PRESS RELEASE

Consolidated Financial Report

4th QUARTER 2021

InterCement

Building sustainable partnerships

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Despite energy costs pressure, strong end to 2021, with Adj. EBITDA of US$470M, up 37% YoY, and leverage down to 2.8x

1. 4Q21 & 2021 Performance

- Total volume reached 20.1Mt in 2021, an increase of 6% in comparison to 2020, while in 4Q21 volumes were at solid 5.1Mt, stable when compared to 4Q20. In Argentina cement industry remained on a strong pace during the quarter, with Loma Negra volumes up +4% YoY.
- In 2021 sales totaled US$ 1.7 billion, an expansion of 33% vs 2020, backed by a healthy price trend in most of the regions throughout the year. During the quarter sales reached US$ 476 million, an expansion of 38% YoY.
- In 2021, Adj. EBITDA totaled US$470 million, up by 37% in comparison to 2020, with margins at 27.7%, an increase of 0.9 p.p. compared to 2020. Costs pressure kept on rising, driven by global inflation, although partially offset by prices increases. Anyhow, rising top line continued to benefit operational leverage in the quarter, leading Adj. EBITDA to grow 5% YoY, at US$ 126 million.
- Positive Free Cash Flow to the Firm of +US$ 151 million in 2021 helped by stronger operating activities, despite higher disbursements with taxes as operating companies became more profitable. During the quarter it was at +US$ 78 million, higher than 4Q20 by US$ 21 million, due to better operating cash generation, partially offset by higher taxes and CAPEX.
- Net Debt[2] at US$ 1,298 million, a decrease of 5% when compared to Dec'20, mainly due to the devaluation of the Brazilian Reais (+7%), as almost 60% of the total debt is denominated in Reais. Cash position was at US$ 247 million at 4Q21.
- Deleverage trend remained in place, decreasing to 2.8x from 3.8x in 4Q20 and 2.9x in 3Q21, mainly due to solid operational performance during recent quarters, reflected in EBITDA improvement to US$ 470M in 4Q21, from US$ 358M in 4Q20.

KEY FIGURES	(Operations in Continuation)					
(US$ million, unless otherwise expressed)	4Q21	4Q20	Var. %	12M21	12M20	Var. %
Cement and Clinker Sales ('000 ton)	**5,134**	5,150	(0.3%)	**20,095**	18,923	6.2%
Sales	**476**	345	38.3%	**1,694**	1,278	32.6%
EBITDA	**116**	81	43.8%	**461**	277	66.3%
Adjusted EBITDA[1]	**126**	120	4.5%	**470**	343	37.1%
CAPEX	**(57)**	**(37)**	55.6%	**(162)**	**(175)**	(7.5%)
Net Debt (31 Dec)	**1,298**	1,360	(4.5%)	**1,298**	1,360	(4.5%)
FCF to the Firm	**78**	**57**	36.5%	**151**	**166**	(9.4%)

Debt			
(US$ million)	4Q21	4Q20	Var. %
Net Debt[2]	**1,298**	1,360	(4.5%)
Net Debt/ Adjusted EBITDA LTM	**2.8**	3.8	

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.

2. Profit and Loss

Volumes Sold reached 20.1Mt in 2021, up 6% YoY, with all the regions posting expanding volumes. During the quarter, volumes totaled 5.1 million tons, relatively flat YoY, with Argentina registering an increase of 3.5% vs 4Q20, mostly driven by the recovery of bulk segment. Brazil volumes, although declining by 3.7% YoY, remained on a healthy level, backed by solid demand as result of strong backlog from housing sector and positive income effect from agribusiness benign dynamic, especially on Mid-West and South regions. In Africa, Egypt kept on reporting rising volume figures, expanding by 9.3% YoY in the quarter, backed by the resumption of small-medium scale construction activities in addition to infrastructure projects that were paralyzed during the pandemic, as well as helped by the production quota system in place in the cement industry since July. In South Africa, volumes increased 5.0% YoY. On the other hand, Mozambique posted a 20.8% drop on volume sold, as result of the new challenging competitive scenario after the entry of a new player in the southern region of the country in the 2Q21.

INCOME STATEMENT (US$ million)	4Q21	4Q20	Var. %	12M21	12M20	Var. %
Sales	**477**	**345**	**38%**	**1,694**	**1,278**	**33%**
Net Operational Cash Costs	**(360)**	(264)	(37%)	**(1,233)**	(1,001)	(23%)
Operational Cash Flow (EBITDA)	**116**	**81**	**44%**	**461**	**277**	**66%**
Deprec. Amort. and Impairments	**(44)**	(63)	30%	**(172)**	(199)	14%
Operating Income (EBIT)	**72**	**18**	**296%**	**290**	**78**	**271%**
Financial Results	**(29)**	(55)	48%	**(122)**	(26)	(378%)
Pre-tax Income	**44**	**(37)**	**218%**	**168**	**53**	**219%**
Income Tax	**118**	(26)	561%	**20**	(45)	144%
Net Inc. from continuing Operations	**162**	(63)	359%	**187**	8	2270%
Net Inc. from discontinuing Operations	**(0)**	(0)	100%	**0**	28	(100%)
Net Income	**162**	**(63)**	**359%**	**187**	**35**	**428%**
Attributable to:						
Shareholders	**141**	(77)	283%	**139**	(5)	3113%
Minority Interests	**22**	14	55%	**48**	40	20%

Moneywise, **sales** reached US$ 1,694 million in 2021, a 32.6% growth vs 2020, mostly in Brazil and Argentina. In 4Q21, sales totaled US$ 477 million, up 38.3% YoY, mainly driven by benign pricing behavior in all geographies except in Mozambique. Pricing dynamic was helped by some costs pass-through consciousness, and also by a more rational competitive environment, especially in Brazil. Excluding forex impact, sales would have grown 41.0%, basically due to significant devaluation in Argentina and Brazil, while the three African currencies have appreciated in the period.

Cash costs raised 23.2% in 2021 when compared to 2020, mostly driven by rising thermal energy costs as given escalating fuel international prices (petcoke, natural gas and coal) during the year, and also by local electric power costs. On the other hand, the more favorable pricing environment allowed the Company to incorporate part of such cost pressure on cement prices throughout the year. In the 4Q21 cash costs increased by 36.5% as pressure on costs remained. Nevertheless, rising top line supported better operational leverage, benefitting **Adj. EBITDA**, which reached US$ 470 million in 2021, a 37.2% expansion vs 2020, with margins rising to 27.7% vs 26.8% in 2020, while totalling US$ 126 million in 4Q21, up +4.7% YoY, and margins at 26.4%, down 8.5 p.p. YoY.

In Brazil, the Adj. EBITDA totalled US$ 169 million in 2021, expanded by 35.3% vs 2020, helped by the positive effect from operating leverage as top line increase more than offset costs pressure in the period. On the other hand, in the 4Q21, Adj. EBITDA was at US$ 27 million, down 46.5% YoY, pressured by rising costs, but also affected by accounting adjustments in the amount of US$ 10 million. Argentina's Adj. EBITDA totalled US$ 240 million in 2021, up 47.6% when compared to 2020, driven by strong volumes combined with healthy pricing environment. During the quarter it reached US$ 79.1 million, an increase of 74.4% YoY, also benefitted from better pricing and consequent operational leverage. South African operations reported a 51.0% increase vs 2020, helped by a better industrial performance, with a similar expansion in the 4Q21 (+50.9%). In Egypt, a partial recovery on volumes and prices contributed to a significant improvement on results, up 11.1% when compared to 2020, and 21.3% YoY in the quarter. On the other hand, in Mozambique results contracted materially, due to 15.8% drop on volumes in the year and price compression imposed by an unhealthy competitive environment.

Non-recurring items related to InterCement's operations totalled US$ 9.1 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)	4Q21	4Q20	Var. %	12M21	12M20	Var. %
EBITDA Operations in Continuation	**116**	**81**	**44%**	**461**	**277**	**66%**
Reconciliation Itens to Adjusted EBITDA	**9**	**39**	**(77%)**	**9**	**65**	**(87%)**
Taxes on bank debits and credits - Argentina	**2**	1	198%	**7**	5	43%
Inventory allowances due to PP&E impairment - Mozambique	-	8	(100%)	-	8	(100%)
Costs due to COVID-19	**1**	(0)	s.s.	**3**	7	(58%)
Reestructuring projects	**1**	4	(61%)	**3**	10	(65%)
Layoff related to reestructuring	**2**	1	93%	**5**	7	(37%)
Minority loss - Argentina (Ferrosur Roca)	-	0	(100%)	-	6	(100%)
Write-Off Brazil	-	21	(100%)	-	21	(100%)
Others non-recurring	**2**	4	(51%)	**2**	5	(52%)
PIS/ COFINS Credit	**1**	0	1060%	**(12)**	(3)	259%
ADJ. EBITDA Operations in Continuation	**126**	**120**	**5%**	**470**	**343**	**37%**

Depreciation, Amortization and Impairment totalled US$ 172 million in 2021 and US$ 44 million in the 4Q21, down 14% YoY and 30% YoY, respectively. The fluctuation is basically result of the variation on impairment recognition, at US$ 36.6 million in 2020 vs US$ 1.7 million in 2021. In 2020 impairment was mainly composed by (i) US$ 35.8 million in Mozambique, due to the expectation of domestic market depreciation and tougher competitive environment; (ii) US$ 11.2 million in Argentina, considering the impact of COVID-19; and (iii) offset by a reversal of impairment in Brazil of US$ 10.4 million, as consequence of Brazilian market recovery in prices and volumes. Meanwhile, in 2021, was registered an additional US$ 4.0 million impairment in Mozambique due to challenging competitive environment, and offset by an additional reversal of impairment in Brazil in the amount of US$3.8 million, as market value of certain fixed assets kept on rising..

Financial Results amounted for an expense of US$ 122 million, higher than 2020 by US$ 96 million mostly as result of foreign exchange gains in 2020 that did not occur in 2021. Meanwhile, in the 4Q21, financial result totalled a negative US$ 29 million, US$ 27 million less than 4Q20, mostly consequence of: (i) lower foreign exchange losses in the period, (ii) financial revenues in 4Q21 related to interests' reversal on contingencies' reversals in Egypt, and (iii) financial expenses in 4Q20 related to new debentures issuance fee. On the other hand, higher interest rates in Brazil, at 9.25% at YE21 vs 2.00% at YE20, affected Debentures' interest burden in the quarter.

Income taxes was impacted by the recognition of deferred tax assets over tax losses and tax temporary differences not recognized in previous years, which was offset by higher tax rates in Argentina. As result, income taxes totalled positive amount of US$ 20 million in 2021, a variation of +US$ 65 million vs 2020, while registering positive amount of US$ 119 million in the 4Q21, a difference of +US$ 144 million when compared to 4Q20. Taxes in Egypt, which was back to profit terrain in 2021, and higher tax rate in Argentina – 35% now vs 30% in 2020, leading to the recalculation of deferred taxes, resulting in a loss not deductible for tax purposes of US$39 million in the year – driven higher tax amounts in 2021.

Net Income amounted for US$ 187 million in 2021 and US$ 162 million in the quarter, helped by better operational performance along with positive impact from deferred tax assets recognition.

3. Free Cash Flow

FREE CASH FLOW GENERATION MAP (US$ million)	4Q21	4Q20[1]	12M21	12M20[1]
Adjusted EBITDA	**126**	120	**470**	358
Fluctuation in Operational Assets/Liabilities	**24**	(2)	**(86)**	45
Others	**9**	(13)	**8**	(36)
Operating Activities	**158**	**105**	**392**	**367**
CAPEX	**(57)**	(37)	**(162)**	(175)
Income taxes Paid	**(23)**	(10)	**(79)**	(25)
Free Cash Flow to the firm	**78**	**57**	**151**	**166**
Interests Paid & Derivative Unwinding	**(39)**	(25)	**(111)**	(143)
Assets Sales / Others	**3**	0	**14**	97
Free Cash Flow	**43**	**33**	**54**	**121**
Borrowings, financing and debentures	**81**	(16)	**326**	1,114
Repayment of borrowings, financ. and debent.	**(47)**	(49)	**(342)**	(1,294)
Dividends	**(3)**	(20)	**(20)**	(28)
Other investment activities	**(9)**	(17)	**(51)**	(31)
Changes in cash, equivalents & securities	**65**	**(68)**	**(34)**	**(118)**
Exchange differences	**1**	65	**1**	23
Cash, equivalents and securities, End of the Period	**247**	**261**	**247**	**261**

InterCement registered US$ 392 million of **Cash Flow from Operations** in 2021, an improvement of 7% vs 2020, basically as result of a stronger operational result, in spite of larger working capital needs in the period – mostly impacted by petcoke purchases anticipation during the year, aimed to optimize the cost of fuel. In the 4Q21, Cash Flow from Operations reached US$ 158 million, benefitted by solid EBITDA generation and positive working capital.

CAPEX disbursement in 2021 was at US$ 162 million, relatively stable with 2020. Meanwhile, in the 4Q21 it totalled US$ 57 million, coming US$ 20 million higher than 4Q20, being partly responded by the final payment to L'Amali II supplier, but also due to lower comparison base in 2020 given that CAPEX was being held only to ESG investments at that time given the COVID-19 context.

Interests paid in 2021 amounted for US$ 111 million, a decrease of US$ 31 million when compared to 2020, mostly due to lower debt level in 2021. Meanwhile, it totalled US$ 39 million in the quarter, an increase of US$ 14 million in comparison to US$ 25 million paid in 4Q20, basically due to higher interest rates in Brazil, from 9.25% at YE21 vs 2.00% at YE20.

As result the Free Cash Flow reached +US$ 43 million in the quarter, a variance of +US$ 9 million when compared to +US$ 33 million in 4Q20. In 2021 it was at +US$ 54 million, lower than previous year mostly because of the sale of Paraguayan assets in 2020.

1 – 2020 Cash flow includes discontinued operations in Paraguay.

At the financing side, the balance of transactions in the year is mostly derived from the issuance of R$1 billion debt at InterCement Brazil and the repayment of R$1 billion of debentures at HoldCo level. During the 4Q21 the balance is mainly explained by new debts, locally in South Africa (ZAR 500 million, equivalent to US$ 31 million) and at HoldCo level by InterCement Participações (BRL 100 million, or US$ 17 million). Additionally, Loma Negra liquidated bilaterals in the total amount of US$ 9 million.

As a result, InterCement had a negative US$ 34 million change in cash in 2021, while generating +US$ 65 million cash in the quarter. Cash and Cash Equivalents balance, including financial instruments such as securities, totalled US$ 247 million in December 2021, a decrease of US$ 14 million when compared to US$ 261 million in 4Q20.

4. Balance Sheet

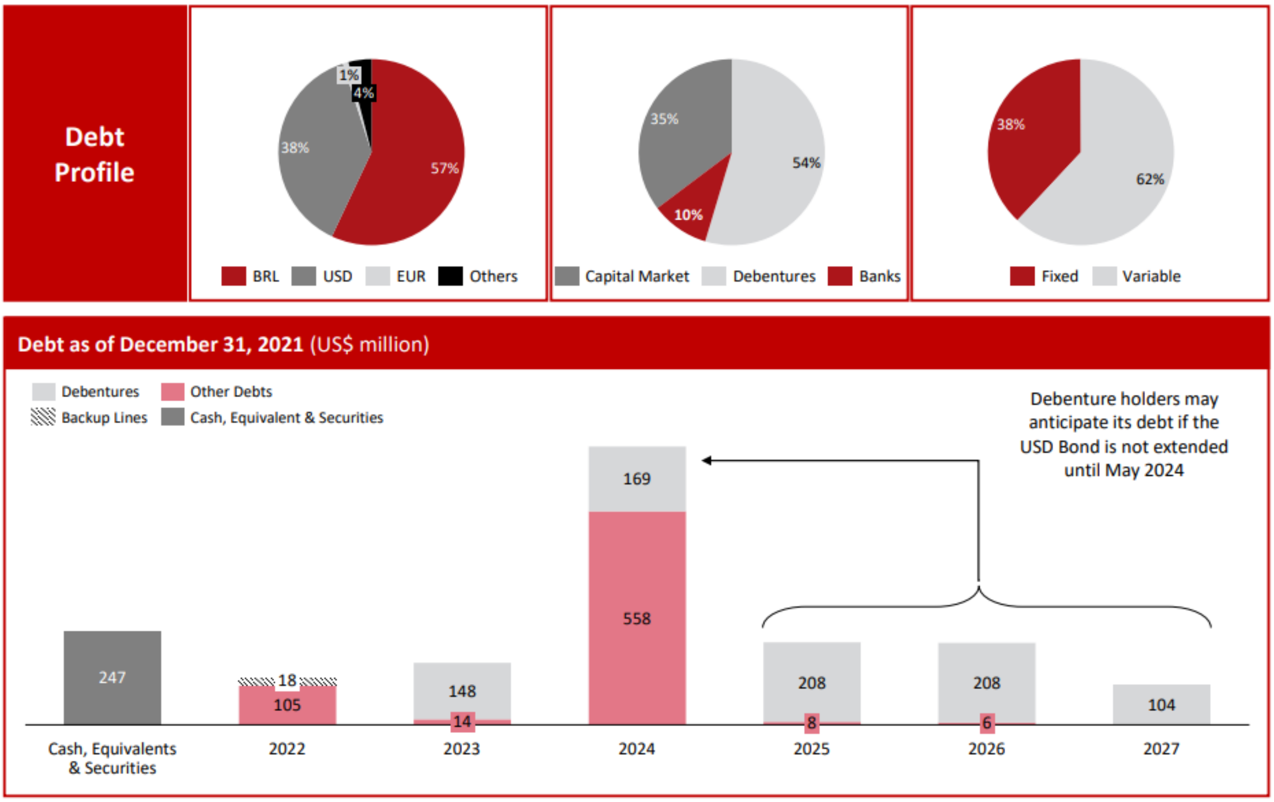
Total Assets amounted to US$ 3,302 million in December, 2021, an increase of US$ 136 million, or relatively flat, when compared to December 2020.

Gross Debt at US$ 1,546 million, implied a net debt of US$ 1,298 million, a decrease of 4.5% when compared to Dec’20, when net debt was at US$ 1,360 million. The decrease was mostly due to the FX variation over the debt in Brazilian Real, and by debt amortizations in Argentina.

CONSOLIDATED BALANCE SHEET SUMMARY

(US$ million)	31 dec 2021	31 dec 2020	Var. %
Assets			
Non-current Assets			
Other Non-current Assets	**2,677**	2,533	6%
Derivatives	**1**	5	(73%)
Current Assets			
Cash and Equivalents	**247**	261	(5%)
Other Current Assets	**377**	367	3%
Total Assets	**3,302**	**3,166**	**4%**
Current Liabilities			
Loans & Obligations	**123**	125	(2%)
IFRS 16	**19**	27	(30%)
Other Current Liabilities	**432**	417	4%
Non-Current Liabilities			
Loans & Obligations under finance leases	**1,423**	1,500	(5%)
IFRS 16	**15**	30	(50%)
Provisions & Employee benefits	**59**	85	(31%)
Other Liabilities	**248**	266	(7%)
Total Liabilities	**2,320**	**2,451**	**(5%)**
Shareholders' Equity attributable to:			
Equity Holders	**605**	419	44%
Minority Interests	**377**	296	28%
Total Shareholders' Equity	**982**	**715**	**37%**
Total Liabilities and Shareholders' Equity	**3,302**	**3,166**	**4%**

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



The actual debt profile poses low liquidity pressure for the coming 18 months, as most of the maturing loans are for working capital purposes, which includes US$ 18 million of backup lines. In addition, on a currency perspective, the debt is well balanced among BRL, which corresponds to 57% of total gross debt, and hard currencies like US dollars and Euros, which, combined, corresponds to 38%.

5. Operations in-depth look – 4Q21

Brazil

Despite volumes declined 3.7% in 4Q21 vs 4Q20, performance remained on a healthy level, helped by the backlog of construction activity, deriving from the strong pace of real estate launches seen in the last quarters, and also helped by the positive dynamic from agribusiness, benefitting income generation, especially at South and Mid-West regions. On the other hand, costs pressure remained, especially fuel and electricity tariffs, which were partially mitigated by prices increase in order to pass-through part of the escalating costs, helped by a more rational competitive environment.

Adj. EBITDA amounted for US$ 26.7 million in the quarter, impacted by US$ 10.2 million accounting adjustment, leading Adj. EBITDA to decline 46.5% YoY. Excluding accounting effect, the contraction would be 26%. Margins stood at 18.7%, down 19.6 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, in addition to appealing construction costs in US$ terms. Additionally, the recovery of bulk cement also contributed to Loma Negra’s performance. Volumes were up 3.5% in 4Q21 vs 4Q20.

Adj. EBITDA raised 74.4% to US$ 79.1 million in the quarter, driven by operational leverage, as result of the strong top line performance – up +88.0% YoY. On the other hand, costs pressure – especially fuel – derived from global inflation remained in place, pressuring margins to 34.0%, down 2.7 p.p. vs 4Q20.

Africa

African operations went through different business environments within our geographies in the quarter, reporting volumes increase of 0.7% when compared to 4Q20. Meanwhile, Adj. EBITDA reduced by 10.1% YoY in 4Q21.

Volume sold in South Africa increased 5.0% YoY in the 4Q21, getting back to a healthy pace. Prices were up in local terms, and boosted by ZAR appreciation, leading prices in US$ terms to increase 6% vs 4Q20. Therefore, top line expansion contributed to operational leverage effect, benefitting Adj. EBITDA generation, up 50.9% in 4Q21 vs 4Q20, with margins growing to 28.8%, up +8.0 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 +9.3% in the quarter when compared to 4Q20, while prices were up 57.6% YoY in local terms, returning at the level of 2017. Leading, thus, to material increase on top line and Adj. EBITDA, which expanded by 21.3% in 4Q21 in comparison to 4Q20.

On the other hand, competitive landscape in Mozambique continue to post figures affected by entry of the new player in the southern region of the country in April. Therefore, our operation registered a drop of 20.8% on volumes, along with declining prices in local terms. As result, Adj. EBITDA shrank 65.1% YoY.

Operational Summary

See below the summary tables for our operational performance in 4Q21:

CEMENT AND CLINKER VOLUMES SOLD						
(thousand tons)	4Q21	4Q20	Var. %	12M21	12M20	Var. %
Consolidated Total	**5,134**	**5,150**	**(0.3%)**	**20,095**	**18,923**	**6.2%**

NET REVENUES						
(US$ million)	4Q21	4Q20	YoY	12M21	12M20	YoY
BRA	**142**	130	9.2%	**586**	459	27.6%
ARG	**232**	124	88.0%	**744**	491	51.4%
AFRICA	**102**	91	12.5%	**365**	328	11.3%
Others	**4**	14	(69.0%)	**45**	28	62.4%
Sub-Total	**481**	**359**	**34.0%**	**1,740**	**1,307**	**33.2%**
Intra-Group Eliminations	**(5)**	(14)	67.4%	**(46)**	(28)	(60%)
Consolidated Total	**476**	**345**	**38.3%**	**1,694**	**1,278**	**32.6%**

ADJ. EBITDA						
(US$ million)	4Q21	4Q20	Var. %	12M21	12M20	Var. %
BRA	**27**	50	(46.5%)	**169**	125	35.3%
ARG	**79**	45	74.4%	**240**	163	47.6%
AFRICA	**20**	23	(10.1%)	**70**	67	3.7%
Others	**(1)**	2	(135.8%)	**(9)**	(12)	(27.7%)
Consolidated Total	**126**	**120**	**4.5%**	**470**	**343**	**37.1%**
EBITDA Margin	**26.3%**	**34.8%**	**-8.5 p.p.**	**27.7%**	**26.8%**	**0.9 p.p.**

6. Corporate and subsequent events

Coupon Payment and Bilateral Loans Repayment

On January 17, 2022, the Company paid interests in the amount of US$15,847 to Senior Notes holders.
On January 31, 2022, InterCement Trading Inversiones liquidated a bilateral in the amount of US$14,000 and Mozambique business unit liquidated a bilateral in the amount of US$5,851.