

(A free translation of the original in Portuguese)

**Usinas Siderúrgicas de
Minas Gerais S.A. -
USIMINAS**

**Quarterly Information (ITR) at
March 31, 2020
and report on review of
quarterly information**

Contents

Company Information / Capital Breakdown	4
Parent Company Financial Statements / Balance Sheet – Assets	5
Parent Company Financial Statements / Balance Sheet - Liabilities	6
Parent Company Financial Statements / Statement of Operations	7
Parent Company Financial Statements / Statement of Comprehensive Income (Loss)	8
Parent Company Financial Statements / Cash Flow Statement - Indirect Method	9
Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2020 to 03/31/2020	10
Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2019 to 03/31/2019	11
Parent Company Financial Statements / Statement of Value Added	12
Consolidated Financial Statements - Balance Sheet - Assets	13
Consolidated Financial Statements / Balance Sheet - Liabilities	14
Consolidated Financial Statements / Statement of Operations	15
Consolidated Financial Statements / Statement of Comprehensive Income (loss)	16

Consolidated Financial Statements / Cash Flow Statement - Indirect Method	17
Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2020 to 03/31/2020	18
Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2019 to 03/31/2019	19
Consolidated Financial Statements / Statement of Value Added	20
Notes	21

Company Information / Capital Breakdown

Number of shares (units)	Current quarter 03/31/2020
Common Shares - Paid-in Capital	705,260,684
Preferred Shares - Paid-in Capital	547,818,424
Total - Paid-in Capital	1,253,079,108
Common Treasury Shares	2,526,656
Preferred Treasury Shares	20,962,367
Total Treasury Shares	23,489,023

Parent Company Financial Statements / Balance sheet - Assets

(In thousands of reais)

Account Code	Account description	Current quarter 03/31/2020	Prior year 12/31/2019
1	Total Assets	24,829,331	24,007,150
1.01	Current Assets	7,239,838	6,533,651
1.01.01	Cash and Cash Equivalents	1,457,429	901,864
1.01.03	Trade Receivables	1,637,429	1,396,884
1.01.04	Inventories	3,101,341	3,166,003
1.01.08	Other Current Assets	1,043,639	1,068,900
1.01.08.03	Other	1,043,639	1,068,900
1.01.08.03.01	Taxes Recoverable	446,988	541,831
1.01.08.03.02	Prepaid Income Tax and Social Contribution	53,623	41,344
1.01.08.03.03	Dividends Receivable	40,554	40,220
1.01.08.03.04	Advances to Suppliers	604	149
1.01.08.03.05	Financial Instruments	777	762
1.01.08.03.06	Amounts Receivable Eletrobras	305,848	305,848
1.01.08.03.07	Other	195,245	138,746
1.02	Noncurrent Assets	17,589,493	17,473,499
1.02.01	Long-term Receivables	3,025,463	3,049,988
1.02.01.04	Accounts Receivable	319,278	317,285
1.02.01.04.01	Trade Accounts Receivable	73,437	84,446
1.02.01.04.02	Other Accounts Receivable	245,841	232,839
1.02.01.07	Deferred Taxes	2,103,247	2,117,027
1.02.01.09	Receivables from Related Parties	22,750	42,231
1.02.01.10	Other Noncurrent Assets	580,188	573,445
1.02.01.10.03	Judicial Deposits	386,992	379,692
1.02.01.10.04	Properties for Sale	27,412	27,424
1.02.01.10.05	Financial Instruments	7,373	6,950
1.02.01.10.06	Taxes Recoverable	147,052	148,020
1.02.01.10.08	Other	11,359	11,359
1.02.02	Investments	4,640,462	4,440,843
1.02.02.01	Ownership Interests	4,539,634	4,350,641
1.02.02.01.01	Interest Held in Associates	31,109	32,412
1.02.02.01.02	Interest Held in Subsidiaries	3,953,431	3,787,579
1.02.02.01.03	Interest Held in Jointly-Controlled Subsidiaries	555,094	530,650
1.02.02.02	Investment Property	100,828	90,202
1.02.03	Property, Plant and Equipment (PPE)	9,831,287	9,892,313
1.02.03.01	Property, Plant and Equipment in Use	8,997,550	9,167,238
1.02.03.03	Construction in Progress	833,737	725,075
1.02.04	Intangible Assets	92,281	90,355

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2020	Prior year 12/31/2019
2	Total Liabilities and Equity	24,829,331	24,007,150
2.01	Current Liabilities	2,755,598	2,516,867
2.01.01	Social and Labor Liabilities	144,134	138,706
2.01.02	Trade Payables	1,605,261	1,405,831
2.01.03	Tax Liabilities	60,843	70,011
2.01.04	Borrowings	62,624	117,365
2.01.04.01	Borrowings	62,179	92,348
2.01.04.02	Debentures	445	25,017
2.01.05	Other Liabilities	882,736	784,954
2.01.05.02	Other	882,736	784,954
2.01.05.02.01	Dividends and Interest on Capital Payable	51,102	51,107
2.01.05.02.04	Accounts Payable	88,004	91,469
2.01.05.02.05	Taxes Payable in Installments	4,335	4,312
2.01.05.02.07	Advances from Customers	10,978	11,749
2.01.05.02.08	Accounts Payable - Forfeiting	716,331	613,803
2.01.05.02.09	Lease Liabilities	11,986	12,514
2.02	Noncurrent Liabilities	8,030,046	7,446,860
2.02.01	Borrowings	5,857,566	4,978,491
2.02.01.01	Borrowings	3,875,180	2,997,241
2.02.01.02	Debentures	1,982,386	1,981,250
2.02.02	Other Liabilities	379,177	290,689
2.02.02.01	Payables to Related Parties	135,736	104,335
2.02.02.02	Other	243,441	186,354
2.02.02.02.05	Lease Liabilities	16,490	19,293
2.02.02.02.06	Other Accounts Payable	226,951	167,061
2.02.04	Provisions	1,793,303	2,177,680
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	1,198,190	1,518,362
2.02.04.01.03	Provisions for Employee Benefits	1,198,190	1,518,362
2.02.04.02	Other Provisions	595,113	659,318
2.02.04.02.01	Contingent Liabilities	595,113	659,318
2.03	Equity	14,043,687	14,043,423
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	307,033	307,033
2.03.04	Revenue Reserves	943,132	943,132
2.03.04.01	Legal reserve	58,647	58,647
2.03.04.10	Investments and working capital	884,485	884,485
2.03.05	Retained Earnings (Accumulated Losses)	-473,628	-
2.03.06	Equity Adjustments	66,855	-407,037

Parent Company Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current period 01/01/2020 to 03/31/2020	Prior period 01/01/2019 to 03/31/2019
3.01	Revenue	3,249,892	3,088,470
3.02	Cost of Sales and/or Services	-2,997,914	-2,837,252
3.03	Gross Profit	251,978	251,218
3.04	Operating Income (Expenses)	27,486	-87,544
3.04.01	Selling Expenses	-39,493	-28,448
3.04.02	General and Administrative Expenses	-84,453	-75,040
3.04.04	Other Operating Income	34,840	71,300
3.04.05	Other Operating Expenses	-41,362	-168,989
3.04.06	Equity in Results of Investees	157,954	113,633
3.05	Income Before Financial Income (Expense) and Taxes	279,464	163,674
3.06	Finance result, Net	-981,725	-137,769
3.07	Income Before Income Taxes	-702,261	25,905
3.08	Income Tax and Social Contribution	225,694	20,952
3.08.02	Deferred	225,694	20,952
3.09	Net Income (loss) from Continuing Operations	-476,567	46,857
3.11	Net Income/Loss for the Period	-476,567	46,857
3.99	Earnings (Loss) per Share (Reais / Shares)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common Shares (RCS)	-0.39000	0.40000
3.99.01.02	Registered Preferred Shares (RPS)	-0.39000	0.40000
3.99.02	Diluted Earnings per Share		
3.99.02.01	RCS	-0.39000	0.40000
3.99.02.02	RPS	-0.39000	0.40000

Parent Company Financial Statements / Statement of Comprehensive Income (Loss)

(In thousands of reais)

Account code	Account description	Current period 01/01/2020 to 03/31/2020	Prior period 01/01/2019 to 03/31/2019
4.01	Net Income for the Period	-476,567	46,857
4.02	Other Comprehensive Income (Loss)	476,831	-8,175
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	473,318	-8,175
4.02.03	Hedge Accounting	3,513	-
4.03	Comprehensive Income (Loss) for the Period	264	38,682

Parent Company Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2020 to 03/31/2020	Prior period 01/01/2019 to 03/31/2019
6.01	Net Cash from Operating Activities	683,628	527,257
6.01.01	Cash From Operations	204,349	303,400
6.01.01.01	Net Income (Loss) for the Period	-476,567	46,857
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	831,587	42,038
6.01.01.03	Interest Expenses	71,249	96,333
6.01.01.04	Depreciation and Amortization	205,434	201,280
6.01.01.05	Gain/Loss on Sale of Property, Plant and Equipment	-530	-749
6.01.01.06	Equity in Results of Investees	-157,954	-113,633
6.01.01.08	Deferred Income Tax and Social Contribution	-225,694	-20,952
6.01.01.09	Set up (Reversal) of Provisions	-63,710	30,750
6.01.01.10	Actuarial Gains (Losses)	20,534	21,476
6.01.02	Changes in Assets and Liabilities	253,481	399,075
6.01.02.01	Trade Receivables	-229,068	421,769
6.01.02.02	Inventories	75,380	-62,183
6.01.02.03	Taxes Recoverable	-18,447	-8,868
6.01.02.04	Receivables from Related Parties	37,204	2,902
6.01.02.05	Judicial Deposits	-8,122	-7,290
6.01.02.06	Other Increase (Decrease) In Assets	-100,074	-62,564
6.01.02.07	Accounts Payable, Contractors and Freight	199,430	51,025
6.01.02.08	Advances from Customers	-771	7,488
6.01.02.09	Payables to Related Parties	62,912	-
6.01.02.10	Taxes Payable	105,988	52,496
6.01.02.11	Accounts Payable – Forfeiting	102,528	28,341
6.01.02.13	Other Increase (Decrease) in Liabilities	26,521	-24,041
6.01.03	Other	225,798	-175,218
6.01.03.01	Actuarial Liabilities	-5,742	-54,201
6.01.03.02	Actuarial Liability Received – PB1	393,933	-
6.01.03.03	Interest Paid	-152,413	-121,017
6.01.03.04	Prepaid Income Tax and Social Contribution	-9,980	-
6.02	Net Cash from Investing Activities	-144,901	65,491
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	530	819
6.02.02	Fixed Assets Purchases	-138,917	-64,160
6.02.07	Purchase of Software	-6,514	-2,150
6.03	Net Cash from Financing Activities	-1,057	-368,376
6.03.02	Repayment of Borrowings	-1,052	-368,376
6.03.05	Prepaid Capital Contribution	-5	-
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	17,895	-1,127
6.05	Increase (Decrease) in Cash and Cash Equivalents	555,565	92,263
6.05.01	Cash and Cash Equivalents at the beginning of Period	901,864	765,638
6.05.02	Cash and cash Equivalents at end of Period	1,457,429	857,901

Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2020 to 03/31/2020
(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (loss)	Equity
5.01	Opening balances	13,200,295	307,033	943,132	-	-407,037	14,043,423
5.03	Adjusted Opening Balances	13,200,295	307,033	943,132	-	-407,037	14,043,423
5.04	Capital Transactions with Shareholders	-	-	-	2,939	-2,939	-
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	2,939	-2,939	-
5.05	Total Comprehensive Income	-	-	-	-476,567	476,831	264
5.05.01	Net Income for the Period	-	-	-	-476,567	-	-476,567
5.05.02	Other Comprehensive Income	-	-	-	-	476,831	476,831
5.05.02.06	Actuarial gain and loss on retirement benefits	-	-	-	-	473,318	473,318
5.05.02.07	Constitution of Hedge Accounting	-	-	-	-	3,513	3,513
5.07	Closing Balances	13,200,295	307,033	943,132	-473,628	66,855	14,043,687

Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2019 to 03/31/2019

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (loss)	Equity
5.01	Opening balances	13,200,295	309,391	766,942	-	-10,330	14,266,298
5.03	Adjusted Opening Balances	13,200,295	309,391	766,942	-	-10,330	14,266,298
5.04	Capital Transactions with Shareholders	-	658	-	3,161	-2,594	1,225
5.04.03	Recognized Options Granted	-	-567	-	567	-	-
5.04.05	Treasury Stock Sold	-	1,225	-	-	-	1,225
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	2,594	-2,594	-
5.05	Total Comprehensive Income	-	-	-	46,857	-8,175	38,682
5.05.01	Net Income for the Period	-	-	-	46,857	-	46,857
5.05.02	Other Comprehensive Income	-	-	-	-	-8,175	-8,175
5.05.02.06	Actuarial gain and loss on retirement benefits	-	-	-	-	-8,175	-8,175
5.07	Closing Balances	13,200,295	310,049	766,942	50,018	-21,099	14,306,205

Parent Company Financial Statements / Statement of Value Added

(In thousands of reais)

Account code	Account description	Current period 01/01/2020 to 03/31/2020	Prior period 01/01/2019 to 03/31/2019
7.01	Revenue	3,920,485	3,817,513
7.01.01	Sales of Goods, Products and Services	3,916,441	3,770,817
7.01.02	Other Revenues	2,633	46,509
7.01.04	Allowance (Reversal of) for Doubtful Accounts	1,411	187
7.02	Inputs Acquired from Third Parties	-3,071,490	-3,098,611
7.02.01	Costs of Products Goods and Services Sold	-3,022,478	-2,929,055
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	-49,012	-169,556
7.03	Gross Value Added	848,995	718,902
7.04	Retentions	-205,434	-201,280
7.04.01	Depreciation, Amortization and Depletion	-205,434	-201,280
7.05	Net Value Added Produced	643,561	517,622
7.06	Value Added Received in Transfer	286,207	159,467
7.06.01	Equity in earnings	157,954	113,633
7.06.02	Financial Revenues	39,345	51,136
7.06.03	Other	88,908	-5,302
7.06.03.01	Actuarial Gains (Losses)	-20,534	-8,268
7.06.03.02	Exchange Variations	109,442	2,966
7.07	Total Value Added to be Distributed	929,768	677,089
7.08	Distribution of Value Added	929,768	677,089
7.08.01	Personnel	172,245	164,388
7.08.01.01	Direct Compensation	141,906	150,605
7.08.01.02	Benefits	16,074	698
7.08.01.03	Unemployment Compensation Fund (FGTS)	14,265	13,085
7.08.02	Taxes, Rates and Contributions	103,578	273,973
7.08.02.01	Federal	-131,242	-1,592
7.08.02.02	State	217,331	258,802
7.08.02.03	Municipal	17,489	16,763
7.08.03	Remuneration of Third Parties	1,130,512	191,871
7.08.03.01	Interest	133,457	177,310
7.08.03.03	Other	997,055	14,561
7.08.03.03.01	Hedge	-438	-594
7.08.03.03.02	Foreign Exchange Variations	997,493	15,155
7.08.04	Equity Remuneration	-476,567	46,857
7.08.04.03	Retained Earnings (Accumulated Losses)	-476,567	46,857

Consolidated Financial Statements - Balance Sheet - Assets

(In thousands of reais)

Account code	Account description	Current quarter - 03/31/2020	Prior period - 12/31/2019
1	Total Assets	26,975,880	26,337,032
1.01	Current Assets	9,564,924	8,861,282
1.01.01	Cash and Cash Equivalents	1,802,526	1,252,966
1.01.02	Financial investments	570,940	668,175
1.01.03	Trade Receivables	2,257,697	1,938,440
1.01.04	Inventories	3,742,507	3,795,832
1.01.08	Other Current Assets	1,191,254	1,205,869
1.01.08.03	Other	1,191,254	1,205,869
1.01.08.03.01	Taxes Recoverable	630,701	731,049
1.01.08.03.02	Prepaid Income Tax and Social Contribution	58,484	48,496
1.01.08.03.03	Dividends Receivable	13,088	-
1.01.08.03.04	Advances to Suppliers	2,423	1,225
1.01.08.03.05	Financial Instruments	18,687	762
1.01.08.03.06	Amounts Receivable Eletrobras	305,848	305,848
1.01.08.03.07	Other Accounts Receivable	162,023	118,489
1.02	Noncurrent Assets	17,410,956	17,475,750
1.02.01	Long-term Receivables	4,170,808	4,180,797
1.02.01.04	Accounts Receivable	346,264	344,370
1.02.01.04.01	Trade Accounts Receivable	120,443	131,452
1.02.01.04.02	Other Accounts Receivable	225,821	212,918
1.02.01.05	Inventories	58,789	47,766
1.02.01.07	Deferred Taxes	2,998,281	3,037,626
1.02.01.09	Receivables from Related Parties	-	1,651
1.02.01.10	Other Noncurrent Assets	767,474	749,384
1.02.01.10.03	Judicial Deposits	562,290	543,658
1.02.01.10.04	Financial Instruments	7,373	6,950
1.02.01.10.05	Taxes Recoverable	151,375	152,336
1.02.01.10.08	Other	46,436	46,440
1.02.02	Investments	1,153,884	1,143,340
1.02.02.01	Ownership Interest	1,053,056	1,053,138
1.02.02.01.01	Interests Held in Associates	491,118	515,271
1.02.02.01.04	Other Ownership Interests	561,938	537,867
1.02.02.02	Investment Property	100,828	90,202
1.02.03	Property, Plant and Equipment (PP&E)	11,359,924	11,424,691
1.02.03.01	Property, Plant and Equipment in Use	10,378,253	10,514,306
1.02.03.03	Construction in Progress	981,671	910,385
1.02.04	Intangible Assets	726,340	726,922

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter - 03/31/2020	Prior period - 12/31/2019
2	Total Liabilities and Equity	26,975,880	26,337,032
2.01	Current Liabilities	2,936,522	2,889,738
2.01.01	Social and Labor Liabilities	204,377	198,416
2.01.02	Trade Payables	1,510,963	1,518,270
2.01.03	Tax Liabilities	116,371	114,693
2.01.03.01	Federal Tax Liabilities	116,371	114,693
2.01.03.01.01	Income and Social Contribution Taxes Payable	23,944	15,096
2.01.03.01.02	Taxes Payable	92,427	99,597
2.01.04	Borrowings	65,366	121,333
2.01.04.01	Borrowings	64,921	96,316
2.01.04.02	Debentures	445	25,017
2.01.05	Other Liabilities	1,039,445	937,026
2.01.05.02	Other	1,039,445	937,026
2.01.05.02.01	Dividends and Interest on Capital Payable	67,809	67,814
2.01.05.02.04	Taxes Payable in Installments	4,337	4,314
2.01.05.02.06	Advances from Customers	67,904	57,757
2.01.05.02.08	Accounts Payable	149,433	160,010
2.01.05.02.09	Accounts Payable - Forfeiting	716,331	613,803
2.01.05.02.10	Lease Liabilities	33,631	33,328
2.02	Noncurrent Liabilities	8,419,315	7,881,610
2.02.01	Borrowings	5,860,869	4,984,905
2.02.01.01	Borrowings	3,878,483	3,003,655
2.02.01.02	Debentures	1,982,386	1,981,250
2.02.02	Other Liabilities	351,162	312,932
2.02.02.01	Payables to Other Related Parties	107,654	121,838
2.02.02.02	Other	243,508	191,094
2.02.02.02.06	Lease Liabilities	67,305	75,942
2.02.02.02.07	Other	176,203	115,152
2.02.04	Provisions	2,207,284	2,583,773
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	1,255,608	1,574,796
2.02.04.01.03	Provisions for Social Security and Labor Contingencies	1,255,608	1,574,796
2.02.04.02	Other Provisions	951,676	1,008,977
2.02.04.02.03	Provisions for Environmental Liabilities and Decommissioning	234,478	231,591
2.02.04.02.04	Contingent Liabilities	717,198	777,386
2.03	Equity	15,620,043	15,565,684
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	307,033	307,033
2.03.04	Revenue Reserves	943,132	943,132
2.03.04.01	Legal Reserve	58,647	58,647
2.03.04.10	Investments and working capital	884,485	884,485
2.03.05	Retained Earnings (Accumulated Losses)	-473,628	-
2.03.06	Equity Adjustments	66,855	-407,037
2.03.09	Noncontrolling Shareholders	1,576,356	1,522,261

Consolidated Financial Statements / Statement of Operations**(In thousands of reais)**

Account code	Account description	Current period 01/01/2020 to 03/31/2020	Prior period current quarter 01/01/2019 to 03/31/2019
3.01	Revenue	3,807,855	3,531,985
3.02	Cost of Sales and/or Services	-3,295,002	-3,035,995
3.03	Gross Profit	512,853	495,990
3.04	Operating Income (Expenses)	-222,330	-262,976
3.04.01	Selling expenses	-99,807	-67,358
3.04.02	General and Administrative Expenses	-109,377	-100,758
3.04.04	Other Operating Income	39,673	75,555
3.04.05	Other Operating Expenses	-68,166	-207,908
3.04.06	Equity in Results of Investees	15,347	37,493
3.05	Income Before Financial Income (Expense) and Taxes	290,523	233,014
3.06	Finance result, Net	-857,631	-135,780
3.07	Income Before Income Taxes	-567,108	97,234
3.08	Income Tax and Social Contribution	143,128	-20,956
3.08.01	Current	-65,658	-32,741
3.08.02	Deferred	208,786	11,785
3.09	Net income (loss) from Continuing Operations	-423,980	76,278
3.11	Net Income/Loss for the Period	-423,980	76,278
3.11.01	Attributed to Shareholders of Parent Company	-476,567	46,857
3.11.02	Attributed to Noncontrolling Shareholders	52,587	29,421
3.99	Earnings (Loss) per Share (Reais / Shares)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common Shares (RCS)	-0.39000	0.40000
3.99.01.02	Registered Preferred Shares (RPS)	-0.39000	0.40000
3.99.02	Diluted Earnings per Share		
3.99.02.01	RCS	-0.39000	0.40000
3.99.02.02	RPS	-0.39000	0.40000

Consolidated Financial Statements / Statement of Comprehensive Income (loss)

(In thousands of reais)

Account code	Account description	Current quarter 01/01/2020 to 03/31/2020	Current period 01/01/2019 to 03/31/2019
4.01	Consolidated Net Income for the Period	-423,980	76,278
4.02	Other Comprehensive Income (Loss)	478,339	-8,172
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	473,320	-8,172
4.02.03	Hedge Accounting	5,019	-
4.03	Consolidated Comprehensive Income (Loss) for the Period	54,359	68,106
4.03.01	Attributed to Shareholders of Parent Company	264	38,682
4.03.02	Attributed to Noncontrolling Shareholders	54,095	29,424

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2020 to 03/31/2020	Prior period 01/01/2019 to 03/31/2019
6.01	Net Cash from Operating Activities	617,318	530,910
6.01.01	Cash From Operations	586,988	490,381
6.01.01.01	Net Income (Loss) for the Period	-423,980	76,278
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	873,489	48,263
6.01.01.03	Interest Expenses	82,217	95,000
6.01.01.04	Depreciation and Amortization	248,705	241,020
6.01.01.05	Gain/Loss on sale of Property, Plant and Equipment	-868	-1,159
6.01.01.06	Equity in Results of Investees	-15,347	-37,493
6.01.01.08	Deferred Income Tax and Social Contribution	-208,786	-11,785
6.01.01.09	Set up (Reversal) of Provisions	10,038	58,806
6.01.01.10	Actuarial Gains (Losses)	21,520	21,451
6.01.02	Changes in Assets and Liabilities	-163,442	227,278
6.01.02.01	Trade Receivables	-321,324	175,413
6.01.02.02	Inventories	61,773	11,309
6.01.02.03	Taxes Recoverable	-38,981	2,968
6.01.02.04	Judicial Deposits	-18,392	-9,867
6.01.02.05	Receivables from Related Parties	1,651	225
6.01.02.06	Other (Increase) Decrease in Assets	-93,632	-70,588
6.01.02.07	Accounts Payable, Contractors and Freight	-7,307	15,817
6.01.02.08	Advances from Customers	10,147	8,695
6.01.02.09	Payables to Related Parties	-14,184	-12,416
6.01.02.10	Taxes Payable	125,002	60,598
6.01.02.11	Accounts Payable – Forfeiting	102,528	28,341
6.01.02.14	Other Increase (Decrease) in Liabilities	29,277	16,783
6.01.03	Other	193,772	-186,749
6.01.03.01	Actuarial Liability Paid	-5,742	-54,201
6.01.03.02	Actuarial Liability Received – PB1	393,933	-
6.01.03.03	Interest Paid	-152,559	-121,257
6.01.03.04	Income and Social Contribution Taxes Paid	-41,860	-11,291
6.02	Net Cash from Investing Activities	-82,257	-104,994
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	881	1,300
6.02.02	Purchases of Property, Plant and Equipment	-175,821	-81,487
6.02.03	Proceeds from the Sale of Property, Plant and Equipment	881	1,300
6.02.05	Dividends Received	2,093	1,544
6.02.06	Marketable Securities	97,235	24,188
6.02.07	Purchase of Software	-6,645	-2,154
6.02.08	Capital Increase in Subsidiary	-	-9
6.03	Net Cash from Financing Activities	-3,396	-369,534
6.03.02	Repayment of Borrowings	-3,391	-369,534
6.03.05	Dividends and Interest on Equity Paid	-5	-
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	17,895	-1,127
6.05	Increase (Decrease) in Cash and Cash Equivalents	549,560	55,255
6.05.01	Cash and Cash Equivalents at Beginning of Period	1,252,966	1,106,790
6.05.02	Cash and cash Equivalents at End of Period	1,802,526	1,162,045

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2020 to 03/31/2020

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	307,033	943,132	-	-407,037	14,043,423	1,522,261	15,565,684
5.03	Adjusted Opening Balances	13,200,295	307,033	943,132	-	-407,037	14,043,423	1,522,261	15,565,684
5.04	Capital Transactions with Shareholders	-	-	-	2,939	-2,939	-	-	-
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	2,939	-2,939	-	-	-
5.05	Total Comprehensive Income (Loss)	-	-	-	-476,567	476,831	264	54,095	54,359
5.05.01	Net Income (Loss) for the Period	-	-	-	-476,567	-	-476,567	52,587	-423,980
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	476,831	476,831	1,508	478,339
5.05.02.06	Actuarial loss on retirement benefits	-	-	-	-	473,318	473,318	2	473,320
5.05.02.07	Hedge Accounting	-	-	-	-	3,513	3,513	1,506	5,019
5.07	Closing Balances	13,200,295	307,033	943,132	-473,628	66,855	14,043,687	1,576,356	15,620,043

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2019 to 03/31/2019

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	309,391	766,942	-	-10,330	14,266,298	1,431,093	15,697,391
5.03	Adjusted Opening Balances	13,200,295	309,391	766,942	-	-10,330	14,266,298	1,431,093	15,697,391
5.04	Capital Transactions with Shareholders	-	658	-	3,161	-2,594	1,225	-	1,225
5.04.03	Recognized Options Granted	-	-567	-	567	-	-	-	-
5.04.05	Treasury Stock Sold	-	1,225	-	-	-	1,225	-	1,225
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	2,594	-2,594	-	-	-
5.05	Total Comprehensive Income (Loss)	-	-	-	46,857	-8,175	38,682	29,424	68,106
5.05.01	Net Income (Loss) for the Period	-	-	-	46,857	-	46,857	29,424	76,278
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	-8,175	-8,175	3	-8,172
5.05.02.06	Actuarial loss on retirement benefits	-	-	-	-	-8,175	-8,175	3	-8,172
5.07	Closing Balances	13,200,295	310,049	766,942	50,018	-21,099	14,306,205	1,460,517	15,766,722

Consolidated Financial State-ments / Statement of Value Added

(In thousands of reais)

Account code	Account description	Current period 01/01/2020 to 03/31/2020	Prior period 01/01/2019 to 03/31/2019
7.01	Revenue	4,740,600	4,539,149
7.01.01	Sales of Goods, Products and Services	4,739,637	4,492,635
7.01.02	Other Revenues	2,789	47,309
7.01.04	Allowance (Reversal of) for Doubtful Accounts	-1,826	-795
7.02	Inputs Acquired from Third Parties	-3,585,069	-3,534,436
7.02.01	Costs of Products Goods and Services Sold	-3,458,628	-3,291,138
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	-126,441	-243,298
7.03	Gross Value Added	1,155,531	1,004,713
7.04	Retentions	-248,705	-241,020
7.04.01	Depreciation, Amortization and Depletion	-248,705	-241,020
7.05	Net Value Added Produced	906,826	763,693
7.06	Value Added Received in Transfer	256,385	100,327
7.06.01	Equity in Results of Investees	15,347	37,493
7.06.02	Financial Revenues	57,754	67,433
7.06.03	Other	183,284	-4,599
7.06.03.01	Actuarial Gains and Losses	-21,520	-8,243
7.06.03.02	Foreign Exchange Gains/losses	204,804	3,644
7.07	Total Value Added to be Distributed	1,163,211	864,020
7.08	Distribution of Value Added	1,163,211	864,020
7.08.01	Personnel	242,754	240,564
7.08.01.01	Direct Compensation	202,199	222,320
7.08.01.02	Benefits	20,254	773
7.08.01.03	Unemployment Compensation Fund (FGTS)	20,301	17,471
7.08.02	Taxes, Rates and Contributions	224,248	340,321
7.08.02.01	Federal	-94,718	-36,256
7.08.02.02	State	297,472	357,715
7.08.02.03	Municipal	21,494	18,862
7.08.03	Remuneration of Third Parties	1,120,189	206,857
7.08.03.01	Interest	141,165	192,402
7.08.03.03	Other	979,024	14,455
7.08.03.03.01	Hedge	-438	-594
7.08.03.03.02	Exchange variation	979,462	15,049
7.08.04	Equity Remuneration	-423,980	76,278
7.08.04.03	Retained Earnings (Accumulated Losses)	-476,567	46,857
7.08.04.04	Noncontrolling Interests in Retained Profits	52,587	29,421

Notes

1 Operations

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS (“USIMINAS”, “Usiminas”, “Parent company” or “Company”), based in the city of Belo Horizonte, State of Minas Gerais, is a publicly-held company with shares traded on the Brazilian stock exchange (B3 – Brasil, Bolsa, Balcão) under tickers USIM3, USIM5 and USIM6.

The Company and its subsidiaries, jointly-controlled subsidiaries and associates (“Usiminas”) operate in the steel industry and related activities, such as iron ore extraction, steel transformation, production of capital goods and logistics. It currently operates two steel mills with nominal production capacity of 9.5 million (not reviewed by auditor) metric tons per annum of flat-rolled products, located in the cities of Ipatinga, State of Minas Gerais, and Cubatão, State of São Paulo, in addition to iron ore reserves, service and distribution centers, maritime ports and cargo terminals, strategically located in several Brazilian cities.

The Company holds, directly or indirectly, interest in subsidiaries, jointly-controlled subsidiaries and associates, as described in Note 1 to the financial statements for the year ended December 31, 2019.

Spread of the new coronavirus disease (COVID-19)

Since the beginning of 2020, Brazil and the world have been going through a serious public health crisis following the pandemic caused by a new coronavirus (COVID-19). In this context, resulting impacts are expected on the economic activity and the society as a whole. The Company, together with Fundação São Francisco Xavier, social institution linked to Usiminas, has been implementing actions that aim primarily to protect its employees, business partners, as well as the communities where it operates. It should be noted that some of these actions are being carried out in partnership with public authorities.

In the quarter ended March 31, 2020, the Company’s management adopted measures, such as:

- grant mandatory vacation for 29.6% of the employees of Usiminas Mecânica S.A.;
- grant mandatory vacation for 46.3% of the employees of Soluções em Aço Usiminas S.A.;
- and
- Adoption of home office for the employees of administrative areas.

After the quarter closing, notwithstanding the difficulty of measuring the economic impacts of COVID-19, but considering the slowdown already felt by global and Brazilian economies, the Company implemented some measures, as described in Note 33 - Events after the reporting period, with a view to adapting its production levels to this new scenario, as well as preserving its operating and financial capacity.

Company's management is monitoring any delays in its receivables. Up to the quarter ended March 31, 2020, it was not identified any increase in bad debts neither any extension in the receipt terms. Therefore, there are no impacts related to COVID-19 in such receivables.

In relation to impairment of non-financial assets, the Company performed sensitivity tests considering different scenarios in its projections and did not identify the requirement to increase the provision for losses in the quarter, as described in Note 15.

2 Interim accounting information

The issue and disclosure of the interim accounting information included in this Quarterly Information Form (ITR) on the Company and Consolidated accounts was approved by the Board of Directors at a meeting held on May 21, 2020.

3 Summary of significant accounting policies

The significant accounting policies applied in the preparation of this interim accounting information are consistent with those adopted and presented in the Company's financial statements for the year ended December 31, 2019.

The accounting policies, which have been consistently applied in the current period, are consistent with those of the year and period presented for comparison purposes, and common to the parent company, subsidiaries, associates and jointly-controlled subsidiaries, and the interim accounting information on the subsidiaries was adjusted, as applicable, to meet this criterion.

3.1 Basis of preparation and statement of compliance

This interim accounting information for the quarter ended March 31, 2020, should be read together with the Company's financial statements for the year ended December 31, 2019.

Considering that there were no material changes in the composition and nature of the balances presented in the financial statements for the year ended December 31, 2019, the following Notes are presented in a condensed manner for the quarter ended March 31, 2020.

- 3 Summary of significant accounting policies;
- 4 Financial risk management objectives and policy;
- 11 Income tax and social contribution;
- 12 Judicial deposits;
- 13 Investments;
- 14 Property, plant and equipment;
- 15 Impairment of non-financial assets;
- 16 Intangible assets;
- 17 Borrowings and debentures;
- 19 Taxes payable in installments;
- 21 Provision for litigation;
- 22 Retirement benefit obligations;
- 23 Equity;
- 29 Transactions with related parties; and
- 30 Stock option plan.

Parent company and consolidated interim accounting information

The parent company and consolidated interim accounting information presented herein under Parent company and Consolidated, respectively, has been prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting, International Accounting Standard (IAS) 34 - Interim Financial Reporting, and the rules of the Brazilian Securities Commission (CVM). Accordingly, this interim accounting information discloses all the applicable significant information, which is consistent with the information utilized by management in the performance of its duties.

3.2 Standards, amendments to and interpretations of existing standards

In the quarter ended March 31, 2020, no new standards, amendments to or interpretations of existing standards were issued.

4 Financial risk management objectives and policy

At March 31, 2020, there were no significant changes in financial risk policies and management in relation to those disclosed in the Company's financial statements for the year ended December 31, 2019.

4.1 Foreign exchange risk

(i) Foreign exchange exposure

Usiminas operates internationally and is exposed to foreign exchange risk arising from exposures in certain currencies, primarily with respect to the U.S. dollar and, to a lesser extent, yen and euro. Foreign exchange risk arises from recognized assets and liabilities and net investments in foreign operations, as described below.

	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Assets in foreign currency				
Cash and cash equivalents	243,882	38,879	460,148	209,017
Marketable securities	-	-	20,821	16,352
Trade receivables	234,858	147,457	579,097	142,974
Advances to suppliers	602	147	2,136	955
	<u>479,342</u>	<u>186,483</u>	<u>1,062,202</u>	<u>369,298</u>
Liabilities in foreign currency				
Borrowings	(3,875,885)	(3,028,237)	(3,874,452)	(3,028,744)
Trade payables, contractors and freight charges	(379,529)	(356,322)	(396,261)	(369,244)
Advances from customers	(7,276)	(4,410)	(13,683)	(8,814)
Other payables	(3,767)	(1,904)	(3,763)	(1,900)
	<u>(4,266,457)</u>	<u>(3,390,873)</u>	<u>(4,288,159)</u>	<u>(3,408,702)</u>
Currency exposure	<u>(3,787,115)</u>	<u>(3,204,390)</u>	<u>(3,225,957)</u>	<u>(3,039,404)</u>

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

The Company prepares a sensitivity analysis of outstanding assets and liabilities denominated in foreign currency at the end of the period, considering the foreign exchange rate at March 31, 2020. Scenario I considered a depreciation of the Brazilian Real of 5% when compared to the current scenario. Scenarios II and III were stressed based on factors of 25% and 50%, respectively, on the amount of the foreign currency at March 31, 2020.

The currencies used in the sensitivity analysis and their related scenarios are shown below:

Currency	3/31/2020			
	Foreign exchange rate at the end of the period	Scenario I	Scenario II	Scenario III
US\$	5.1987	5.4586	6.4984	7.7981
Euro	5.7264	6.0127	7.1580	8.5896
Yen	0.0484	0.0508	0.0604	0.0725

Potential effects on the finance result, considering Scenarios I, II and III, are shown below:

Currency	Consolidated		
	3/31/2020		
	Scenario I	Scenario II	Scenario III
US\$	(160,935)	(804,676)	(1,609,353)
Euro	(230)	(1,148)	(2,296)
Yen	(133)	(665)	(1,331)

4.2 Cash flow or fair value interest rate risk

(i) Composition of borrowings and debentures by interest type

The interest rate risk arises from interest rates used in financial investments, borrowings and debentures.

The composition of borrowings and debentures contracted, by interest type, in current and non-current liabilities, is presented as follows:

	<u>Parent company</u>				<u>Consolidated</u>			
	<u>3/31/2020</u>	<u>%</u>	<u>12/31/2019</u>	<u>%</u>	<u>3/31/2020</u>	<u>%</u>	<u>12/31/2019</u>	<u>%</u>
Borrowings								
Fixed	3,890,993	66	3,044,400	60	3,897,038	66	3,054,782	60
Other	46,366	1	45,189	1	46,366	1	45,189	1
	<u>3,937,359</u>	<u>67</u>	<u>3,089,589</u>	<u>61</u>	<u>3,943,404</u>	<u>67</u>	<u>3,099,971</u>	<u>61</u>
Debentures								
CDI	<u>1,982,831</u>	<u>33</u>	<u>2,006,267</u>	<u>39</u>	<u>1,982,831</u>	<u>33</u>	<u>2,006,267</u>	<u>39</u>
	<u>5,920,190</u>	<u>100</u>	<u>5,095,856</u>	<u>100</u>	<u>5,926,235</u>	<u>100</u>	<u>5,106,238</u>	<u>100</u>

The Company uses derivative financial instruments to manage the effects of interest rate volatility risk on its borrowings.

(ii) Sensitivity analysis of changes in interest rates

The Company prepares a sensitivity analysis of outstanding assets and liabilities indexed to interest rates at the end of the period, considering the rate prevailing at March 31, 2020 as the base scenario. Scenario I considers a 5% increase on the average interest rate applicable to the floating portion of its current debt. Scenarios II and III were stressed based on factors of 25% and 50%, respectively, on the amounts of this rate at March 31, 2020.

The rate used and its related scenarios are shown below:

<u>Index</u>	<u>3/31/2020</u>			
	<u>Rate at the end of the period (i)</u>	<u>Scenario I</u>	<u>Scenario II</u>	<u>Scenario III</u>
CDI	3.7%	3.8%	4.6%	5.5%

(i) Annual rate.

Potential effects on the finance result, considering Scenarios I, II and III are shown below:

<u>Index</u>	<u>Consolidated</u>		
	<u>3/31/2020</u>		
	<u>Scenario I</u>	<u>Scenario II</u>	<u>Scenario III</u>
CDI	(316)	(1,579)	(3,158)

The interest rates to which the Company is exposed, related to borrowings and debentures, are presented in Note 20 to the financial statements for the year ended December 31, 2019, and, at March 31, 2020, mainly comprise Interbank Deposit Certificates (CDI) and the Referential Rate (TR).

Derivative financial instruments used for interest rate risk, contracted to mitigate the volatility in the Company's profit or loss, were included in the sensitivity analysis for assets and liabilities (Note 5).

4.3 Capital management

The objectives for managing capital are to safeguard the ability to continue as going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure at optimum costs.

Presented below is the calculation of the gearing ratio considering the net debt as a percentage of total capitalization.

	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Total borrowings, debentures and taxes payable in installments	5,924,525	5,100,168	5,930,572	5,110,552
Less: cash and cash equivalents and marketable securities	<u>(1,457,429)</u>	<u>(901,864)</u>	<u>(2,373,466)</u>	<u>(1,921,141)</u>
Net debt	<u>4,467,096</u>	<u>4,198,304</u>	<u>3,557,106</u>	<u>3,189,411</u>
Total equity	14,043,687	14,043,423	15,620,043	15,565,684
Total capitalization	<u>18,510,783</u>	<u>18,241,727</u>	<u>19,177,149</u>	<u>18,755,095</u>
Gearing ratio	<u>24%</u>	<u>23%</u>	<u>19%</u>	<u>17%</u>

5 Derivative financial instruments

Usiminas enters into swap transactions to hedge and manage interest rate and price risks, thereby reducing the effects of volatility of interest rates on its borrowings and its commodities prices. The Company does not acquire such financial instruments for speculative purposes. The Company does not settle its transactions prior to the respective original maturities and does not prepay its derivative financial instruments.

At March 31, 2020, the transactions with derivative financial instruments entered into by the Company are as follows:

(a) Parent company

Financial institution	Maturity range month/year	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Gain/loss for the period
		3/31/2020		3/31/2020		12/31/2019		3/31/2020	12/31/2019	3/31/2020
		Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset (liability) position	Asset (liability) position	Gain (loss)

RATE AND FOREIGN EXCHANGE HEDGES (SWAP)

Bradesco	Apr/15 to Apr/25	TR + 9.8000% p.a.	95.00% of the CDI rate	R\$ 59.000	R\$ 59.000	R\$ 59.000	R\$ 59.000	8.150	7.712	438
----------	------------------	-------------------	------------------------	------------	------------	------------	------------	-------	-------	-----

Financial gain/loss in the period 438

Book balance (asset position - liability position) 8.150 7.712

(b) Consolidated

Financial institution	Maturity range month/year	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Gain/loss for the period
		3/31/2020		3/31/2020		12/31/2019		3/31/2020	12/31/2019	3/31/2020
		Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset (liability) position	Asset (liability) position	Gain (loss)

RATE AND FOREIGN EXCHANGE HEDGES (SWAP)

Bradesco	Apr/15 to Apr/25	TR + 9.8000% p.a.	95.00% of the CDI rate	R\$ 59.000	R\$ 59.000	R\$ 59.000	R\$ 59.000	8.150	7.217	438
----------	------------------	-------------------	------------------------	------------	------------	------------	------------	-------	-------	-----

Financial gain/loss in the period 438

COMMODITIES PRICE PROTECTION

Banco ABC Brasil	May/20	Minério FWD US\$ 90.50	Minério_Fut_J20_SGX	R\$ 18.692	R\$ 18.692	-	-	2.272	-	2.272
Banco ABC Brasil	May/20	Minério FWD US\$ 90.70	Minério_Fut_J20_SGX	R\$ 18.734	R\$ 18.734	-	-	2.324	-	2.324
Banco ABC Brasil	May/20	Minério FWD US\$ 90.90	Minério_Fut_J20_SGX	R\$ 18.775	R\$ 18.775	-	-	2.375	-	2.375
Banco ABC Brasil	May/20	Minério FWD US\$ 86.04	Minério_Fut_J20_SGX	R\$ 60.320	R\$ 60.320	-	-	3.345	-	3.345
Banco ABC Brasil	Jun/20	Minério FWD US\$ 81.63	Minério_Fut_J20_SGX	R\$ 122.469	R\$ 122.469	-	-	2.565	-	2.565
Banco ABC Brasil	Jul/20	Minério FWD US\$ 85.00	Minério_Fut_J20_SGX	R\$ 1.589	R\$ 1.589	-	-	133	-	133
Banco ABC Brasil	Jul/20	Minério FWD US\$ 85.06	Minério_Fut_J20_SGX	R\$ 60.645	R\$ 60.645	-	-	4.896	-	4.896

Financial gain/loss in the period 18.786

Book balance (asset position - liability position) 26.060 7.217

The book balances of the derivative financial instruments are described below:

	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Current assets	777	762	18,687	762
Non-current assets	7,373	6,950	7,373	6,950
	<u>8,150</u>	<u>7,712</u>	<u>26,060</u>	<u>7,712</u>

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
In finance result	<u>438</u>	<u>594</u>	<u>438</u>	<u>594</u>

(c) Hedging activities – cash flow hedge (hedge accounting)

In January 2020, the subsidiary Mineração Usiminas entered into some hedging transactions to partially protect the price of its commodities (iron ore) against foreign exchange risks arising from sales to foreign customers.

Hedge accounting involves the recognition of the net effect on profit or loss of gains/losses arising from changes in the fair value of the hedge instrument and the item being hedged at the same time.

The hedging transactions entered into to protect the price of commodities designated as hedging instruments are described below:

Financial Intuition	Maturity (month/year)	Index		Notional amount	Consolidated
		Assets	Liabilities		Balance 3/31/2020
Banco ABC Brasil	05/2020	Minério FWD USD 90,50	Minério_Fut_J20_SGX	R\$ 18,692	2,272
Banco ABC Brasil	05/2020	Minério FWD USD 90,70	Minério_Fut_J20_SGX	R\$ 18,734	2,324
Banco ABC Brasil	05/2020	Minério FWD USD 90,90	Minério_Fut_J20_SGX	R\$ 18,775	2,375
Banco ABC Brasil	05/2020	Minério FWD USD 86,04	Minério_Fut_J20_SGX	R\$ 60,320	3,345
Banco ABC Brasil	06/2020	Minério FWD USD 81,63	Minério_Fut_J20_SGX	R\$ 122,469	2,565
Banco ABC Brasil	07/2020	Minério FWD USD 85,00	Minério_Fut_J20_SGX	R\$ 1,589	133
Banco ABC Brasil	07/2020	Minério FWD USD 85,06	Minério_Fut_J20_SGX	R\$ 60,645	4,896
		-	-	-	17,910

The adoption of the hedge accounting method in the recognition of equity is presented below:

	Consolidated 3/31/2020
Opening balance recognized in equity	-
Amount recognized as hedging instrument in the period	17,910
Amount recognized as hedged item in the period	(10,305)
	7,605
Amount reversed from equity and classified in finance result	-
Deferred income taxes (34%)	(2,586)
Closing balance recognized in equity	5,019

6 Cash and cash equivalents

	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Bank accounts	17,710	29,455	23,728	40,490
Bank accounts abroad	51,186	38,879	267,452	209,017
Bank Deposit Certificates (CDB) and repurchase commitments	1,195,837	833,530	1,318,650	1,003,459
Time deposits abroad	192,696	-	192,696	-
	<u>1,457,429</u>	<u>901,864</u>	<u>1,802,526</u>	<u>1,252,966</u>

Financial investments in Bank Deposit Certificates (CDB) and repurchase commitments have immediate liquidity, and earn on average 102.20% (December 31, 2019 - 92.96%) of the CDI rate in the Parent company and 102.23% (December 31, 2019 – 97.67%) of the CDI rate in Consolidated.

At March 31, 2020, Usiminas does not use overdraft accounts.

7 Marketable securities

	Consolidated	
	3/31/2020	12/31/2019
Bank Deposit Certificates (CDB)	550,119	651,823
Financial investments abroad	<u>20,821</u>	<u>16,352</u>
	<u>570,940</u>	<u>668,175</u>

Financial investments in Bank Deposit Certificates (CDB) earn on average 102.23% (December 31, 2019 - 97.67%) of the CDI rate in Consolidated.

None of these financial assets is either past due or impaired.

In the quarter ended March 31, 2020, the Company does not have balances related to financial investments classified as marketable securities.

8 Trade receivables

	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Trade receivables:				
In Brazil	1,204,709	1,181,268	1,921,547	2,074,709
Abroad	209,785	83,644	554,024	79,161
Provision for impairment of trade receivables (i)	<u>(118,101)</u>	<u>(118,569)</u>	<u>(170,828)</u>	<u>(168,058)</u>
Trade receivables, net	<u>1,296,393</u>	<u>1,146,343</u>	<u>2,304,743</u>	<u>1,985,812</u>
Receivables from related parties				
In Brazil	385,205	267,922	44,129	17,015
Abroad	<u>29,268</u>	<u>67,065</u>	<u>29,268</u>	<u>67,065</u>
Receivables from related parties	<u>414,473</u>	<u>334,987</u>	<u>73,397</u>	<u>84,080</u>
	<u>1,710,866</u>	<u>1,481,330</u>	<u>2,378,140</u>	<u>2,069,892</u>
Current assets	1,637,429	1,396,884	2,257,697	1,938,440
Non-current assets	<u>73,437</u>	<u>84,446</u>	<u>120,443</u>	<u>131,452</u>

(i) Of the total provision for impairment of trade receivables in Parent company and Consolidated accounts, the balance of R\$4,195 (December 31, 2019 - R\$3,252) refers to trade receivables denominated in foreign currency.

The ageing analysis of trade receivables was as follows:

	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Amounts not yet due	1,531,784	1,329,630	2,014,084	1,840,150
Amounts past due:				
Up to 30 days	179,139	138,042	288,232	201,927
From 31 to 60 days	7,691	11,448	65,081	14,985
From 61 to 90 days	1,837	2,222	11,195	3,248
From 91 to 180 days	491	7,008	7,837	12,328
Over 181 days	108,025	111,549	162,539	165,312
(-) Provision for impairment of trade receivables	<u>(118,101)</u>	<u>(118,569)</u>	<u>(170,828)</u>	<u>(168,058)</u>
	<u>1,710,866</u>	<u>1,481,330</u>	<u>2,378,140</u>	<u>2,069,892</u>

At March 31, 2020, trade receivables amounting to R\$179,082 in the Parent company and R\$364,056 in Consolidated were past due but not impaired (December 31, 2019 – R\$151,700 and R\$229,742, respectively). These accounts relate to customers for which there is no recent history of default, or the outstanding balances of which are supported by guarantees.

Trade receivables, net of the provision for impairment of trade receivables, are denominated in the following currencies:

	Parent company		Consolidated	
	<u>3/31/2020</u>	<u>12/31/2019</u>	<u>3/31/2020</u>	<u>12/31/2019</u>
Brazilian Real	1,476,008	1,333,873	1,799,043	1,926,918
U.S. Dollar	229,386	145,337	573,625	140,854
Euro	<u>5,472</u>	<u>2,120</u>	<u>5,472</u>	<u>2,120</u>
	<u>1,710,866</u>	<u>1,481,330</u>	<u>2,378,140</u>	<u>2,069,892</u>

Changes in the provision for impairment of trade receivables were as follows:

	Parent company	Consolidated
At December 31, 2019	<u>(118,569)</u>	<u>(168,058)</u>
(Additions to) reversals of profit or loss	1,411	(1,826)
Write-off of trade receivables	-	-
Foreign exchange gains/losses	<u>(943)</u>	<u>(944)</u>
At March 31, 2020	<u>(118,101)</u>	<u>(170,828)</u>

The additions to and release of the provision for impairment of trade receivables have been included in Selling expenses in the statement of income. Usiminas does not hold any collateral for trade receivables.

9 Inventories

	Parent Company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Current assets				
Finished products	742,802	690,399	927,165	896,320
Work in progress	916,600	954,477	936,429	974,228
Raw materials	684,360	807,542	1,073,380	1,165,404
Supplies and spare parts	541,615	521,390	604,441	585,850
Imports in transit	94,058	62,377	94,241	63,086
Provision for losses (i)	(83,890)	(94,092)	(94,095)	(106,900)
Other	205,796	223,910	200,946	217,844
	<u>3,101,341</u>	<u>3,166,003</u>	<u>3,742,507</u>	<u>3,795,832</u>
Non-current assets				
Work in progress (ii)	-	-	1,516	1,642
	<u>3,101,341</u>	<u>3,166,003</u>	<u>3,744,023</u>	<u>3,797,474</u>

- (i) Refers to fair value adjustments and obsolescence of certain inventory items.
(ii) Refers to product inventories of the subsidiary Mineração Usiminas S.A.

10 Taxes recoverable

	Parent company			
	3/31/2020		12/31/2019	
	Current	Non-current	Current	Non-current
PIS (i)	24,738	13,536	26,274	13,536
COFINS (i)	301,606	102,932	423,022	102,363
ICMS	90,348	28,668	76,983	30,256
Excise Tax (IPI)	28,922	-	13,783	-
Export credit - Reintegra	1,364	-	1,760	-
Other	10	1,916	9	1,865
	<u>446,988</u>	<u>147,052</u>	<u>541,831</u>	<u>148,020</u>
	Consolidated			
	3/31/2020		12/31/2019	
	Current	Non-current	Current	Non-current
PIS (i)	46,313	14,063	46,025	14,060
COFINS (i)	376,929	105,378	513,022	104,793
ICMS	150,488	29,863	135,320	31,463
Excise Tax (IPI)	50,695	-	30,774	-
Export credit - Reintegra	1,364	-	1,760	-
National Institute of Social Security (INSS)	3,188	-	3,405	-
Other	1,724	2,071	743	2,020
	<u>630,701</u>	<u>151,375</u>	<u>731,049</u>	<u>152,336</u>

(i) Mainly credits related to the final and unappealable decision on ICMS in the calculation bases of PIS/COFINS (Note 21 (b) (iii)).

In the quarter ended March 31, 2020, the following PIS/COFINS amounts were offset: R\$115,157 in the Parent company and R\$149,513 in Consolidated.

11 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 the profit before taxation, in the Parent company and Consolidated accounts, as shown below:

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Profit before income tax and social contribution	(702,261)	25,905	(567,108)	97,234
Nominal rates	34%	34%	34%	34%
Income taxes at nominal rates	238,768	(8,807)	192,817	(33,060)
Adjustments to determine taxable profit:				
Equity in the results of investees (i)	61,735	31,313	5,219	12,747
Permanent exclusions (additions)	(1,904)	(1,554)	(5,539)	(1,901)
Unrecognized tax credits	(72,905)	-	(65,750)	-
Tax incentives	-	-	1,137	540
Non-taxable income and rate differences of foreign subsidiaries	-	-	15,244	718
Taxes on profit determined	225,694	20,952	143,128	(20,956)
Current	-	-	(65,658)	(32,741)
Deferred	225,694	20,952	208,786	11,785
Tax (expense) credit in the statement of income	225,694	20,952	143,128	(20,956)
Income tax	165,951	15,406	105,583	(15,256)
Social contribution	59,743	5,546	37,545	(5,700)
Effective rates	32%	-	25%	22%

(i) Net of unrealized inventory profit.

(b) Deferred income tax and social contribution

Changes in deferred income tax and social contribution, net, in the quarter ended March 31, 2020, were as follows:

	Assets	
	Parent company	Consolidated
At December 31, 2019	2,117,027	3,037,626
Changes in deferred taxes in the statement of income, net	225,694	208,786
Deferred taxes in comprehensive income (actuarial liabilities)	(113,889)	(119,960)
Use of tax losses in comprehensive income (actuarial liabilities)	(125,585)	(125,585)
Hedge accounting	-	(2,586)
At March 31, 2020	<u>2,103,247</u>	<u>2,998,281</u>

The composition of deferred income tax and social contribution assets and liabilities is as follows:

	Parent company		Consolidated	
	<u>3/31/2020</u>	<u>12/31/2019</u>	<u>3/31/2020</u>	<u>12/31/2019</u>
Deferred assets arising from income tax and social contribution losses	2,668,619	2,494,171	2,800,512	2,656,845
Deferred assets arising from temporary differences	840,851	963,294	1,801,642	1,924,810
Deferred liabilities arising from temporary differences	(436,243)	(443,363)	(479,015)	(484,921)
Unrecognized deferred income tax and social contribution	<u>(969,980)</u>	<u>(897,075)</u>	<u>(1,124,858)</u>	<u>(1,059,108)</u>
	<u>2,103,247</u>	<u>2,117,027</u>	<u>2,998,281</u>	<u>3,037,626</u>

In the quarter ended March 31, 2020, the Company's management recorded a provision for tax credit losses amounting to R\$72,905 in the Parent company and R\$65,750 in Consolidated (December 31, 2019 – reversal of R\$132,116 and R\$39,022, respectively). Deferred tax credits not recognized in the financial statements totaled R\$969,980 in the Parent company and R\$1,124,858 in Consolidated (December 31, 2019 – R\$897,075 and R\$1,057,108, respectively). The Company's management will continue monitoring this unrecognized amount, which may be accounted for as soon as its use becomes probable.

According to the projections approved by the Company's management and the balance of deferred income tax assets (tax losses and temporary differences) at March 31, 2020, the expected realization of the taxes was as follows:

	<u>Parent company</u>	<u>Consolidated</u>
2020	97,109	162,500
2021	200,292	229,809
2022	217,512	238,521
2023	257,198	279,730
2024	267,131	290,131
2025 to 2027	804,237	889,638
2028 to 2030	696,010	795,474
2031 to 2033	737,211	826,818
After 2034 (i)	<u>232,770</u>	<u>889,533</u>
Total	3,509,470	4,602,154
Unrecognized tax credits	<u>(969,980)</u>	<u>(1,124,858)</u>
Assets	<u>2,539,490</u>	<u>3,477,296</u>
Liabilities	<u>(436,243)</u>	<u>(479,015)</u>
Net position	<u><u>2,103,247</u></u>	<u><u>2,998,281</u></u>

(i) In Consolidated, the amounts refer mainly to tax credits from goodwill on Mineração Usiminas downstream merger. These tax credits were allocated to match the expected useful lives of the mines, which are expected to be fully depleted by 2053.

The recognition of tax assets is based on a study of the expected future taxable income, reviewed by the Statutory Audit Board and approved by the Board of Directors of the Company. The study to determine the expected future taxable income adopts the same data and assumptions as those adopted in the impairment test of assets (Note 17 to the financial statements at December 31, 2019).

As the income tax and social contribution taxable bases arise not only from projected taxable profit, but also from non-taxable income, non-deductible expenses, tax incentives and other variables, there is no direct correlation between the Company's forecast profit and the income subject to income tax and social contribution. Accordingly, the projected tax credit offsets should not be considered as the only indication of the future profitability of Usiminas.

12 Judicial deposits

At March 31, 2020, changes in judicial deposits were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2019 (i)	<u>576,584</u>	<u>740,550</u>
Additions	9,820	21,582
Interest/inflation indexation	1,672	2,759
Reversals	<u>(4,192)</u>	<u>(5,709)</u>
Subtotal	<u>583,884</u>	<u>759,182</u>
(-) Offset against taxes payable in installments	<u>(196,892)</u>	<u>(196,892)</u>
At March 31, 2020	<u>386,992</u>	<u>562,290</u>

(i) To the total amount of judicial deposits presented in the balance sheet as of December 31, 2019, the amount of R\$196,892 must be added, related to the offset of taxes payable in installments.

At March 31, 2020, additions in the Parent company refer to labor claims (R\$8,287), tax proceedings (R\$1,413) and civil proceedings (R\$120). In Consolidated, in addition to the events considered in the Parent company, additions refer mainly to the Financial Compensation for Mineral Resources Exploration (CFEM) in the subsidiary Mineração Usiminas (R\$5,909) and labor claims (R\$3,332) in the subsidiary Soluções Usiminas.

At March 31, 2020, reversals in the Parent company and in Consolidated refer mainly to labor claims amounting to R\$4,803.

13 Investments

(a) Changes in investments

(i) Parent company

	<u>12/31/2019</u>	<u>Equity in the results of investees (i)</u>	<u>Interest on capital and dividends</u>	<u>Unrealized inventory profit</u>	<u>Actuarial liability</u>	<u>Other</u>	<u>3/31/2020</u>
Subsidiaries							
Mineração Usiminas (ii)	2,657,671	110,506	-	-	3	3,513	2,771,693
Soluções Usiminas	692,226	7,546	-	(23,083)	-	-	676,689
Usiminas Europa	129,785	30,844	-	-	-	-	160,629
Usiminas International	49,268	13,989	-	-	-	-	63,257
Usiminas Mecânica	153,059	(2,548)	-	(537)	27,663	-	177,637
Usiminas Participações e Logística S.A. (UPL)	80,849	(1,705)	-	-	3	-	79,147
Goodwill on Subsidiaries	24,721	-	-	-	-	(342)	24,379
	<u>3,787,579</u>	<u>158,632</u>	<u>-</u>	<u>(23,620)</u>	<u>27,669</u>	<u>3,171</u>	<u>3,953,431</u>
Jointly-controlled subsidiaries							
Unigal	519,958	23,673	-	-	-	-	543,631
Usiroll	10,692	471	-	-	300	-	11,463
	<u>530,650</u>	<u>24,144</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>555,094</u>
Associates							
Codeme	20,615	(722)	-	-	-	-	19,893
Other	11,797	(247)	(334)	-	-	-	11,216
	<u>32,412</u>	<u>(969)</u>	<u>(334)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,109</u>
	<u>4,350,641</u>	<u>181,807</u>	<u>(334)</u>	<u>(23,620)</u>	<u>27,969</u>	<u>3,171</u>	<u>4,539,634</u>

- (i) In the equity in the results of investees presented in the statement of income and statement of cash flows of the Parent company, which totals R\$157,954 when compared with the income of R\$181,807 in changes in investments, the results related to net capital deficiency of the subsidiary Rios Unidos totaling R\$233 and unrealized inventory profit of R\$23,620 determined in the subsidiaries Soluções Usiminas and Usiminas Mecânica must be considered.
- (ii) The amount of R\$ 3,513 disclosed in "Other" refers to the hedge accounting transaction, as described in Note 5 (c).

(ii) Consolidated

	<u>12/31/2019</u>	<u>Equity in the results of investees</u>	<u>Interest on capital and dividends</u>	<u>Actuarial liability</u>	<u>3/31/2020</u>
Jointly-controlled subsidiaries					
Investment in jointly-controlled subsidiaries	533,199	24,842	(1,071)	300	557,270
Goodwill on jointly-controlled subsidiaries	<u>4,668</u>	-	-	-	<u>4,668</u>
	537,867	24,842	(1,071)	300	561,938
Associates					
Investment in associates	508,071	(9,495)	(14,667)	9	483,918
Goodwill on subsidiaries	<u>7,200</u>	-	-	-	<u>7,200</u>
	<u>515,271</u>	<u>(9,495)</u>	<u>(14,667)</u>	<u>9</u>	<u>491,118</u>
Total	<u>1,053,138</u>	<u>15,347</u>	<u>(15,738)</u>	<u>309</u>	<u>1,053,056</u>

14 Property, plant and equipment

Changes in property, plant and equipment were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2019	9,892,313	11,424,691
Additions	138,917	175,821
Disposals	-	(13)
Depreciation (i)	(200,053)	(240,581)
Interest and indexation charges/foreign exchange gains or losses capitalized (ii)	3,748	3,748
Transfers	(800)	(904)
Other	(2,838)	(2,838)
At March 31, 2020	<u>9,831,287</u>	<u>11,359,924</u>

(i) Includes right-of-use depreciation in the amount of R\$3,490 in the Parent company and R\$9,195 in Consolidated (IFRS16 adoption).

(ii) These charges were capitalized at the contracted rates, which are described in Note 20 to the financial statements for the year ended December 31, 2019.

In the quarter ended March 31, 2020, additions to property, plant and equipment refer to expenses incurred to maintain the Company's production capacity.

At March 31, 2020, interest and foreign exchange gains/losses on borrowings were capitalized in property, plant and equipment, in the amount of R\$3,748 in the Parent company and in Consolidated.

At March 31, 2020, depreciation in the Parent company was recognized in "Cost of sales", "Other operating income (expenses)", "Selling expenses" and "General and administrative expenses", in the amounts of R\$146,701, R\$50,159, R\$747 and R\$2,446 (March 31, 2019 - R\$141,269, R\$52,667, R\$747 and R\$1,231), respectively. In Consolidated, depreciation was recognized in "Cost of sales", "Other operating income (expenses)", "Selling expenses" and "General and administrative expenses" in the amounts of R\$182,997, R\$53,283, R\$1,013 and R\$3,288 (March 31, 2019 - R\$166,695, R\$64,177, R\$996 and R\$2,141), respectively.

Certain property, plant and equipment items are pledged as collateral of borrowings and judicial proceedings (Note 31).

15 Impairment of non-financial assets

To calculate the recoverable amount of each business segment, Usiminas uses the discounted cash flow method based on the economic and financial projections of each segment. The projections take into consideration the changes observed in the economic scenario of the markets in which the group companies operate, as well as assumptions of expected results and the history of profitability of each segment.

During the quarter ended March 31, 2020, management monitored the behavior of the main assumptions used in the impairment tests carried out at December 31, 2019 (as described in Note 17 to the financial statements at December 31, 2019), as well as the macroeconomic context of each business segment.

The Company assessed the impacts of the COVID-19 pandemic to ensure that its assets are accounted for at amounts that do not exceed their recoverable values.

As regards the Steelworks segment, management assessed the impacts of COVID-19 on its operations, the uncertainties regarding the dynamics of the pandemic and its effects on the economic activity of customers and suppliers.

Considering the already felt slowdown in global economic activity, as well as recent information provided by Usiminas' customers, especially the companies operating in the automotive industry, that such are decreasing their production level and, in some situations, adopting a temporary interruption of their production units, the Company's management estimates that a drop in sales will take place in the next months, even though an objective estimate cannot yet be made.

Management then adopted temporary measures in order to adapt the production level to market demand, as described in Notes 1 and 33.

In view of these new projections, the Company's management carried out sensitivity tests using sales volumes reflecting the aforementioned reduction in demand, as well as current financial assumptions. In these tests, no losses or book value in excess of their recoverable values were identified at March 31, 2020.

Management has been preparing forecasts and scenarios based on expected improvement of the macroeconomic environment. However, such projections are dependent on factors and market conditions, and may therefore differ from actual figures and results. Therefore, the Company will continue to monitor future developments, continuously assessing the impacts of the spread of the new coronavirus disease (COVID-19) on its operations and, consequently, on its financial statements.

As for the Mining segment, Capital Goods and other long-term assets, there was no need to change the assumptions used in the preparation of impairment tests carried out at December 31, 2019.

Management will continue to monitor the key assumptions of each business segment, as well as profit or loss for 2020, which will indicate the reasonableness of the future projections used.

16 Intangible assets

Changes in intangible assets in the quarter ended March 31, 2020 can be summarized as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2019	90,355	726,922
Additions	6,514	6,645
Amortization	(5,381)	(8,124)
Transfers	800	904
Other	<u>(7)</u>	<u>(7)</u>
At March 31, 2020	<u>92,281</u>	<u>726,340</u>

17 Borrowings and debentures

(a) Borrowings

Changes in borrowings were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2019	<u>3,089,589</u>	<u>3,099,971</u>
Accrued charges	67,043	67,112
Indexation accruals	209	228
Foreign exchange gains/losses	876,000	876,000
Payment of interest	(97,390)	(97,536)
Repayment of principal	(1,052)	(3,391)
Deferral of commissions	<u>2,960</u>	<u>1,020</u>
At March 31, 2020	<u><u>3,937,359</u></u>	<u><u>3,943,404</u></u>
Current liabilities	62,179	64,921
Non-current liabilities	<u>3,875,180</u>	<u>3,878,483</u>

Long-term amounts fall due as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3/31/2020</u>	<u>12/31/2019</u>	<u>3/31/2020</u>	<u>12/31/2019</u>
2021	8,870	9,865	10,926	13,013
2022	10,018	10,002	12,678	12,732
2023	10,320	10,304	10,336	10,329
2024	9,813	9,799	9,817	9,803
2025	8,970	8,955	8,970	8,955
2026	<u>3,827,189</u>	<u>2,948,316</u>	<u>3,825,756</u>	<u>2,948,823</u>
	<u><u>3,875,180</u></u>	<u><u>2,997,241</u></u>	<u><u>3,878,483</u></u>	<u><u>3,003,655</u></u>

(b) Debentures

At March 31, 2020, changes in debentures were as follows:

	<u>Parent company and consolidated</u>
At December 31, 2019	<u>2,006,267</u>
Accrued charges	18,957
Indexation accruals	12,630
Payment of interest	<u>(55,023)</u>
At March 31, 2020 (i)	<u><u>1,982,831</u></u>
Current liabilities	445
Non-current liabilities	<u>1,982,386</u>

(i) Balance presented net, after deducting the amount of R\$17,614 related to the deferral of transaction costs, in accordance with Technical Pronouncement CPC 08 - Transaction Costs and Premiums on Issue of Securities.

At March 31, 2020, debenture charges of R\$445 are recorded in current liabilities (December 31, 2019 - R\$25,017).

Long-term amounts fall due as follows:

	<u>Parent company and consolidated</u>	
	<u>3/31/2020</u>	<u>12/31/2019</u>
2023	693,836	693,438
2024	644,275	643,906
2025	<u>644,275</u>	<u>643,906</u>
	<u><u>1,982,386</u></u>	<u><u>1,981,250</u></u>

(c) Covenants

With respect to the financial covenants, the Company is required to comply with the following ratio, calculated on a consolidated basis:

(i) Net debt / Adjusted EBITDA:

- less than 3.5 times in the quarterly measurements for Bonds.

At March 31, 2020, the Company determined the following ratio:

Indicator	Contracted ratio	Determined ratio
Net debt / Adjusted EBITDA	< 3.5	1.7

With respect to non-financial covenants, the Company has monitoring controls and, for the quarter ended March 31, 2020, no breaches of these covenants were identified.

18 Taxes payable

	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Value-Added Tax on Sales and Services (ICMS)	17,623	27,693	22,924	32,769
Excise Tax (IPI)	30,641	27,403	32,837	29,424
Withholding Income Tax (IRRF)	7,890	9,144	9,415	11,315
Services Tax (ISS)	1,553	1,876	5,860	5,905
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS)	1,923	2,726	3,808	5,192
CFEM	-	-	13,780	11,119
Other	1,213	1,169	3,803	3,873
	<u>60,843</u>	<u>70,011</u>	<u>92,427</u>	<u>99,597</u>

19 Taxes payable in installments

Changes in the balance of taxes payable in installments were as follows:

	Parent company	Consolidated
At December 31, 2019 (i)	<u>201,204</u>	<u>201,206</u>
Provision for interest	<u>23</u>	<u>23</u>
Subtotal	<u>201,227</u>	<u>201,229</u>
Balance of judicial deposit offset	<u>(196,892)</u>	<u>(196,892)</u>
At March 31, 2020 (ii)	<u>4,335</u>	<u>4,337</u>

(i) To the total amount of taxes payable in installments presented in the balance sheet, the amount of R\$196,892, which refers to the offsets against judicial deposits, must be added in the Parent company and Consolidated accounts.

(ii) The balances in the Parent company and Consolidated refer mainly to the Excise Tax (IPI).

20 Lease liabilities

At March 31, 2020, the Company estimated discount rates, based on risk-free interest rates observable in the Brazilian market, for the term of the agreements. The rates used in the calculation ranged from 7.34% to 10.53% per annum.

At March 31, 2020, changes in lease liabilities are shown below:

	Parent company	Consolidated
	3/31/2020	3/31/2020
Opening balance	31,807	109,270
Remeasurements	-	3
Payments	(4,031)	(10,771)
Interest	700	2,434
Closing balance	<u>28,476</u>	<u>100,936</u>
Current	11,986	33,631
Non-current	<u>16,490</u>	<u>67,305</u>

At March 31, 2020, the estimated future minimum payments related to lease agreements were as follows:

	Parent company			Total
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	
Lease agreements	14,082	8,675	10,269	33,026
Present value adjustment	(2,096)	(1,135)	(1,319)	(4,550)
	<u>11,986</u>	<u>7,540</u>	<u>8,950</u>	<u>28,476</u>
	Consolidated			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Lease agreements	41,660	33,859	44,753	120,272
Present value adjustment	(8,029)	(5,605)	(5,702)	(19,336)
	<u>33,631</u>	<u>28,254</u>	<u>39,051</u>	<u>100,936</u>

The table below shows the estimated value of the PIS/COFINS recoverable, which is included in the lease consideration:

Cash flow	Parent company		Consolidated	
	Nominal	Adjusted to present value	Nominal	Adjusted to present value
Lease consideration	29,971	25,842	109,147	91,599
Potential PIS/COFINS (9.25%)	3,055	2,634	11,125	9,337
	<u>33,026</u>	<u>28,476</u>	<u>120,272</u>	<u>100,936</u>

21 Provision for litigation

	Parent company					
	3/31/2020			12/31/2019		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
ICMS	53,131	-	53,131	52,385	-	52,385
Labor	395,679	(150,638)	245,041	460,002	(145,080)	314,922
Civil	146,303	(19,571)	126,732	146,931	(19,432)	127,499
	<u>595,113</u>	<u>(170,209)</u>	<u>424,904</u>	<u>659,318</u>	<u>(164,512)</u>	<u>494,806</u>

	Consolidated					
	3/31/2020			12/31/2019		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
INSS	57	(57)	-	57	(57)	-
ICMS	54,196	(1,241)	52,955	53,444	(1,234)	52,210
PIS/COFINS	2,023	-	2,023	2,009	-	2,009
Labor	496,784	(210,634)	286,150	556,585	(200,861)	355,724
Civil	156,419	(35,775)	120,644	157,620	(35,584)	122,036
Other	7,719	(2,716)	5,003	7,671	(2,699)	4,972
	<u>717,198</u>	<u>(250,423)</u>	<u>466,775</u>	<u>777,386</u>	<u>(240,435)</u>	<u>536,951</u>

The judicial deposits related to provisions for contingencies, in Parent Company and Consolidated accounts, comprise the total balance of judicial deposits presented in Note 12.

At March 31, 2020, changes in the provision for litigation were as follows:

	Parent company	Consolidated
At December 31, 2019	<u>659,318</u>	<u>777,386</u>
Additions	17,574	24,553
Interest/inflation indexation	13,872	15,426
Payments/reductions	(13,730)	(14,053)
Reversal of principal	(72,335)	(76,944)
Reversal of interest	(9,586)	(9,564)
Transfers between current and non-current	-	394
At March 31, 2020	<u>595,113</u>	<u>717,198</u>

The provisions for litigation were recorded to cover probable losses arising from administrative proceedings and litigation relating to tax, labor, civil and environmental matters, in amounts considered sufficient by Management, based on the advice and assessment of internal and external legal counsel.

The reversal of principal in the quarter is mainly related to agreements in labor claims in the amount of R\$66.012.

In the quarter ended March 31, 2020, new labor claims totaling R\$17,234, civil proceedings amounting to R\$23 and tax proceedings totaling R\$317 were added to the Company's accounts.

(a) Possible loss contingencies

In the quarter ended March 31, 2020, Usiminas was the defendant in proceedings involving risks of losses classified as possible by management, based on the opinion of its legal counsel, amounting to R\$8,351,788 (December 31, 2019 – R\$8,167,875). At March 31, 2020, these proceedings, for which no provision was recorded, related to civil matters - R\$1,848,080; environmental matters - R\$19,519; labor matters - R\$1,253,567; tax matters - R\$5,230,622 (December 31, 2019 – civil matters - R\$1,721,961); environmental matters - R\$15,863; labor matters - R\$1,211,945 and tax matters - R\$5,218,106).

(b) Contingent assets

At March 31, 2020, the main proceedings in which the Company is the plaintiff are presented below:

(i) Compulsory loan - Eletrobrás

The Company is a plaintiff in a proceeding claiming the receipt of the full amount paid by Usiminas related to its Cubatão and Ipatinga branches to Eletrobrás, as a compulsory loan, in accordance with the legislation criteria in force at the time the tax was paid.

A final and unappealable decision was rendered with respect to the declaratory action relating to the Cubatão branch, whereby the Company is claiming the amount of R\$871,963. On November 25, 2019, the 19th Federal Court of Rio de Janeiro issued a decision in which it recognized the amount of R\$305,848 as undisputed for the enforcement of the judgment, considering that Eletrobrás itself expressly required the approval of this amount, supplemented by indexation accruals up to August 30, 2019. The Company continues to claim in court the unrecognized amount that it believes is owed by Eletrobrás.

A final and unappealable decision was rendered with respect to the declaratory action relating to the Ipatinga branch, whereby the Company was claiming the amount of R\$1,387,296. On October 16, 2019, the Company received from Eletrobrás the amount of R\$751,404, including indexation accruals. The Company continues to claim in court the unrecognized amount of R\$ 762,255, which it believes is owed by Eletrobrás.

(ii) PIS and COFINS - Imports

The Company was also the plaintiff in an action related to the unconstitutionality of the inclusion of ICMS and the contributions themselves in the calculation basis of PIS and COFINS on Imports. A final and unappealable decision issued in August 2015 recognized the right to offset the amounts overpaid. The Company had the credits approved by the Federal Revenue Office. Of the total amount, R\$794,104 was offset up to December 31, 2018. In the year ended December 31, 2019 and in the quarter ended March 31, 2020, no amounts were offset.

(iii) Inclusion of ICMS in the calculation basis of PIS and COFINS

In May 2018, a final and unappealable decision was issued on the petition for writ of mandamus filed in 2010 by the Company, its subsidiary Usiminas Mecânica S.A. and its jointly-controlled subsidiary Unigal Ltda., which challenged the inclusion of the Value-Added Tax on Sales and Services (ICMS) in PIS and COFINS calculation bases. After this favorable decision, for the period from June 2005 to December 2014, the Company determined, together with its external consultants, that the amounts of taxes overpaid be supplemented by interest/indexation accruals as per the quantification of credits guidelines, especially Private Letter Ruling No. 13 - COSIT of the Brazilian Federal Revenue Secretariat. Accordingly, the Company recorded R\$789,160 in the year ended December 31, 2018, under "Taxes recoverable", of which R\$364,815 in current assets and R\$424,345 in non-current assets, with a corresponding entry to "Other operating income" and "Finance income (costs)" in the amounts of R\$410,932 and R\$378,228, respectively. In the same period, the amount of R\$803,249 was recorded in Consolidated under "Taxes recoverable", of which R\$378,904 in current assets and R\$424,345 in non-current assets, with a corresponding entry to "Other operating income" and "Finance result" in the amounts of R\$418,744 and R\$384,505, respectively.

In 2019, a final and unappealable decision was issued relating to other legal claims filed by the Company, its subsidiaries Usiminas Mecânica S.A. and Mineração Usiminas S.A. and its jointly-controlled subsidiary Unigal Ltda., which also challenged the inclusion of the ICMS in PIS and COFINS calculation bases. After this favorable decision, for several periods from November 2001, the Company determined, together with its external consultants, that the amounts of taxes overpaid be supplemented by interest/indexation accruals as per the quantification of credits guidelines, especially Private Letter Ruling No. 13 - COSIT of the Brazilian Federal Revenue Secretariat. Accordingly, the Company recorded R\$115,899 in the year ended December 31, 2019, under "Taxes recoverable" in non-current assets, with a corresponding entry to "Other operating income" and "Finance income (costs)" in the amounts of R\$63,266 and R\$52,633, respectively. In the same period, the amount of R\$156,561 was recorded in Consolidated under "Taxes recoverable", of which R\$37,782 in current assets and R\$118,779 in non-current assets, with a corresponding entry to "Other operating income" and "Finance income (costs)" in the amounts of R\$86,860 and R\$69,702, respectively.

In the year ended December 31, 2019, the following amounts were offset: R\$425,255 in the Parent company and R\$445,533 in Consolidated.

In the quarter ended March 31, 2020, the following amounts were offset: R\$115,157 in the Parent company and R\$149,513 in Consolidated.

22 Retirement benefit obligations

The amounts and information on retirement benefit obligations were as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3/31/2020</u>	<u>12/31/2019</u>	<u>3/31/2020</u>	<u>12/31/2019</u>
Balance sheet obligations for:				
Pension benefits	482,993	815,365	496,223	828,332
Post-employment medical benefits	<u>715,197</u>	<u>702,997</u>	<u>759,385</u>	<u>746,464</u>
	<u>1,198,190</u>	<u>1,518,362</u>	<u>1,255,608</u>	<u>1,574,796</u>
	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3/31/2020</u>	<u>3/31/2019</u>	<u>3/31/2020</u>	<u>3/31/2019</u>
Income (expenses) recognized in the statement of income				
Pension benefits	(8,334)	(10,435)	(8,599)	(10,435)
Post-employment medical benefits	<u>(12,200)</u>	<u>(11,041)</u>	<u>(12,921)</u>	<u>(11,016)</u>
	<u>(20,534)</u>	<u>(21,476)</u>	<u>(21,520)</u>	<u>(21,451)</u>

At March 31, 2020, changes in actuarial gains and losses recognized in other comprehensive income were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
Actuarial gains (losses) recognized directly in other comprehensive income	(17,273)	(17,275)
Actuarial gains (losses) on loans recognized directly in other comprehensive income - CPC 33 and IFRIC 14	(13,327)	(13,327)
Decrease (increase) in assets (asset ceiling) in other comprehensive income - paragraph 58, CPC 33 and IAS 19	<u>3,790</u>	<u>3,790</u>
Accumulated actuarial gains (losses) recognized in other comprehensive income (i)	<u>(446,508)</u>	<u>(446,508)</u>

(i) At March 31, 2020, total balance in the Parent company includes the amount of R\$27,970 related to actuarial gains (losses) of subsidiaries and jointly-controlled subsidiaries, recorded by the equity method of accounting.

(a) Changes in retirement benefit obligations

Pursuant to CPC 33 (R1) and IAS 19, the actuarial study carried out by an independent actuary as at December 31, 2019 presented liabilities of R\$1,033,840 in the Parent company and R\$1,034,228 in Consolidated. Changes in retirement benefit obligations are presented below:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2019	<u>1,518,362</u>	<u>1,574,796</u>
Amortization	(5,742)	(5,742)
Amounts recognized in the statement of income	20,534	21,520
Actuarial losses recognized directly in other comprehensive income	1,757	1,755
PB1 debt settlement recognized directly in other comprehensive income	<u>(336,721)</u>	<u>(336,721)</u>
At March 31, 2020	<u>1,198,190</u>	<u>1,255,608</u>

(b) PB1 Supplementary Pension Plan Debt Settlement

On June 27, 2019, the Company sought a provisional remedy claiming the suspension of the requirement to pay to Previdência Usiminas the monthly installments provided in the Instrument for the Acknowledgment of Debt, which established a plan for amortization of insufficient reserves of the PB1 Benefit Plan.

On March 24, 2020, the Company ratified the Settlement ("Settlement") executed in order to allow the dismissal of the lawsuit filed by the Company against Previdência Usiminas, with the purpose, among others, of obtaining: (i) relief to exempt Usiminas from continuing to promote the payment of monthly installments of the deficit amortization program of the PB1 Supplementary Pension Plan ("PB1 Plan"), under the terms of a private instrument executed by the Company and by Previdência Usiminas on June 12, 2001 ("2001 Agreement"); and (ii) judgment ordering the return, by Previdência Usiminas, of the amount overpaid by Usiminas under such instrument.

The Settlement provides, among other obligations, that the current actuarial profits of the PB1 Plan determined in the 2016, 2017 and 2018 fiscal years, in the amount of R\$716,506 shall be used as follows: (i) full payment of the remaining balance of the 2001 Agreement, in the amount of R\$ 322,574, based on the position of June 30, 2019; and (ii) return to Usiminas of the remaining amount of R\$393,932, in one single installment, to be paid within 30 days as from the ratification of the Settlement, since there were overpaid installments related to the 2001 Agreement by Usiminas in view of the delay in its renegotiation. The gains originated from the Settlement were recognized in other comprehensive income.

The Settlement also provides for the replacement of the 2001 Agreement by an instrument, by means of which Usiminas undertakes the obligation of making extraordinary contributions for equalization of deficits that may be determined in PB1 Plan, for as long as payments of benefits to its participants and assisted persons are due, until full compliance with the obligations of the PB1 Plan.

23 Equity

(a) Share capital

At March 31, 2020, the Company's capital is R\$13,200,295, comprising 1,253,079,108 book entry shares with no par value, of which 705,260,684 common shares; 547,752,163 Class A preferred shares and 66,261 Class B preferred shares, as shown below:

	<u>Common shares</u>	<u>Class A Preferred shares</u>	<u>Class B Preferred shares</u>	<u>Total</u>
Total shares at March 31, 2020	<u>705,260,684</u>	<u>547,752,163</u>	<u>66,261</u>	<u>1,253,079,108</u>
Total treasury shares	<u>(2,526,656)</u>	<u>(20,962,367)</u>	<u>-</u>	<u>(23,489,023)</u>
Total shares except treasury shares	<u>702,734,028</u>	<u>526,789,796</u>	<u>66,261</u>	<u>1,229,590,085</u>

(b) Reserves

At March 31, 2020, there were no changes in the nature and conditions of reserves in relation to those described in Note 28 (b) to the Company's financial statements for the year ended December 31, 2019. Disclosures have not been repeated in this interim accounting information.

24 Segment reporting

Usiminas has four reportable operating segments, which offer different products and services and are managed separately. These segments are determined based on different legal entities; there are no different segments within the same company.

A summary of the main operations of each of the reportable segments of Usiminas follows:

Reportable segments	Operations
Mining and logistics	Extraction and processing of iron ore as pellet feed, sinter feed and granulated iron ore. Storage, handling, transport of cargo and operation of highway and railway cargo terminals. The sales of iron ore are mainly intended for the Steelworks segment.
Steel metallurgy	Manufacture and sale of steel products. A portion of the sales is for the steel transformation and capital goods segments.
Steel transformation	Transformation and distribution of steel products.
Capital assets	Manufacture of equipment and installations for several industries.

Management reviews the internal managerial reports for each segment periodically.

Information on operating income (loss), assets and liabilities by reportable segment

							3/31/2020
	Mining and logistics	Steel metallurgy	Steel transformation	Capital goods	Subtotal	Eliminations and adjustments	Total
Gross sales revenue							
- products and services	631,253	3,931,529	1,128,061	129,270	5,820,113	(1,228,321)	4,591,792
Sales of products	631,253	3,922,851	1,118,262	40,260	5,712,626	(1,227,368)	4,485,258
Sales of services	-	8,678	9,799	89,010	107,487	(953)	106,534
Deductions	(49,787)	(682,977)	(226,640)	(14,531)	(973,935)	189,998	(783,937)
Revenue	581,466	3,248,552	901,421	114,739	4,846,178	(1,038,323)	3,807,855
Cost of sales	(335,356)	(2,958,901)	(852,716)	(119,021)	(4,265,994)	970,992	(3,295,002)
Gross profit (loss)	246,110	289,651	48,705	(4,282)	580,184	(67,331)	512,853
Operating expenses	(76,387)	(20,390)	(31,321)	(6,062)	(134,160)	(88,170)	(222,330)
Selling expenses	(43,378)	(39,493)	(12,990)	(2,647)	(98,508)	(1,299)	(99,807)
General and administrative expenses	(5,669)	(87,371)	(13,811)	(6,152)	(113,003)	3,626	(109,377)
Other income (expenses)	(18,827)	(6,354)	(4,520)	2,750	(26,951)	(1,542)	(28,493)
Share of results of subsidiaries, jointly-controlled subsidiaries and associates	(8,513)	112,828	-	(13)	104,302	(88,955)	15,347
Operating profit (loss)	169,723	269,261	17,384	(10,344)	446,024	(155,501)	290,523
Finance result	80,272	(935,400)	(414)	(1,087)	(856,629)	(1,002)	(857,631)
Profit (loss) before income tax and social contribution	249,995	(666,139)	16,970	(11,431)	(410,605)	(156,503)	(567,108)
Income tax and social contribution	(87,773)	205,161	(6,015)	8,883	120,256	22,872	143,128
Profit (loss) for the period	162,222	(460,978)	10,955	(2,548)	(290,349)	(133,631)	(423,980)
Attributable to							
Controlling interests	113,044	(460,978)	7,546	(2,548)	(342,936)	(133,631)	(476,567)
Non-controlling interests	49,178	-	3,409	-	52,587	-	52,587
Assets	4,815,471	24,828,844	1,722,974	447,445	31,814,734	(4,838,854)	26,975,880
Total assets include:							
Investments in associates (except goodwill and investment properties)	450,357	31,172	-	2,388	483,917	-	483,917
Additions to non-current assets (except financial instruments and deferred tax assets)	41,295	159,695	5,633	1,808	208,431	(4,383)	204,048
Current and non-current liabilities	667,689	10,711,590	579,860	269,000	12,228,139	(872,302)	11,355,837

	3/31/2019						
	<u>Mining and logistics</u>	<u>Steel metallurgy</u>	<u>Steel transformation</u>	<u>Capital goods</u>	<u>Subtotal</u>	<u>Eliminations and adjustments</u>	<u>Total</u>
Gross sales revenue - products and services	441,764	3,805,881	1,128,864	70,108	5,446,617	(1,122,582)	4,324,035
Sales of products	441,764	3,799,402	1,113,970	23,774	5,378,910	(1,095,230)	4,283,680
Sales of services	-	6,479	14,894	46,334	67,707	(27,352)	40,355
Deductions	(23,616)	(717,390)	(249,485)	(7,635)	(998,126)	206,076	(792,050)
Revenue	418,148	3,088,491	879,379	62,473	4,448,491	(916,506)	3,531,985
Cost of sales	(233,497)	(2,794,174)	(846,678)	(53,611)	(3,927,960)	891,965	(3,035,995)
Gross profit (loss)	184,651	294,317	32,701	8,862	520,531	(24,541)	495,990
Operating expenses	(50,768)	(142,654)	(22,905)	(10,181)	(226,508)	(36,468)	(262,976)
Selling expenses	(23,533)	(28,448)	(11,359)	(2,850)	(66,190)	(1,168)	(67,358)
General and administrative expenses	(5,905)	(77,720)	(14,291)	(6,333)	(104,249)	3,491	(100,758)
Other income (expenses)	(34,890)	(97,181)	2,745	(983)	(130,309)	(2,044)	(132,353)
Share of results of subsidiaries, jointly-controlled subsidiaries and associates	13,560	60,695	-	(15)	74,240	(36,747)	37,493
Operating profit (loss)	133,883	151,663	9,796	(1,319)	294,023	(61,009)	233,014
Finance result	1,319	(131,826)	(867)	(645)	(132,019)	(3,761)	(135,780)
Profit (loss) before income tax and social contribution	135,202	19,837	8,929	(1,964)	162,004	(64,770)	97,234
Income tax and social contribution	(41,167)	12,806	(2,958)	918	(30,401)	9,445	(20,956)
Profit (loss) for the period	94,035	32,643	5,971	(1,046)	131,603	(55,325)	76,278
Attributable to							
Controlling interests	66,472	32,643	4,113	(1,046)	102,182	(55,325)	46,857
Non-controlling interests	27,563	-	1,858	-	29,421	-	29,421
							12/31/2019
Assets	4,690,187	24,016,527	1,621,282	429,350	30,757,346	(4,420,314)	26,337,032
Total assets include:							
Investments in associates (except goodwill and investment properties)	473,194	32,475	-	2,403	508,071	-	508,071
Additions to non-current assets (except financial instruments and deferred tax assets)	166,644	686,406	14,329	8,803	876,182	(12,576)	863,606
Current and non-current liabilities	709,654	9,915,126	489,123	276,021	11,389,924	(618,576)	10,771,348

Sales between segments were carried out at arm's length.

Billings are broadly dispersed. The Company and its subsidiaries do not have third-party customers representing individually more than 10% of their billings.

25 Revenue

Reconciliation of gross to net revenue was as follows:

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Sales of products				
Domestic market	3,513,280	3,439,858	3,614,888	3,634,886
Foreign market	<u>409,571</u>	<u>359,545</u>	<u>870,370</u>	<u>648,794</u>
	<u>3,922,851</u>	<u>3,799,403</u>	<u>4,485,258</u>	<u>4,283,680</u>
Sales of services				
Domestic market	8,328	5,890	104,631	39,766
Foreign market	<u>1,903</u>	<u>589</u>	<u>1,903</u>	<u>589</u>
	<u>10,231</u>	<u>6,479</u>	<u>106,534</u>	<u>40,355</u>
Gross revenue	<u>3,933,082</u>	<u>3,805,882</u>	<u>4,591,792</u>	<u>4,324,035</u>
Deductions from revenue	<u>(683,190)</u>	<u>(717,412)</u>	<u>(783,937)</u>	<u>(792,050)</u>
Net revenue	<u>3,249,892</u>	<u>3,088,470</u>	<u>3,807,855</u>	<u>3,531,985</u>

26 Expenses by nature

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Depreciation, amortization and depletion	(205,434)	(201,280)	(248,705)	(241,020)
Employee benefits and expenses	(225,749)	(204,244)	(314,611)	(292,966)
Raw materials and consumables	(2,250,441)	(2,067,047)	(2,364,907)	(2,050,819)
Scheduled maintenance	(34,336)	(39,051)	(27,388)	(41,030)
Freight charges and insurance	(105,569)	(115,680)	(182,023)	(191,840)
Distribution costs	(26,479)	(13,120)	(71,804)	(35,392)
Third-party services	(221,596)	(188,272)	(243,959)	(235,555)
Judicial charges	(2,300)	(607)	(3,932)	(3,107)
Income (expenses) in litigation, net	54,761	(30,257)	52,391	(29,010)
Gain/loss on the sale of excess electricity (i)	212	(6,109)	187	(5,735)
Gain/loss on the sale/write-off of PP&E, intangible assets and investments	530	749	868	1,159
Inclusion of ICMS in PIS and COFINS calculation bases	-	-	4,113	-
Other	(111,981)	(173,511)	(132,909)	(211,149)
	<u>(3,128,382)</u>	<u>(3,038,429)</u>	<u>(3,532,679)</u>	<u>(3,336,464)</u>
Cost of sales	(2,997,914)	(2,837,252)	(3,295,002)	(3,035,995)
Selling expenses	(39,493)	(28,448)	(99,807)	(67,358)
General and administrative expenses	(84,453)	(75,040)	(109,377)	(100,758)
Other operating income (expenses), net	(6,522)	(97,689)	(28,493)	(132,353)
	<u>(3,128,382)</u>	<u>(3,038,429)</u>	<u>(3,532,679)</u>	<u>(3,336,464)</u>

(i) At March 31, 2020, the Company had receivables from the sale of excess electricity amounting to R\$3,491 in the Parent Company and R\$3,491 in Consolidated (December 31, 2019 – R\$36,122 and R\$37,678, respectively), which are recorded in Other current assets.

27 Finance income (costs)

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Finance income				
Interest from customers	3,375	3,903	6,976	6,574
Income from financial investments	4,239	8,917	7,802	18,235
Indexation accruals	4,344	2,472	9,367	5,608
Indexation of judicial deposits	1,672	1,414	2,759	2,023
Accretion of present value adjustment of trade receivables	13,569	19,776	13,569	19,776
Reversal of the provision for interest on litigation-related payments	9,586	7,622	9,564	8,130
Other finance income	2,560	7,032	7,717	7,087
	<u>39,345</u>	<u>51,136</u>	<u>57,754</u>	<u>67,433</u>
Finance costs				
Interest on borrowings and taxes payable in installments	(70,831)	(95,538)	(70,895)	(95,739)
Result on swap transactions	438	594	438	594
Indexation accruals	(14,630)	(24,570)	(18,803)	(29,413)
Indexation of provisions for litigation-related payments	(13,872)	(16,718)	(15,426)	(18,990)
Accretion of present value adjustment of trade payables	(10,039)	(17,901)	(15,729)	(22,448)
Commissions and other costs on borrowings	(12,978)	(4,932)	(10,018)	(4,932)
Charges on actuarial liability	-	(13,208)	-	(13,208)
Other finance costs	(11,107)	(4,443)	(10,294)	(7,672)
	<u>(133,019)</u>	<u>(176,716)</u>	<u>(140,727)</u>	<u>(191,808)</u>
Foreign exchange gains/losses, net	<u>(888,051)</u>	<u>(12,189)</u>	<u>(774,658)</u>	<u>(11,405)</u>
	<u>(981,725)</u>	<u>(137,769)</u>	<u>(857,631)</u>	<u>(135,780)</u>

The Company separates indexation charges from the Extended Consumer Price Index (IPCA) on borrowings and financial investments for contracts which accrue CDI and TJLP interest. The IPCA portion is segregated from interest on borrowings and income from financial investments and included in "Indexation accruals".

28 Earnings (loss) per share

Basic and diluted

Basic and diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to the Company's stockholders by the weighted average number of common and preferred shares issued during the period excluding common shares acquired by the Company and held in treasury (Note 23).

	3/31/2020			Parent company 3/31/2019		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Basic and diluted numerator						
Profit (loss) available to owners of the parent	(272,367)	(204,200)	(476,567)	25,642	21,216	46,858
Basic and diluted denominator						
Weighted average number of shares, excluding treasury shares	702,734,028	526,856,057	1,229,590,085	702,734,028	527,566,777	1,230,300,805
Basic and diluted earnings (loss) per share - R\$						
	(0.39)	(0.39)	-	0.04	0.04	-

29 Transactions with related parties

The main balances and transactions with related parties are as follows:

(a) Assets

	3/31/2020			12/31/2019		
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	35,499	-	-	10,220	-	1,651
Non-controlling interests	-	-	-	2,369	-	-
Subsidiaries	342,248	40,220	98,057	251,727	40,220	100,223
Jointly-controlled subsidiaries	202	-	-	90	-	-
Associates	7,349	334	-	4,047	-	-
Other related parties (i)	29,175	-	5,186	66,534	-	-
Total	414,473	40,554	103,243	334,987	40,220	101,874
Current	414,473	40,554	64,583	334,987	40,220	46,384
Non-current	-	-	38,660	-	-	55,490
Total	414,473	40,554	103,243	334,987	40,220	101,874

(i) At March 31, 2020, the balance of trade receivables mainly refers to the sale of flat-rolled products to the Ternium Group in the amount of R\$26,520 (December 31, 2019 – R\$66,187).

	Consolidated				
	3/31/2020			12/31/2019	
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Other receivables
Controlling interests	35,499	-	-	10,220	1,651
Non-controlling interests	-	-	-	2,369	-
Jointly-controlled subsidiaries	385	-	-	90	-
Associates	7,349	13,088	-	4,054	-
Other related parties (i)	30,164	-	5,186	67,346	-
Total	73,397	13,088	5,186	84,079	1,651
Current	73,397	13,088	-	84,079	-
Non-current	-	-	5,186	-	1,651
Total	73,397	13,088	5,186	84,079	1,651

(i) At March 31, 2020, the balance of trade receivables mainly refers to the sale of flat-rolled products to the Ternium Group in the amount of R\$27,509 (December 31, 2019 – R\$66,999).

Trade receivables classified as related parties are unsecured by nature and bear interest. At March 31, 2020 and December 31, 2019, no provisions were recorded for receivables from related parties.

(b) Liabilities

	Parent company					
	3/31/2020			12/31/2019		
	Trade payables	Other payables	Borrowings	Trade payables	Other payables	Borrowings
Controlling interests	311	6,170	-	291	2,300	-
Subsidiaries	317,572	156,571	3,932,692	168,297	104,335	3,087,316
Jointly-controlled subsidiaries	64,267	-	-	69,332	-	-
Associates	2,856	-	-	698	-	-
Other related parties (i)	404,640	-	-	142,543	70	-
Total	789,646	162,741	3,932,692	381,161	106,705	3,087,316
Current	789,646	27,005	48,696	381,161	2,370	79,921
Non-current	-	135,736	3,883,996	-	104,335	3,007,395
Total	789,646	162,741	3,932,692	381,161	106,705	3,087,316

	Consolidated			
	3/31/2020		12/31/2019	
	Trade payables	Other payables	Trade payables	Other payables
Controlling interests	110	6,170	341	2,300
Non-controlling interests	-	12,005	-	8,394
Jointly-controlled subsidiaries	65,038	-	70,135	-
Associates	8,825	127,438	37,707	123,254
Other related parties (i)	404,640	5,204	142,543	5,489
Total	478,613	150,817	250,726	139,437
Current	478,613	43,163	250,726	17,599
Non-current	-	107,654	-	121,838
Total	478,613	150,817	250,726	139,437

(i) At March 31, 2020, the balance of trade payables refers mainly to the purchase of steel plates from Ternium Brasil Ltda. in the amount of R\$402,968 (December 31, 2019 – R\$142,540) in the Parent company and in Consolidated.

(c) Results

	3/31/2020			3/31/2019		
	Sales	Purchases	Finance and operating result	Parent company		
				Sales	Purchases	Finance and operating result
Controlling interests	96,789	1,597	(31)	64,252	1,702	(3,885)
Non-controlling interests	-	-	-	196,337	-	-
Subsidiaries	990,725	213,021	(962,055)	971,410	144,736	2,300
Jointly-controlled subsidiaries	-	98,737	(22)	-	89,220	56
Associates	6,020	36,609	55	12,197	28,100	-
Other related parties (i) (ii)	45,306	768,941	4,201	55,370	493,682	411
Total	1,138,840	1,118,905	(957,852)	1,299,566	757,440	(1,118)

	3/31/2020			3/31/2019		
	Sales	Purchases	Finance and operating result	Consolidated		
				Sales	Purchases	Finance and operating result
Controlling interests	96,789	1,597	(31)	64,252	2,165	(3,885)
Non-controlling interests	-	-	-	196,346	-	-
Jointly-controlled subsidiaries	1,036	100,098	(22)	541	89,581	56
Associates	6,020	88,930	55	12,582	40,111	-
Other related parties (i) (ii)	46,251	768,941	4,201	55,892	493,682	410
Total	150,096	959,566	4,203	329,613	625,539	(3,419)

(i) At March 31, 2020, total sales to other related parties refer mainly to sales by Usiminas to the Ternium Group, amounting to R\$37,216 in the Parent company and R\$38,161 in Consolidated (March 31, 2019 – R\$47,563 in the Parent company and R\$48,085 in Consolidated).

(ii) At March 31, 2020, total purchases from other related parties refer mainly to the purchase of steel plates from Ternium Brasil Ltda. in the amount of R\$763,756 (March 31, 2019 – R\$493,339) in the Parent company and in Consolidated.

The nature of the more significant related-party transactions is described in Note 37(e) to the financial statements for the year ended December 31, 2019.

The finance result with related parties refers mainly to charges on borrowings, as disclosed in item (b) above.

(d) Remuneration of the key management personnel

The remuneration paid or payable to key management personnel, which includes the Executive Board, the Board of Directors and the Statutory Audit Board of the Company was as follows:

	Parent company and consolidated	
	<u>3/31/2020</u>	<u>3/31/2019</u>
Fees	(3,538)	(3,748)
Social charges	(684)	(860)
Retirement plans	(86)	(84)
Changes in the provision for variable compensation	637	-
	<u>(3,671)</u>	<u>(4,692)</u>

The Company has a share-based payment plan in place, as described in Note 30.

30 Stock option plan

The Company has a stock option plan. Oversight of the plan is provided by the Company's Board of Directors and managed with the support of the Human Resources Committee, under the parameters of the plan.

No changes have been identified in the Plan's characteristics and guidelines in relation to those described in Note 39 to the financial statements at December 31, 2019.

At March 31, 2020, the Plan included two programs:

- Program 2013, launched on November 28, 2013; and
- Program 2014, launched on November 27, 2014.

The fair value of the options granted is determined based on the Black-Scholes methodology and recorded as an expense over the vesting period.

In the quarter ended March 31, 2020, there was no impact from the Stock Option Plan on the statement of income of the Parent company and Consolidated, considering that the allocation of expenses was fully completed on October 31, 2017. In the same period, there was no impact from the Stock Option Plan on the capital reserves set up by the Company (March 31, 2019 - R\$567).

In the quarter ended March 31, 2020 no exercise of options took place.

31 Guarantees

The composition of the assets pledged as collateral was as follows:

<u>Assets pledged as collateral</u>	<u>Liabilities secured</u>	<u>Parent company</u>		<u>Consolidated</u>	
		<u>3/31/2020</u>	<u>12/31/2019</u>	<u>3/31/2020</u>	<u>12/31/2019</u>
Cash and cash equivalents	Litigation	40,579	40,547	40,579	40,547
Inventories	Litigation	508	669	508	669
Property, plant and equipment	Litigation	475,935	504,453	518,573	548,366
Property, plant and equipment	Borrowings	3,781	3,571	25,843	25,632
		<u>520,803</u>	<u>549,240</u>	<u>585,503</u>	<u>615,214</u>

32 Explanatory notes presented in the annual financial statements that are not presented in this interim accounting information

Pursuant to CVM/SNC/SEP Circular Letter No. 003/2011, the Company discloses Notes it considers material under CPC 00 - "Conceptual Framework for Financial Reporting". All information the omission or misstatement of which could affect the economic decisions of users was properly disclosed in this interim accounting information, which should be read together with the financial statements for the year ended December 31, 2019.

The Notes for which information has not been repeated in this interim accounting information, considering that no significant changes were made to the nature and conditions of these Notes in relation to those disclosed in the Company's financial statements for the year ended December 31, 2019 are listed below:

- Note 04 - Significant accounting judgments, estimates and assumptions;
- Note 07 - Financial instruments by category;
- Note 19 - Trade payables, contractors and freight charges;
- Note 26 - Provision for environmental recovery;
- Note 32 - Employee benefits and expenses;
- Note 33 - Operating income (expenses);
- Note 36 - Commitments;
- Note 38 - Insurance; and
- Note 41 - Non-cash transactions.

33 Events after the reporting period

On April 2, 2020, the Company's Board of Directors approved the banking operation of blast furnaces 1 and 2 at the Ipatinga plant, starting on April 22 and 4, respectively, with the interruption of the activities of steel mill 1 of the same plant, as well as approved the temporary interruption of the Cubatão plant's activities.

These measures, of a temporary nature, aim to adapt production to market demand, which has been falling due to the slowdown in national economic activity caused by the spread of the new coronavirus disease (COVID-19).

Board of Directors

Ruy Roberto Hirschheimer
Chairman

Elias de Matos Brito
Board Member

Hiroshi Ono
Board Member

Luiz Carlos de Miranda Faria
Board Member

Oscar Montero Martinez
Board Member

Rita Rebelo Horta de Assis Fonseca
Board Member

Ronald Seckelmann
Board Member

Yuichi Akiyama
Board Member

Statutory Audit Board

Wanderley Rezende de Souza
Chairman

Fabricio Santos Debortoli
Board Member

Paulo Frank Coelho da Rocha
Board Member

Sérgio Carvalho Campos
Board Member

Executive Board

Sergio Leite de Andrade
CEO

Alberto Akikazu Ono
Vice-President - Finance, Investor Relations and
Corporate Planning

Américo Ferreira Neto
Vice-President - Industrial Area

Kohei Kimura
Vice-President - Technology and Quality

Miguel Angel Homes Camejo
Vice-President - Commercial Area

Lucas Marinho Sizenando Silva
Accountant CRC-MG 080.788/O