PRESS RELEASE

Consolidated Financial Report

3rd QUARTER 2021

InterCement

Building sustainable partnerships

Despite global inflation and higher energy costs, a robust Adj. EBITDA[1] of US$127M, up 22% YoY, with leverage down to 2.9x

1. 3Q21 Performance

- Total volume at solid 5.4Mt, flattish YoY due to the sizeable comparison base of last year, when post pandemic pent-up demand enhanced the base. Cement industry in Argentina remained on a strong pace, with Loma Negra volumes up +8% YoY, helped by some recovery of bulk segment. InterCement Brazil volume sold was at a healthy level of 2.5Mt, despite being down 2% YoY mainly as a result of strong 3Q20. African operations, down 2% YoY, affected by relevant volume decline in Mozambique.
- Sales of US$ 492 million, an expansion of 33% YoY, mirrored a healthy price trend in most of the regions, also driven by some cost pass-through. BRL and ARS have depreciated in the period, thus excluding forex impact, sales would have increased by 37%.
- Costs pressure raised materially driven by global inflation and energy costs, although partially offset by prices increases. Anyhow, rising top line generates positive effects from operational leverage that led to Adj. EBITDA expansion of 22% YoY, at US$ 127 million. Argentina reported a growing and solid Adj. EBITDA of US$ 66 million, an expansion of +35% YoY, while Brazil reached US$ 48 million, an increase of 16% vs 3Q20. Adj. EBITDA margin declined 2.2 p.p. to 25.9% from 28.1% in 3Q20, as a result of higher costs.
- Positive Free Cash Flow of +US$ 5 million was affected by working capital movements, which shall be reverted by more normalized thermal energy prices on petcoke. Cash Flow to the Company at +US$ 40 million, lower than 3Q20 by US$ 181 million, mostly consequence of the divesture of Paraguayan assets, occurred in 3Q20.
- Net Debt[2] at US$ 1,356 million, flat when compared to Dec'20, although with some volatility during the nine months of 2021, due to the FX movements of Brazilian Reais, as almost 60% of the total debt is denominated in Reais. Cash position was at US$ 179 million at 3Q21 closing.
- Deleverage trend remained in place, decreasing to 2.9x from 3.8x in 4Q20, mainly due to solid operational performance during recent quarters, reflected in the LTM EBITDA improvement to US$ 465M in 3Q21, from US$ 358M in 4Q20.

KEY FIGURES			(Operations in Continuation)			
(US$ million, unless otherwise expressed)	3Q21	3Q20	Var. %	9M21	9M20	Var. %
Cement and Clinker Sales ('000 ton)	**5,428**	5,388	0.7%	**14,961**	13,773	8.6%
Sales	**492**	371	32.9%	**1,218**	933	30.5%
EBITDA	**122**	96	26.8%	**345**	196	75.6%
Adjusted EBITDA[1]	**127**	105	21.7%	**345**	223	54.7%
CAPEX	**(41)**	**(33)**	26.7%	**(105)**	**(138)**	(24.3%)
FCF	**40**	221	(82.0%)	**11**	88	(87.4%)

Debt			
(US$ million)	3Q21	4Q20	Var. %
Net Debt[2]	**1,356**	1,360	(0.3%)
Net Debt/ Adjusted EBITDA LTM	**2.9**	3.8	

2. Profit and Loss

Volumes Sold totaled 5.4 million tons, flat YoY, but at a solid level above 5 million tons threshold. In Argentina, volumes expanded by 8.4% vs 3Q20, mostly driven by the recovery of bulk segment. Brazil volumes, although declining by 2.4% YoY, remained on a healthy level of 2.5 million tons, backed by the performance of the housing segment, especially where the agribusiness industry is growing. Egypt kept on reporting rising volume figures, expanding by 20% YoY in the quarter, backed by the resumption of small-medium scale construction activities in the Alexandria region. On the other hand, Mozambique posted a 27% drop on volume sold, harmed by the new challenging competitive scenario after the entry of a new player in the southern region of the country. In South Africa, volumes declined 9.0% YoY, affected by country's massive social unrest in July'21 and some production difficulties the operations temporarily faced in this quarter.

Note: The review of this report is not part of the scope review of the independent auditors, thus, this report was not reviewed by the independent auditors

1 – Adjusted EBITDA: it is non-accounting metric and was not audited by independent auditors.

2 – Net Debt is calculated as follows: the sum of current and non-current borrowings and financings and debentures (excluding interest payable, current and non-current obligations under finance leases) less cash, cash equivalents, current securities and derivatives.

INCOME STATEMENT						
(US$ million)	3Q21	3Q20	Var. %	9M21	9M20	Var. %
Sales	**492**	**371**	**33%**	**1,218**	**933**	**30%**
Net Operational Cash Costs	**(370)**	(275)	(35%)	**(873)**	(737)	(18%)
Operational Cash Flow (EBITDA)	**122**	**96**	**27%**	**345**	**196**	**76%**
Deprec. Amort. and Impairments	**(50)**	(55)	9%	**(128)**	(137)	6%
Operating Income (EBIT)	**72**	**41**	**78%**	**217**	**60**	**263%**
Financial Results	**(10)**	66	(116%)	**(93)**	30	(414%)
Pre-tax Income	**62**	**106**	**(42%)**	**124**	**90**	**38%**
Income Tax	**(34)**	(8)	(312%)	**(99)**	(19)	(421%)
Net Inc. from continuing Operations	**28**	98	(71%)	**25**	71	(64%)
Net Inc. from discontinuing Operations	**0**	22	(100%)	**0**	28	(100%)
Net Income	**28**	**120**	**(76%)**	**25**	**98**	**(74%)**
Attributable to:						
Shareholders	**19**	109	(83%)	**(1)**	72	(102%)
Minority Interests	**10**	11	(13%)	**26**	26	1%

Moneywise, **sales** reached US$ 492 million in the 3Q21, an expansion of 32.9% YoY, mainly driven by benign pricing behavior in all geographies except in Mozambique, helped by some costs pass-through consciousness, and also by a more rationale competitive environment, especially in Brazil. Excluding forex impact, sales would have grown 37.0%, basically due to significant devaluation in Argentina, while the three African currencies have appreciated in the period.

Cash costs raised 34.7% YoY in the period, mostly driven by escalating thermal energy international prices (petcoke, natural gas and coal), and also local electric power costs. On the other hand, the more favourable pricing environment allowed the Company to incorporate part of such cost pressure on cement prices. Nevertheless, rising top line supported better operational leverage, benefitting consolidated **Adj. EBITDA**, which reached US$ 127.4 million, a +22.2% YoY expansion, although margins declined 2.2 p.p. to 25.9% from 28.1% in 3Q20.

In Brazil, despite material cost pressure, positive operating performance remained, helped by operational leverage dynamic, leading to an Adj. EBITDA of US$ 47.8 million, a growth of 15.9% YoY and margin at 28.6%. Argentina's Adj. EBITDA totalled US$ 65.9 million, an increase of 35.1% YoY, also benefitted from operational leverage and better pricing. South African operations reported a 2.9% YoY decline, negatively affected by the social unrest in the country and some production constraints. In Egypt, a partial recovery on volumes and prices contributed to a significant improvement on results, up 67.9% YoY, while on the other hand, in Mozambique results contracted materially, due to 26.5% YoY drop on volumes and price compression imposed by an unhealthy competitive environment.

Non-recurring items related to InterCement's operations totalled US$ 5.1 million, basically related to: (i) taxes on bank debits and credits in Argentina; (ii) extraordinary costs due to COVID-19; and (iii), expenses on restructuring projects; with an Adj. EBITDA reconciliation as follows:

ADJ. EBITDA - RECONCILIATION ITENS

(US$ million)	3Q21	3Q20	Var. %	9M21	9M20	Var. %
EBITDA Operations in Continuation	**122**	**96**	**27%**	**345**	**196**	**76%**
Reconciliation Itens to Adjusted EBITDA	**5**	**8**	**(38%)**	**(1)**	**26**	**(102%)**
Taxes on bank debits and credits - Argentina	**2**	2	18%	**5**	4	17%
Costs due to COVID-19	**1**	2	(64%)	**2**	7	(66%)
Reestructuring projects	**1**	1	(31%)	**2**	6	(68%)
Layoff related to reestructuring	**1**	1	5%	**3**	6	(56%)
Minority loss - Argentina (Ferrosur Roca)	**0**	5	(100%)		5	(100%)
PIS/ COFINS Credit	**(0)**	(3)	(96%)	**(13)**	(3)	275%
ADJ. EBITDA Operations in Continuation	**127**	**105**	**22%**	**345**	**223**	**55%**

Depreciation, Amortization and Impairment decreased 9% YoY, totalling for US$ 50 million in the 3Q21 compared to US$55 million in the 3Q20. The fluctuation is substantially explained by (i) hyperinflation in Argentina, and (ii) by impairment recognition in Loma Negra that was partially offset by depreciation increase driven by L'Amali II coming into operation.

Financial Results amounted for a negative US$ 10 million during the quarter, a deterioration of US$ 76 million when compared to 3Q20, mostly consequence of a foreign exchange gain of US$ 92 million in 3Q20, compared to +US$ 27 million in 3Q21, basically driven by currency translation gains from debt denominated in BRL. Additionally, a higher average CDI rate in Brazil, 1.90% last year vs 6.15% in 3Q21, impacted interest burden on Debentures.

Income taxes totalled US$ 34 million in the 3Q21, which is US$ 26 million higher than recorded in the 3Q20, reflecting the current net income generated in Mozambique and Brazil, countries that booked losses in the same period of 2020, in addition to the tax rate increase in Argentina, which was raised from 30% to 35% by the government.

Net Income reported a profit of US$ 28 million, equivalent to a net margin of 5.8% in the quarter.

3. Free Cash Flow

FREE CASH FLOW GENERATION MAP (US$ million)	3Q21	3Q20[1]	9M21	9M20[1]
Adjusted EBITDA	**127**	107	**345**	238
Fluctuation in Operational Assets/Liabilities	**5**	85	**(110)**	47
Others	**(4)**	9	**(1)**	(23)
Operating Activities	**128**	**201**	**234**	**262**
Interests Paid & Derivative Unwinding	**(25)**	(35)	**(72)**	(118)
Income taxes Paid	**(24)**	(8)	**(57)**	(15)
Cash Flow before investments	**79**	**158**	**105**	**129**
CAPEX	**(41)**	(33)	**(105)**	(138)
Assets Sales / Others	**2**	95	**11**	97
Free Cash Flow to the company	**40**	**221**	**11**	**88**
Borrowings, financing and debentures	**206**	11	**245**	1.130
Repayment of borrowings, financ. and debent.	**(228)**	(161)	**(295)**	(1.245)
Dividends	**(3)**	-	**(18)**	(8)
Other investment activities	**(10)**	(5)	**(42)**	(14)
Free Cash Flow	**5**	**67**	**(99)**	**(49)**
Exchange differences	**(3)**	(4)	**(1)**	(42)
Cash, equivalents and securities, End of the Period	**179**	**263**	**179**	**263**

InterCement registered US$ 128 million of **Cash Flow from Operations** in the quarter, a decrease of US$ 73 million from 3Q20, basically as consequence of working capital. Important to keep in mind that 3Q20 comparison base is not comparable given the pandemic context last year, on which payables were postponed and inventories' level were extraordinarily reduced. On top of that, 2021 figures were affected by opportunistic petcoke purchases in the Brazilian operation during the 2Q21 that aimed to optimize the cost of fuel, which is expected to be reverted when thermal energy international price weakens.

Interests paid in the period totalled US$ 25 million, a decrease of US$ 10 million in comparison to US$ 35 million paid in 3Q20, since most of the difference came from payments in Argentina back in 2020, which currently holds a debt position 50% smaller.

CAPEX disbursement totalled US$ 41 million, coming US$ 8 million higher than 3Q20, as in 3Q20 Company primary focus was on preserving cash, thus reducing and delaying investments on Capex, yet keeping ESG investments as a priority.

The Cash Flow to the company reached +US$ 40 million in the quarter, a variance of -US$ 181 million when compared to +US$ 221 million in 3Q20, a baseline which included the sale of our Paraguayan assets, concluded in Aug'20. The cash flow was also impacted by the working capital movements, including petcoke anticipated purchase that should be reverted when thermal energy prices weakens. In addition, in less magnitude, it was also hit by higher taxes derived especially from higher taxable income generation in Brazil.

1 – 2020 Cash flow includes discontinued operations in Paraguay.

At the financing side, InterCement repaid part of its debentures (R$1,000 million, equivalent to ~US$ 180 million) at HoldCo level through an issuance of local debt by InterCement Brazil. Additionally, Senior Notes 2024 interest were paid in July'21.

As a result, InterCement generated +US$ 5 million free cash flow in the quarter. Cash and Cash Equivalents balance, including financial instruments such as securities, totalled US$ 179 million in September 2021, a decrease of US$ 84 million when compared to US$ 263 million in 3Q20.

4. Balance Sheet

Total Assets amounted to US$ 3,177 million in September, 2021, an increase of US$ 11 million, or relatively flat, when compared to December 2020.

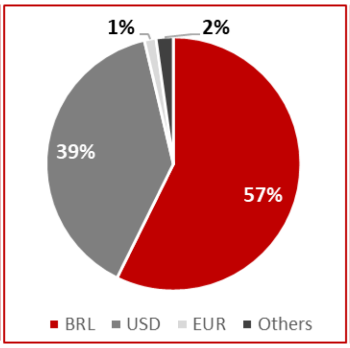
Gross Debt at US$ 1,536 million, implied a net debt of US$ 1,356 million, relatively stable when compared to Dec'20, when net debt was at US$ 1,360 million.

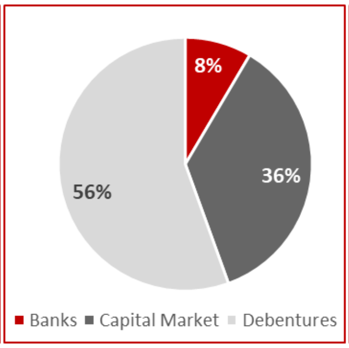
CONSOLIDATED BALANCE SHEET SUMMARY

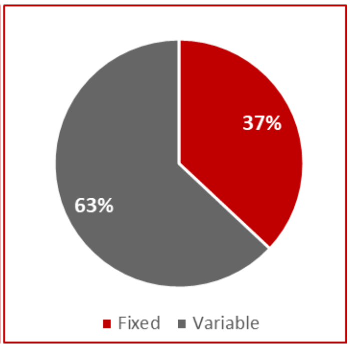
(US$ million)	30 set 2021	31 dec 2020	Var. %
Assets			
Non-current Assets			
Other Non-current Assets	**2.559**	2.533	1%
Derivatives	**1**	5	(81%)
Current Assets			
Cash and Equivalents	**179**	261	(31%)
Other Current Assets	**439**	367	19%
Total Assets	**3.177**	**3.166**	**0%**
Current Liabilities			
Loans & Obligations	**107**	125	(14%)
Leases liabilities	**21**	27	(22%)
Other Current Liabilities	**410**	417	(2%)
Non-Current Liabilities			
Loans & Obligations under finance leases	**1.429**	1.500	(5%)
Leases liabilities	**19**	30	(37%)
Provisions & Employee benefits	**77**	85	(10%)
Other Liabilities	**298**	266	12%
Total Liabilities	**2.360**	**2.451**	**(4%)**
Shareholders' Equity attributable to:			
Equity Holders	**464**	419	11%
Minority Interests	**353**	296	19%
Total Shareholders' Equity	**817**	**715**	**14%**
Total Liabilities and Shareholders' Equity	**3.177**	**3.166**	**0%**

The Debt Profile on September 31, 2021 was as follows:

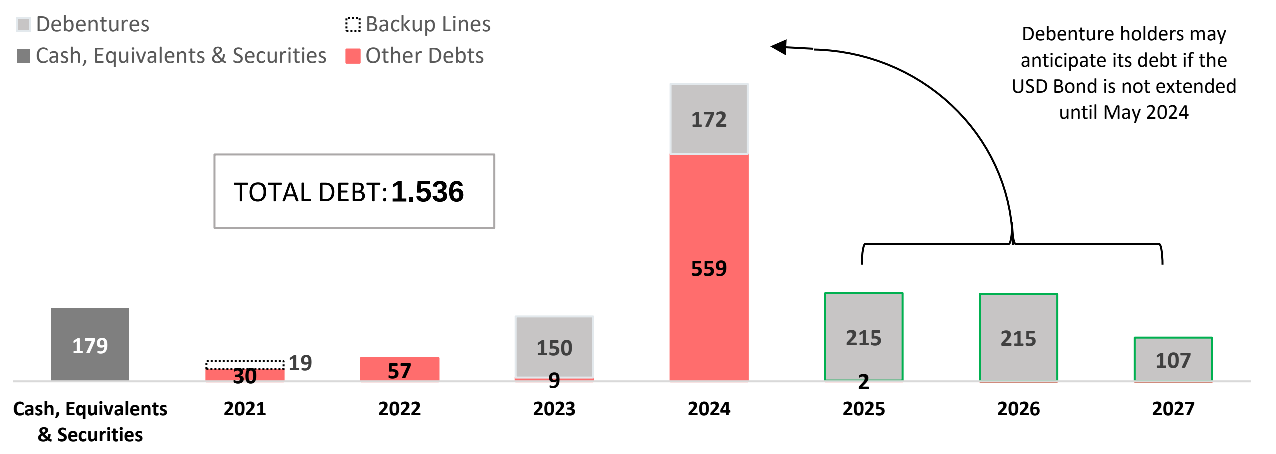
Debt Profile







Debt as of September 30, 2021 (US$ million)



The actual debt profile poses no liquidity pressure for the coming 24 months, as most of the maturing loans are for working capital purposes, which includes US$ 19 million of backup lines taken. In addition, on a currency perspective, debt is well balanced among BRL, which corresponds to almost 60% of total gross debt, and hard currencies like US dollars and Euros, which, combined, corresponds to near 40%.

5. Operations in-depth look – 3Q21

Brazil

Despite volumes YoY decline of 2.4%, Brazilian operations performance remained on a healthy level, at 2.5Mtons, helped by positive construction activity, deriving from the strong pace of real estate launches seen in the last quarters, with the addition of infrastructure projects potentially kicking-in from mid-2022 on. However, costs pressure have been significant, especially thermal energy and electricity tariffs, which were partially mitigated by prices increase that could pass-through part of the escalating costs, helped by a more rationale competitive environment.

Adj. EBITDA amounted for US$ 47.8 million in the period, up +15.9% YoY, driven by rising top line that contributed with a positive effect on operational leverage. Margins stood at 28.6%, down 3.1 p.p. YoY.

Argentina

In Argentina retail demand kept its strong pace, benefitted from the consumer perception of real estate as a safe harbor for savings in hard currency, besides appealing construction costs in US$ terms. Additionally, the recovery of bulk cement also contributed to Loma Negra's performance, registering volumes expansion of 8.4% YoY.

Despite costs pressure coming from global inflation, mostly fuel, adj. EBITDA raised 35.1% to US$ 65.9 million, driven by operational leverage, consequence of the strong top line performance (up +54.3% YoY). In addition, typically, in the 3rd quarters there are higher maintenance costs, due to annual scheduled maintenance during the winter. This effect was abnormally softer in 3Q20 due to the pandemic context, thus, adding pressure to margins in 2021. Margins declined 4.0 p.p. YoY to 28.5%.

Africa

African operations went through different business environments within our geographies in the quarter, reporting volumes decline of 2.0% YoY, while Adj. EBITDA contracted by 18.3%.

Volume sold in South Africa declined 9.0% YoY, hurt by social unrest in July'21 and some industrial productions the operation faced in the quarter. Meanwhile, prices were up in local terms, and boosted by ZAR appreciation, leading prices in US$ terms to increase 20% vs 3Q20, more than offsetting volume contraction. Therefore, top line expansion contributed to operational leverage, benefitting EBITDA generation. However, Adj. EBITDA, was down 2.9% YoY, affected by higher coal prices, and margins went down to 22.0% (-2.6 p.p. YoY).

In Egypt, although still at a challenging competitive environment, industry showed some signs of improvement backed by warmer regional construction activity and the enhanced competitive dynamics promoted by the production quota system in place in the cement industry since July. Volumes registered a significant expansion of +20% YoY and prices were up 18.5% YoY in local terms. Leading, thus, to material increase on top line and Adj. EBITDA, which expanded by 67.9% YoY, with margins up +2.7 p.p.

On the other hand, competitive landscape in Mozambique remained affected by the entry of the new player in the southern region of the country. Therefore, our operation registered a drop of 26.5% on volumes, along with declining prices in local terms. As result, Adj. EBITDA shrank 73% YoY.

Operational Summary

See below the summary tables for our operational performance in 3Q21:

CEMENT AND CLINKER VOLUMES SOLD						
(thousand tons)	3Q21	3Q20	Var. %	9M21	9M20	Var. %
BRA	**2,465**	2,527	(2.4%)	**6,999**	6,761	3.5%
ARG	**1,661**	1,533	8.4%	**4,447**	3,541	25.6%
AFRICA	**1,302**	1,328	(2.0%)	**3,515**	3,472	1.2%
Consolidated Total	**5,428**	**5,388**	**0.7%**	**14,961**	**13,773**	**8.6%**

NET REVENUES						
(US$ million)	3Q21	3Q20	YoY	9M21	9M20	YoY
BRA	**167**	130	28,5%	**444**	329	34,8%
ARG	**231**	150	54,3%	**512**	368	39,1%
AFRICA	**94**	91	3,6%	**263**	237	10,8%
Others	**6**	6	(1,4%)	**41**	14	201,6%
Sub-Total	**498**	**376**	**32,3%**	**1.259**	**948**	**32,9%**
Intra-Group Eliminations	**(6)**	(6)	6,5%	**(41)**	(14)	(191%)
Consolidated Total	**492**	**371**	**32,9%**	**1.218**	**933**	**30,5%**

ADJ. EBITDA						
(US$ million)	3Q21	3Q20	Var. %	9M21	9M20	Var. %
BRA	**48**	41	15,9%	**142**	75	89,8%
ARG	**66**	49	35,1%	**161**	117	37,2%
AFRICA	**16**	20	(18,3%)	**49**	44	10,8%
Others	**(2)**	(5)	(57,1%)	**(8)**	-14	(43,5%)
Consolidated Total	**127**	**104**	**22,2%**	**345**	**223**	**54,7%**
EBITDA Margin	**25,9%**	**28,1%**	**-2,2 p.p.**	**28,3%**	**23,9%**	**4,4 p.p.**

6. Corporate and subsequent events

Bilateral Loan Repayment and New Issue

On October 29, 2021, the Company prepaid a bilateral loan in the amount of US$19.7 million (equivalent to EUR 16.5 million) and obtained a new bilateral loan with the same counterparty in the same amount due on April 29, 2022 and bearing interests of 5.5% per annum.

Disclaimer:

This announcement contains forward-looking statements within the meaning of federal securities law that are subject to risks and uncertainties. These statements are only predictions based upon our current expectations and projections about possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," "predict," "potential," "seek," "forecast," or the negative of these terms or other similar expressions.

The forward-looking statements are based on the information currently available to us. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including, among others things: changes in general economic, political, governmental and business conditions globally, changes in inflation rates, fluctuations in the exchange rate of the peso, the level of construction generally, changes in cement demand and prices, changes in raw material and energy prices, changes in business strategy and various other factors.

You should not rely upon forward-looking statements as predictions of future events. Although we believe in good faith that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this release to conform these statements to actual results or to changes in our expectation.

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