)
Distribution costs and sales commissions	(241,956)	(305,086)
Third-party services	(476,061)	(437,792)
Litigation income (expenses), net	(848)	(49,483)
Gain (loss) on sale/write-off of property, plant and equipment, and intangible assets	622	(382)
Gain (loss) on sale of electricity surplus	(692)	(305)
Changes in the provision for impairment of assets (i)	3,620	1,562
(Recognition) reversal of provision for tax losses	(61,097)	(56,269)
(Recognition) reversal of provision for inventory losses/adjustments	2,099	(16,074)
Financial Compensation for Mineral Resources Exploration (CFEM)	(70,515)	(94,664)
Others	(56,390)	(36,997)
	(2,853,388)	(2,988,148)
Cost of sales	(2,449,816)	(2,456,765)
Selling expenses	(262,866)	(326,510)
General and administrative expenses	(51,796)	(51,645)
Other operating income (expenses), net	(88,910)	(153,228)
	(2,853,388)	(2,988,148)

(i) In the year ended December 31, 2024, a reversal of impairment in the amount of R$3,620 (R$1,562 at December 31, 2023) was recorded in Investment properties, related to a plot of land in Itaguaí/ RJ. The reversal resulted from the appreciation of the fair value of the property in relation to its cost, which reflects the market conditions on the reporting date.

28 Employee expenses and benefits

	12/31/2024	12/31/2023
Salaries and payroll charges	(150,683)	(173,003)
Social security charges	(24,247)	(24,373)
Employee profit sharing	(23,997)	(32,695)
Others	(6,740)	(7,967)
	(205,667)	(238,038)

Employee benefits and expenses are recorded under "Cost of sales", "Selling expenses", "General and administrative expenses" and "Other operating expenses", based on the position of each employee.

29 Operating income (expenses)

(a) Selling expenses

	12/31/2024	12/31/2023
Personnel	(8,313)	(8,599)
Third-party services	(5,553)	(6,322)
Depreciation and amortization	(1,747)	(1,536)
Costs of distribution and commissions	(241,956)	(305,086)
General expenses	(5,297)	(4,967)
	(262,866)	(326,510)

(b) General and administrative expenses

	12/31/2024	12/31/2023
Personnel	(13,641)	(12,588)
Third-party services	(21,056)	(19,013)
Depreciation and amortization	(3,030)	(7,271)
Management fees	(8,213)	(8,060)
General expenses	(5,856)	(4,713)
	(51,796)	(51,645)

(c) Other operating income (expenses)

	12/31/2024	12/31/2023
Other operating income		
Revenue from sale of electricity	259	246
Expenses recovered	3,019	2,220
Royalties	5,219	8,443
Contractual fines	2,608	432
Recovery of expenses with related companies	3,222	-
Other revenue	3,540	2,872
	17,867	14,213
Other operating expenses		
Adjustment for impairment	3,620	1,562
Expenses with temporary shutdown of equipment	(2,323)	(834)
Provision for impairment of ICMS recoverable	(61,097)	(56,269)
Expenses with the sale of electricity	(692)	(528)
Cost of sale/disposal of PP&E, investments, and intangible assets	-	(382)
PIS and COFINS on sale of electricity	(259)	(23)
Expenses with engineering projects	(5,527)	(1,445)
Taxes (social security contribution (INSS), State Value-Added Tax (ICMS) Municipal real estate tax (IPTU), Income Tax (IR), etc.)	(19,807)	(22,069)
Judicial charges	(298)	(165)
Litigation income (expenses), net	(848)	(49,483)
Donations, sponsorships and cultural incentive expenses	(2,002)	(5,775)
Payables to related companies	(9,315)	(5,710)
Occasional expenses and compliance with Conduct Agreements	(40)	(5,644)
Pension plan and Actuarial liability	(484)	(3,672)
Other expenses	(7,705)	(17,004)
	(106,777)	(167,441)
	(88,910)	(153,228)

30 Finance income (costs)

Finance income (costs) are summarized as follows:

	12/31/2024	12/31/2023
Finance income		
Income from financial investments	185,418	248,956
Inflation indexation on judicial deposits	19,494	19,053
Accretion of present value adjustment	39,632	42,109
Others	2,315	7,049
	246,859	317,167
Finance costs		
Interest on contingent liabilities	(8,699)	(13,531)
Inflation adjustments	(13,040)	(15,516)
Accretion of present value adjustment of trade payables	(12,746)	(17,012)
PIS/COFINS on other finance income	(9,639)	(13,769)
Other finance costs	(1,971)	(5,666)
	(46,095)	(65,494)
Foreign exchange gains (losses), net	137,778	(52,246)
	338,542	199,427

Foreign exchange gains/losses in the statement of income arise from foreign exchange variations on cash and cash equivalents, trade payables and receivables denominated in foreign currency.

31 Related-party transactions

Main balances and transactions with related parties:

(a) Current assets

	12/31/2024		12/31/2023	
	Trade receivables	Dividends receivable	Trade receivables	Dividends receivable
Stockholders	89,375	-	256,195	-
Subsidiaries	-	30,845	-	26,487
Total	89,375	30,845	256,195	26,487

Trade receivables from related parties arise mainly from sales transactions based on terms agreed between the parties. The receivables are not secured.

(b) Liabilities

	12/31/2024			12/31/2023		
	Trade payables	Dividends	Payables	Trade payables	Dividends	Payables
Owners of the parent	7,156	20,153	-	13,398	14,729	-
Non-controlling interests	-	8,637	-	1,655	6,312	-
Jointly-controlled subsidiaries	1,305	-	-	1,521	-	-
Associated companies (i)	43,913	-	27,612	41,796	-	51,780
Other related parties	1,600	-	-	3,238	-	-
Total	53,974	28,790	27,612	61,608	21,041	51,780
Current	53,974	28,790	-	61,608	21,041	
Noncurrent	-	-	27,612	-	-	51,780
Total	53,974	28,790	27,612	61,608	21,041	51,780

(i) In December 2015, in order to restore the financial balance in services contracted for the transportation of iron ore between MRS and the Company, the Parties agreed, on an exceptional basis, to suspend the performance of the Contract against the payment of a compensation to MRS. At December 31, 2024, the amount agreed totaled R$27,612 at present value (R$51,780 at December 31, 2023), which was recognized in noncurrent liabilities, due to prepayments made in 2024

Payables to related parties classified as trade payables arise mainly from purchase transactions, as described in item (c), based on terms agreed between the parties. These payables are interest-free.

The other amounts payable to related parties refer mainly to reimbursements for shared services.

(c) Sales and purchases

	12/31/2024		12/31/2023	
	Sales (i)	Purchases	Sales (i)	Purchases
Stockholders	717,778	12,469	573,309	15,012
Jointly-controlled subsidiaries	-	17,183	-	13,468
Associates	-	319,272	-	347,603
Other related parties	-	1,495	-	504
	717,778	350,419	573,309	376,587

(i) Gross sales

(d) Finance and operating result

	12/31/2024	12/31/2023
Stockholders	24,278	28,679
Associates	(7,379)	(10,393)
Others	1,238	-
	18,137	18,286

The main transactions between the Company and related parties are summarized below:

- Purchase of railway transportation services from MRS for transportation of iron;
- Sale of iron ore to Usiminas and purchase of shared services;
- Purchases from Modal and Terminal Sarzedo of services for storage and loading of iron ore;
- Purchase of equipment, materials and services from Takraf do Brasil, the current name of Tenova do Brasil's mining division.

Transactions with related parties are substantially contracted under market price and conditions.

(e) Key management compensation

The compensation paid or payable to key management personnel, which includes the Company's Executive Board and Board of Directors, is shown below:

	12/31/2024	12/31/2023
Fees	(6,968)	(7,696)
Social charges	(1,245)	(364)
	(8,213)	(8,060)

32 Commitments

At December 31, 2024, the Company had various commitments with third parties totaling R$3,115,433, arising mainly from take-or-pay contracts.
The expected due dates of these commitments were as follows:

	Expected due dates				
	Less than 1 year	From 1 to 3 years	From 3 to 5 years	Later than 5 years	Total
Transportation and handling of raw materials and mining products	680,099	669,513	-	-	1,349,612
Labor and other services	40,461	72,347	36,521	-	149,329
Lease - mineral rights	90,644	181,289	181,289	1,163,270	1,616,492
	811,204	923,149	217,810	1,163,270	3,115,433

33 Insurance

The insurance policies taken out by the Company provide coverage considered sufficient by management. At December 31, 2024, these policies covered the Company's buildings, goods, equipment, machinery, furniture, objects, fittings and installations at the insured establishments and respective facilities, with value at risk of R$2,552,866 (R$2,500,191 at December 31, 2023), in addition to an insurance policy for operating risks (material damage), with a maximum indemnity of US$250,000 per claim. At December 31, 2024, the maximum deductible for property damage was R$1,500, and the coverage for loss of income had a deductible term of 45 days (lead period). This insurance policy expires on September 30, 2025.

34 Non-cash transactions

At December 31, 2024 investment and funding transactions with no cash effect were carried out, as shown below:

	12/31/2024	12/31/2023
Addition to property, plant and equipment related to the provision for environmental restoration	87,393	15,329
Addition to property, plant and equipment related to right-of-use assets (IRFS16)	-	19,379
Addition (reduction) of trade receivables related to the hedging instrument	(18,150)	(48,847)
Financial instrument recognized as hedged item	12,958	73,739
Deferred taxes recognized as hedged items	1,765	(8,465)
	83,966	51,135

Board of Directors

Marcelo Chara
Chairman

Diego Adrian Ferrari
Board Member

Gino Eugenio Ritagliati
Board Member

Thiago da Fonseca Rodrigues
Board Member

Hisahide Kikkawa
Board Member

Yuji Watanabe
Board Member

Executive Board

Carlos Héctor Rezzonico
Chief Executive Officer

Marcelo Héctor Barreiro
Chief Financial Officer

Hiroyuki Matsumoto
Chief Development Officer

Bruno Fonseca Campos
Accounting Manager
CRC-MG 086-514/O-0