INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Information for the three-month period ended March 31, 2022

InterCement

Building sustainable partnerships

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Independent auditor's review report on interim financial information

To
Shareholders, Board of Directors and Officers of
InterCement Participações S.A.
São Paulo - SP, Brazil

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of InterCement Participações S.A. and subsidiaries (the "Company"), which comprises the condensed consolidated statement of financial position as of March 31, 2022 and the related condensed consolidated statements of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements - ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information, is not prepared, in all material respects, in accordance with IAS 34 - Interim Financial Reporting.

São Paulo, May 17, 2022

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Cezar Augusto Ansoain de Freitas
Contador CRC-1SP246234/O-0

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Position as of March 31, 2022 and December 31, 2021

(In thousands of U.S. Dollars - US$)

ASSETS	Notes	03.31.2022	12.31.2021
CURRENT ASSETS			
Cash and cash equivalents	4	162,378	205,803
Securities	5	38,918	40,899
Trade receivables	6	100,675	82,032
Inventories	7	244,010	222,739
Recoverable taxes		45,847	42,629
Other receivables		33,276	29,529
Total current assets		625,104	623,631
NONCURRENT ASSETS			
Securities	5	1,405	1,103
Trade receivables	6	393	372
Inventories	7	84,522	81,942
Recoverable taxes		27,935	23,285
Deferred income tax and social contribution		103,674	82,845
Judicial deposits		15,414	12,490
Derivatives	22.10	1,050	1,303
Other assets and receivables		37,404	35,258
Right-of-use assets	14	28,902	30,249
Property, plant and equipment	8	1,588,984	1,500,304
Intangible assets:			
Goodwill	9	928,360	802,209
Other intangible assets	9	121,783	107,010
Total noncurrent assets		2,939,826	2,678,370
TOTAL ASSETS		3,564,930	3,302,001

LIABILITIES AND EQUITY	Notes	03.31.2022	12.31.2021
CURRENT LIABILITIES			
Trade payables		256,013	258,467
Borrowings and financing	10	83,779	122,618
Interest payable	10 and 11	50,097	24,503
Leases liabilities	14	18,718	19,069
Taxes payable		73,669	64,099
Payroll and related taxes		42,598	38,883
Advances from customers		17,968	19,539
Other payables		29,343	26,758
		572,185	573,936
NONCURRENT LIABILITIES			
Debentures	11	1,533,816	1,384,628
Borrowings and financing	10	38,768	38,746
Leases liabilities	14	13,865	15,250
Provision for tax, civil and labor risks	12	43,452	46,163
Provision for environmental recovery		14,371	12,688
Taxes payable		7,758	7,470
Deferred income tax and social contribution		221,022	215,391
Other payables		31,637	25,597
Total noncurrent liabilities		1,904,689	1,745,933
TOTAL LIABILITIES		2,476,874	2,319,869
SHAREHOLDER'S EQUITY			
Capital	15	1,445,943	1,445,943
Capital reserves	15	603,095	603,095
Earnings reserves	15	490,192	494,151
Accumulated loss		(131,188)	-
Other comprehensive loss		(1,736,367)	(1,938,416)
Equity attributable to the Company's owners		671,675	604,773
Non-controlling interests	15	416,381	377,359
Total equity		1,088,056	982,132
TOTAL LIABILITIES AND EQUITY		3,564,930	3,302,001

The accompanying notes are an integral part of this condensed consolidated interim financial statments

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of profit or loss for the three-month period ended March 31, 2022 and 2021

(In thousands of U.S. Dollars - US$, except per loss per share)

	Notes	03.31.2022	03.31.2021
CONTINUING OPERATIONS			
NET REVENUE	17	405,126	355,904
COST OF SALES AND SERVICES	18	(321,432)	(258,367)
GROSS PROFIT		83,694	97,537
OPERATING INCOME (EXPENSES)			
Selling expenses	18	(17,125)	(12,631)
Administrative expenses	18	(22,904)	(22,994)
Other income (loss)	18	(1,452)	4,122
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		42,213	66,034
FINANCIAL INCOME (EXPENSES)			
Foreign exchange gains/(losses), net	19	(108,541)	15,578
Financial income	19	11,840	7,458
Financial expenses	19	(55,707)	(30,053)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(110,195)	59,017
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	16	(17,734)	(18,691)
Deferred	16	11,817	1,680
PROFIT (LOSS) FOR THE PERIOD		(116,112)	42,006
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO			
Company's owners		(131,188)	23,217
Non-controlling interests		15,076	18,789
EARNINGS (LOSS) PER SHARE			
Basic/diluted earnings (loss) per share	21	(2.48)	0.44

The accompanying notes are an integral part of this condensed consolidated interim financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income (loss) for the three-month period ended March 31, 2022 and 2021

(In thousands of U.S. Dollars - US$)

	Notes	03.31.2022	03.31.2021
PROFIT (LOSS) FOR THE PERIOD		(116,112)	42,006
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Employee benefits		406	-
Items that might be reclassified subsequently to profit or loss:			
Exchange differences from translation of foreign operations		(78,181)	(169,097)
Effects of hyperinflationary monetary adjustment	2.2	309,076	155,953
Derivative and hedging transactions		207	249
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		115,396	29,111
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Company's owners		70,861	4,545
Non-controlling interests		44,535	24,566

The accompanying notes are an integral part of this condensed consolidated interim financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Shareholders' Equity for the three-month period ended March 301 2022 and 2021

(In thousands of U.S. Dollars - US$)

	Notes	Share capital	Capital Reserves	Earnings reserves			Other comprehensive income (loss)	Accumulated profit / (losses)	Total attributable to Company's owners	Non-controlling interests	Total equity
				Legal	Capital Budget	Transactions with non-controlling interests					
BALANCE AS OF DECEMBER 31, 2020		1,445,943	603,095	6,107	111,417	264,161	(2,011,728)	-	418,995	295,937	714,932
Profit for the period		-	-	-	-	-	-	23,217	23,217	18,789	42,006
Other comprehensive income (loss)	15	-	-	-	-	-	(18,672)	-	(18,672)	5,777	(12,895)
Transactions with shareholders recognized directly in equity	15	-	-	-	-	(2,132)	-	-	(2,132)	(643)	(2,775)
BALANCE AS OF MARCH 31, 2021		1,445,943	603,095	6,107	111,417	262,029	(2,030,400)	23,217	421,408	319,860	741,268
BALANCE AS OF DECEMBER 31, 2021		1,445,943	603,095	13,071	235,036	246,044	(1,938,416)	-	604,773	377,359	982,132
Profit (loss) for the period		-	-	-	-	-	-	(131,188)	(131,188)	15,076	(116,112)
Other comprehensive income	15	-	-	-	-	-	202,049	-	202,049	29,459	231,508
Transactions with shareholders, recorded directly in equity	15	-	-	-	-	(3,959)	-	-	(3,959)	(1,528)	(5,487)
Dividends declared to noncontrolling interests	15	-	-	-	-	-	-	-	-	(3,985)	(3,985)
BALANCE AS OF MARCH 31, 2022		1,445,943	603,095	13,071	235,036	242,085	(1,736,367)	(131,188)	671,675	416,381	1,088,056

The accompanying notes are an integral part of this condensed consolidated interim financial statements.

INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows for the three-month period ended March 31, 2022 and 2021

(In thousands of U.S. Dollars - US$)

	Notes	03.31.2022	03.31.2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before income tax and social contribution		(110,195)	59,017
Adjustments to reconcile income before income tax and social contribution with net cash generated by (used in) operating activities:			
Depreciation, amortization and impairment losses	18	51,335	38,947
Recognition (reversal) of expected credit losses, net	18	390	(225)
Recognition of allowance for inventories, net	18	40	1,042
Interest, accrued charges, and exchange differences	19	152,408	7,017
Loss (gain) on sale of long-lived assets	18	123	(1,123)
Other noncash operating gains, net		560	(287)
Decrease (increase) in operating assets:			
Related parties		168	(41)
Trade receivables		(14,480)	(16,679)
Inventories		(26,989)	(26,863)
Recoverable taxes		(3,432)	(1,279)
Other receivables		(3,734)	3,564
Increase (decrease) in operating liabilities:			
Related parties		(8)	1,769
Trade payables		(1,968)	(25,977)
Payroll and vacation payable		2,155	3,194
Other payables		(8,619)	(4,146)
Taxes payable		97	2,086
Cash generated by operating activities		37,851	40,016
Income tax and social contribution paid		(9,138)	(4,477)
Interest paid		(23,246)	(19,167)
Net cash generated by operating activities		5,467	16,372
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in securities		(96)	(18,804)
Purchase of property, plant and equipment		(11,411)	(21,567)
Purchase of intangible assets		(1,125)	(1,743)
Cash received from discontinued operations		500	1,000
Cash received from sale of property, plant and equipment		1,345	962
Other		(454)	(226)
Net cash used in investing activities		(11,241)	(40,378)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings and financing	10	28,809	27,400
Acquisition of noncontrolling interests	15	(5,487)	(2,775)
Repayment of borrowings and financing	10	(73,417)	(39,945)
Payment of principal portion of lease liabilities	14	(6,652)	(6,985)
Other instruments		191	292
Net cash used in financing activities		(56,556)	(22,013)
DECREASE IN CASH AND CASH EQUIVALENTS		(62,330)	(46,019)
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		18,905	(8,080)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	205,803	238,957
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	162,378	184,858

The accompanying notes are an integral part of this condensed consolidated interim financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Information for the three-month period ended March 31, 2022

(Amounts in thousands of U.S. Dollars - US$, unless otherwise stated)

1. General Information

InterCement Participações, S.A. ("Company" or "ICP") is a privately-held company headquartered in the City of São Paulo, State of São Paulo, Brazil, engaged in holding equity interests and investments abroad, leading a business group operating in 5 countries ("ICP Group" or "Group"). Its ultimate parent company is Mover Participações S.A. The Group is primarily engaged in the manufacture and sale of cement and cement by-products, in addition to the extraction of the minerals used to manufacture these products.

The Company owns 33 cement plants, 23 concrete plants, and 6 aggregates plants (located in Brazil, Argentina, Egypt, Mozambique and South Africa). Additionally, in Brazil it holds participation in hydroelectric power generation equity interests and assets.

Effects of the Coronavirus pandemic (COVID-19)

Management is continually analysing the impacts in its business in respect of the pandemic scenario. As part of the preparation of the condensed consolidated interim financial information for the three-month period ended March 31, 2022, management assessed all relevant estimates, the critical accounting judgments and any indicative of loss on the net realizable values of financial and non-financial assets, concluding that no additional provisions and allowances were deemed necessary due to COVID-19.

Russia x Ukraine conflict

The recent geopolitical events in Eastern Europe (Russia x Ukraine conflict) are a new challenge for the resilience of world economies and Management continues to monitor closely the evolution of these threats. As a result of such event, inflation is pressured, and interest rates are rapidly increasing across the world. Furthermore, financial and commercial operations between Russia or Ukraine with and other countries are significantly impacted. The Group does not have assets nor any financial and commercial operations with both countries, therefore, the Group was not directly impacted by such war. The Cement industry, even under rising inflation and interests increasing, is being resilient and continues to generate cash as expected, while assets fair values were not significantly impacted. The Group has loans and debentures with floating rates, mainly Brazilian CDI (Interbank deposit certificates) and, therefore, interest expenses have increased as compared to prior periods. Sensitivity analysis are presented in note 22.3.

2. Basis of Preparation and Significant Accounting Policies

2.1. Basis of preparation

The condensed consolidated interim financial information as of and for the three-month period ended March 31, 2022 has been prepared based on the International Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), which allows the entities to present selected notes to the financial statements, in cases of redundant information already disclosed in the Annual Financial Statements. Accordingly, this Interim Financial Information should be read together with Company´s consolidated financial statements for the year ended December 31, 2021.

All relevant information in the financial statements is being evidenced and corresponds to that used by the management in the conduction of the Company.

2.2. Significant accounting policies

The accounting policies adopted are consistent with those considered in the consolidated financial statements for the year ended as of December 31, 2021 and disclosed in the corresponding notes.

Reference also to the application of hyperinflation accounting for our Argentinean subsidiaries. As described in the consolidated financial statements as of for the year ended December 31, 2021, Note 2.1, applying IAS 29 rules requires that the financial statements recorded in a hyperinflationary currency are adjusted by applying a general price index and expressed in the measuring unit (the hyperinflationary currency) current at the end of the reporting period prior to conversion to the Company´s functional currency.

As a result of the above, our condensed consolidated interim financial information for the three-month period ended March 31, 2022, reflects an equity increase of US$309,076 (US$155,953 for the period ended March 31, 2021), with reference to the opening balance, reported in other comprehensive income (loss), and also the positive monetary adjustment for the three-month period ended March 31, 2022, presented in financial income, in the amount of US$6,978 (US$6,302 for the period ended March 31, 2021) (see Note 19).

2.3. Functional, reporting and presentation currencies

The Company's functional currency is the Brazilian Reais (R$); however, the financial information is presented in U.S. Dollars (presentation currency), for the convenience of readers outside Brazil. As prescribed by IAS 21, paragraph 38 - The Effects of Changes in Foreign Exchange Rates, the Company may present its financial information in any currency.

For the translation into the presentation currency, changes in equity were translated from functional currency considering the historical exchange rates of each transaction. The financial position was translated from functional currency considering the closing exchange rates of the reporting periods, while the statements of profit or loss, comprehensive income and cash flows were translated considering the average exchange rates of the reporting periods.

The main exchange rates used to translate the financial information were as follows:

		Closing exchange rate (R$)		Average exchange rate (R$)	
Currency		03.31.2022	12.31.2021	03.31.2022	03.31.2021
USD	US Dollar	4.73780	5.58050	5.18975	5.48371
EUR	Euro	5.25610	6.32100	5.81292	6.60434
MZN	Mozambique Metical	0.07497	0.08830	0.08285	0.07408
EGP	Egyptian Pound	0.25990	0.35640	0.32480	0.35134
ZAR	South African Rand	0.32410	0.34980	0.34052	0.36973
ARS	Argentinian Peso (*)	0.04268	0.05433	0.04268	0.06193

(*) As a result of the application of IAS 29, non-monetary assets and liabilities, shareholders' equity and statements of profit or loss of subsidiaries operating in highly inflationary economies shall be expressed in terms of the unit of measurement current at the balance sheet date and translated at the period-end exchange rate (rather than the average rate), thus resulting in year-to-date effects on the income statement of both inflation and currency conversion.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainties

Estimates and judgments are continually evaluated and are based on historical experience and on other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no changes in relation to what was presented in Note 2.3 to the Company's consolidated Financial Statements as of December 31, 2021.

4. Cash and Cash Equivalents

	03.31.2022	12.31.2021
Cash and bank accounts	44,888	77,510
Short-term investments	117,490	128,293
Total cash and cash equivalents	162,378	205,803

Short-term investments were as follows:

	03.31.2022	12.31.2021
Short Term Investment in Brazilian Reais (a)	83,152	83,004
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean Pesos (b)	24,728	28,963
Short-term investments in Egyptian Pounds (c)	2,293	1,964
Short-term investments in South African Rand (d)	6,526	14,362
Short-term investments in Mozambique Metical (e)	791	-
Total short-term investments	117,490	128,293

a) Short-term investments in Brazilian Reais have a yield between 70% and 106% interbank interest rate "CDI" per annum (70% and 107% per annum as of December 31, 2021).

b) Represents short-term investments in Argentinean pesos with interest of 32.6% per annum (between 34% and 38.5% per annum as of December 31, 2021).

c) Deposit in Egyptian pounds with interest between 0.5% and 11.25% per year (between 1.15% and 12.30% as of December 31, 2021).

d) Deposits in Rands with interest between 4.05% and 4.25% per year (between 3.55 to 3.75% as of December 31, 2021).

e) Deposits in Mozambique Metical with interest of 10% per year.

Short-term investments are available for immediate withdraws, without significant risks of changes in value.

5. Securities

Securities are classified as financial assets, as follows:

	03.31.2022	12.31.2021
Market investments	1,405	1,103
Investment funds	19,076	20,929
Bonds investments	19,123	19,134
Treasury Bills	719	836
Total	40,323	42,002
Total - current	38,918	40,899
Total - noncurrent	1,405	1,103

“Market investments” are held by the Brazilian subsidiaries, which are composed mainly by escrow accounts that do not bear interests.

“Investment funds” consist in a portfolio of investment funds held by InterCement Reinsurance, which is presented at fair value as of March 31, 2022 and December 31, 2021. The funds resulted in an unrealized loss of US$1,435 for the three-month period ended March 31, 2022 (US$0,873 unrealized gain for the year ended December 31, 2021).

“Bonds investments” consist in short-term government bonds in Argentinean pesos indexed to dollar plus a spread of 0.2% per year (0.2% per year as of December 31, 2021).

“Treasury bills” are held by the Egyptian subsidiary, consist in a short term investment that yield interest of 13.10% per year (13.10% per year as of December 31, 2021).

6. Trade Receivables

	03.31.2022	12.31.2021
Current		
Domestic and foreign customers	113,603	94,121
(-) Expected Credit Losses	(12,928)	(12,089)
Trade receivables	100,675	82,032
Noncurrent		
Domestic and foreign customers	1,188	1,100
(-) Expected Credit Losses	(795)	(728)
Trade receivables	393	372

7. Inventories

	03.31.2022	12.31.2021
Current:		
Finished products	18,464	17,677
Work in process	78,686	63,870
Raw material	62,311	68,694
Fuel	37,283	39,742
Supplies and consumable materials	66,676	63,011
Advances to suppliers	5,450	154
Packaging and other	6,262	5,148
Allowance for impairment losses	(31,122)	(35,557)
Total	244,010	222,739
Noncurrent:		
Raw material	32,654	28,461
Supplies and consumable materials	65,562	58,187
Packaging and other	281	281
Allowance for impairment losses	(13,975)	(4,987)
Total	84,522	81,942

8. Property, Plant and Equipment

	03.31.2022			12.31.2021
	Cost	Depreciation & Impairment	Net book value	Net book value
Land	90,057	(35,249)	54,808	54,896
Buildings	762,712	(498,323)	264,389	246,984
Machinery and equipment	2,218,051	(1,203,343)	1,014,708	962,585
Vehicles	135,101	(119,693)	15,408	15,304
Furniture and fixtures	45,634	(43,390)	2,244	2,404
Mines and ore reserves	224,447	(174,414)	50,033	48,956
Reservoirs, dams and feeders	59,272	(25,767)	33,505	28,973
Spare parts	18,422	(2,632)	15,790	14,397
Other	15,956	(11,472)	4,484	3,680
Advances to suppliers	18,632	(6,692)	11,940	10,658
Construction in progress	220,735	(99,060)	121,675	111,467
Total	3,809,019	(2,220,035)	1,588,984	1,500,304

Construction in progress

As of March 31, 2022, construction in progress mainly relates to: (i) US$21,043 (US$18,449 as of December 31, 2021) in Argentinian business segment mainly explained by the construction of a new coal mill; and (ii) US$69,022, net of impairment losses of US$99,060 (US$61,464 as of December 31, 2021, net of impairment losses of US$83,448), in Brazilian business segment mainly due to expansion projects on production lines that were ceased for an undetermined period due to current demand. Such impairment losses are revised on an annual basis and might be reversed once the expansion projects are finalized and the expected future cash flows are sufficient to cover their respective costs.

As of March 31, 2022, there are assets in Brazil business segment given as collateral for loans obtained for their own acquisition in the amount of approximately US$2,942 (as of December 31, 2021 in Brazil business segment, the assets given as collateral totalled approximately US$2,498).

In addition, in Brazil business segment, two cement plants were given as guarantee in the "CADE" processlitigation, as referred in Note 12.

Changes in property, plant and equipment were as follows:

	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Mines and ore reserves	Reservoirs, dams and feeders	Spare parts	Other	Construction in progress	Advances to suppliers	Total
Balance as of December 31, 2020	55,405	231,630	586,098	16,665	2,089	48,041	32,928	6,754	3,502	387,645	17,516	1,388,273
Effects of hyperinflationary monetary adjustment (Note 2.1)	994	14,167	18,522	1,853	76	5,916	-	-	79	36,742	-	78,349
Additions	-	7	405	-	-	-	-	112	1,528	14,822	-	16,874
Disposals	-	-	(21)	(19)	(9)	-	-	(686)	(106)	-	-	(841)
Depreciation	(49)	(4,607)	(16,401)	(1,591)	(162)	(3,959)	(462)	(5)	(994)	-	-	(28,230)
Impairment reversal (provision)	53	353	1,068	-	3	-	-	-	60	(401)	-	1,136
Effect of changes in exchange rates	(3,362)	(16,736)	(32,782)	(1,425)	(25)	(4,296)	(2,876)	(581)	(211)	(31,172)	(1,360)	(94,826)
Transfers	-	(109)	6,383	619	190	3,193	-	243	(586)	(9,926)	-	7
Balance as of March 31, 2021	53,041	224,705	563,272	16,102	2,162	48,895	29,590	5,837	3,272	397,710	16,156	1,360,742
Balance as of December 31, 2021	54,896	246,984	962,585	15,304	2,404	48,956	28,973	14,397	3,680	111,467	10,658	1,500,304
Effects of hyperinflationary monetary adjustment (Note 2.1)	1,355	18,129	75,636	1,966	126	6,649	-	938	136	2,504	-	107,439
Additions	-	85	69	-	-	-	-	357	-	8,613	-	9,124
Disposals	(2,722)	(125)	(100)	(32)	-	-	-	(298)	-	-	-	(3,277)
Depreciation	(53)	(5,162)	(23,489)	(2,056)	(298)	(4,287)	(567)	(341)	(217)	-	-	(36,470)
Impairment reversal (provision)	-	(4,215)	281	-	-	-	-	-	-	(800)	-	(4,734)
Effect of changes in exchange rates	1,050	5,871	(3,643)	(877)	(87)	(3,248)	5,099	2,130	(400)	9,421	1,282	16,598
Transfers	282	2,822	3,369	1,103	99	1,963	-	(1,393)	1,285	(9,530)	-	-
Balance as of March 31, 2022	54,808	264,389	1,014,708	15,408	2,244	50,033	33,505	15,790	4,484	121,675	11,940	1,588,984

Additions

Argentina business segment:

Disbursements in the total amount of US$4,614 for the three-month period ended March 31, 2022 (US$6,165 for the period ended March 31, 2021), primarily due to the increase of the installed capacity at L'Amalí plant amounting to US$1,420 (US$2,188 for the period ended March 31, 2021) and quarry recovery of US$2,150 (US$3,065 for the period ended March 31, 2021).

Brazil business segment:

Disbursements in the total amount of US$1,608 for the three-month period ended March 31, 2022 (US$8,473 for the period ended March 31, 2021), substantially referred to improvements in the production process for the full utilization of the capacity of certain units.

Impairment

The Group performs its property, plant and equipment impairment test annually or when the circumstances indicate that the carrying amount may be impaired.

The Group's impairment test for property, plant and equipment is based on estimates of the recoverable amount per cash-generating unit, as the higher of fair value less cost to sell and value in use. To estimate the value in use, the estimated future cash flows are discounted using a discount rate that reflects market appreciations at the end of the period regarding the time value of money considering the risks specific to the assets involved.

The Group has considered various factors when reviewing the impairment indicators, such as market capitalization, participation in each of the operating segments, unused installed capacity, trends in industry, among other factors.

As of March 31, 2022, there are no relevant indicators that property, plant and equipment could be impaired, even considering the continued pandemic scenario and indirect impacts arising from the conflict between Russia-Ukraine, further commented in Note 1 above, with exception of impairment losses recognized to specific assets that were impaired in the quarter due to their market value depreciation, mainly in Egypt. See note 18 for further information.

9. Other intangible assets and goodwill

	03.31.2022	12.31.2021
Other intangible assets:		
Software licenses	7,550	5,625
Mining rights and concession related assets	97,181	83,885
Project development costs	855	914
Trademarks, patents and others	16,197	16,586
	121,783	107,010

Goodwill per operating segments:	03.31.2022	12.31.2021
Brazil	580,152	492,544
Argentina	204,352	173,538
Egypt	4,639	5,401
Mozambique	37,777	37,775
South Africa	101,440	92,951
	928,360	802,209

Goodwill is subject to impairment tests annually in the last quarter of the year, or whenever there are indications of impairment. The impairment tests are prepared based on the recoverable amounts of each of the corresponding business segments (cash generating units). As of March 31, 2022, there are no relevant indicators that goodwill could be impaired, even considering the continued pandemic scenario and indirect impacts arising from the conflict between Russia-Ukraine, further commented in Note 1 above.

Changes in intangible assets for the three-month period ended March 31, 2022 and 2021 were as follows:

	Software licenses	Mining rights and concession related assets	Project development costs	Trademarks, patents and others	Goodwill	Total
Balance as of December 31, 2020	5,546	86,673	3,954	16,676	857,128	969,977
Effects of hyperinflationary monetary adjustment (Note 2.1)	281	-	-	-	51	332
Additions	488	974	1,349	239	-	3,050
Disposals	-	(4,095)	-	-	-	(4,095)
Amortization	(677)	(2,445)	(1,529)	(76)	-	(4,727)
Impairment reversal (provision)	-	85	(1,206)	16	-	(1,105)
Effect of changes in exchange rates	(452)	(5,799)	(276)	(176)	(60,119)	(66,822)
Balance as of March 31, 2021	5,186	75,393	2,292	16,679	797,060	896,610
Balance as of December 31, 2021	5,625	83,885	914	16,586	802,209	909,219
Effects of hyperinflationary monetary adjustment (Note 2.1)	382	-	-	-	69	451
Additions	1,674	3,228	-	1,356	-	6,258
Disposals	-	-	-	(104)	-	(104)
Amortization	(616)	(3,510)	(169)	(119)	-	(4,414)
Effect of changes in exchange rates	485	13,578	110	(1,522)	126,082	138,733
Balance as of March 31, 2022	7,550	97,181	855	16,197	928,360	1,050,143

10. Borrowings and Financing

Functional Currency	Business unit	Type of financing	Currency	Annual Interest rates	Maturity	03.31.2022 Current	03.31.2022 Noncurrent	12.31.2021 Current	12.31.2021 Noncurrent
EUR	Holdings and Financial Vehicles (*)	Bilateral	USD	US Libor + 4.40%	Jan-22	-	-	14,000	-
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	3.20%	Apr-22	18,305	-	18,689	-
BRL	Holdings and Financial Vehicles (*)	Promissory note (**)	BRL	3% + 100% CDI	Mar-23	14,775	-	17,920	-
BRL	Holdings and Financial Vehicles (*)	Bilateral	BRL	3% + 100% CDI	Nov-22	21,107	-	17,920	-
ARS	U.N. Argentina	Bilateral	USD	US Libor + (4.25% to 7.70%)	Several	3,900	2,925	18,374	3,900
ARS	U.N. Argentina	Working capital	ARS	34.00% - 49.00%	Apr-22	2,087	-	1,684	-
MZN	U.N. Mozambique	Bilateral	MZN	Prime Rate + 2%	Aug/25	-	-	5,851	-
BRL	U.N. Brazil	Subsidised loan	BRL	2.50% - 5.00%	Dec-24	1,918	3,483	1,554	3,352
BRL	U.N. Brazil	Bilateral	BRL	15.34%	Dec-22	3,109	-	2,643	-
EGP	U.N. Egypt	Bilateral	EGP	Corridor + 1.50%	Aug-25	1,752	4,997	1,764	6,421
EGP	U.N. Egypt	Working capital	EGP	11%	Apr-22	11,011	-	15,951	-
ZAR	U.N. South Africa	Bilateral (**)	ZAR	Jibar + 2%	Dec-26	5,815	27,363	6,268	25,073
						83,779	38,768	122,618	38,746

(*) Takes into consideration the set of companies included in the holding companies segment and business support, corporate and trading entities.

(**) The borrowings contain certain restrictive financial covenants, which are described below.

As of March 31, 2022 and December 31, 2021, the incurred interest expenses related to those financing agreements classified in current liabilities and presented as 'Interest payable' amount to US$1,999 and US$3,138 respectively.

Changes in Borrowings and Financing for the three-month period ended March 31, 2022 and 2021 were as follows:

	Borrowings and financing
Balance as of December 31, 2020	178,414
New borrowings and financing	27,400
Payments	(39,945)
Effect of changes in Exchange rates, comissions and other	(3,081)
Balance as of March 31, 2021	162,788
Balance as of December 31, 2021	161,364
New borrowings and financing	28,809
Payments	(73,417)
Effect of changes in Exchange rates, comissions and other	5,791
Balance as of March 31, 2022	122,547

Maturity schedule

As of March 31, 2022, the noncurrent portion of the borrowings and financing mature as follows:

Period	03.31.2022
2023	12,936
2024	10,871
2025	8,120
2026	6,841
	38,768

Covenants

The loans and financing agreements contain certain annual restrictive covenants, including change of control clauses and those requiring the maintenance of certain financial ratios, namely a Net Debt versus Adjusted EBITDA ratio, within pre-established parameters.

The Company and its subsidiaries monitor these ratios systematically and constantly to make sure the requirements are met. Such measurements are performed annually, which depends on conditions agreed upon on each contract entered into with the financial institutions.

The promissory note in the amount of US$14,775 requires that Net Debt / Adjusted EBITDA ratio to be no higher than 4.5x as of December 31, 2022.

As of December 31, 2021, the covenants conditions of the borrowings and financing mentioned above were met and such obligations will only be remeasured again based on the financial figures as of December 31, 2022.

The South Africa bilateral in the amount of US$33,178 requires the following ratios at stand-alone figures and in a twelve-month basis range at the end of each quarter (March 31, June 30, September 30 and December 31): (a) Senior Debt / EBITDA to be no higher than 2x; (b) EBITDA / Total Accrued Interest (Interest Cover Ratio) to be no lower than 3x; (c) Free cash Flow / Debt service to be no lower than 1.3x for 2021 and 2022; 1.4x for 2023 and 1.5x for 2024 and 2025; and (d) current assets / current liabilities no lower than 1.3x. As of March 31, 2022, the covenants conditions were met and such obligation will be remeasured on June 30, 2022.

11. Debentures

Functional Currency	Business unit	Instrument	Currency	Annual interest rate	Final maturity		03.31.2022 Noncurrent	12.31.2021 Noncurrent
EUR	Holdings and Financial Vehicles (*)	Senior Notes	USD	5.75%	July-24	a)	548,371	548,107
BRL	Holdings and Financial Vehicles (*)	Debenture	BRL	CDI + 3.75%	June-27	b)	417,212	354,209
BRL	U.N. Brazil	Debenture	BRL	CDI + 3.75%	June-27	b)	358,850	304,661
BRL	U.N. Brazil	Debenture	BRL	CDI + 3.75%	June-27	c)	209,383	177,651
							1,533,816	1,384,628

(*) Takes into consideration the set of companies included in the holding companies segment and business support, corporate, and trading entities.

(a) In July 2014, the Senior Notes ("Notes") were issued by InterCement Financial Operations, B.V., with a payment maturity of 10 years. The notes were launched with coupon of 5.75% per annum and are listed at the Singapore Stock Exchange. As of March 31, 2022 and December 31, 2021, the Group holds bonds at the face value of US$198,812.

(b) On June 8, 2020, the Company issued two Debentures, one by InterCement Participações S.A in the amount of US$579,502 (R$2,976,666 thousands) and another by InterCement Brasil S.A. in the amount of US$330,989 (R$1,700,161 thousands). The interest expenses are presented separately in the statements of financial position as 'Interest payable'. On September 30, 2021, InterCement Participações S.A. partially prepaid a principal amount of US$183,844 (R$1,000,000 thousands).

(c) On September 30, 2021, InterCement Brasil S.A. issued new Debentures in the amount of US$183,844 (R$1,000,000 thousands). The commission fees were US$1,697 (R$9,230 thousands) and it will be amortized during the life time of the loan using the effective interest method.

The instrument mentioned in items “b” and “c” are guaranteed by Loma Negra shares held by the Company. The debentures will be mandatorily redeemable on May 2024 if the Group is unable to refinance its existing senior notes which are due in 2024.

As of March 31, 2022 and December 31, 2021, the incurred interest expenses classified in current liabilities and presented as 'Interest payable' amounts to US$48,098 and US$21,365, respectively.

Changes in Debentures in the three-month period ended March 31, 2022 and 2021 were as follows:

	Debentures
Balance as of December 31, 2020	1,446,648
Effect of changes in Exchange rates, comissions and other	(79,207)
Balance as of March 31, 2021	1,367,441
Balance as of December 31, 2021	1,384,628
Effect of changes in Exchange rates, comissions and other	149,188
Balance as of March 31, 2022	1,533,816

Maturity schedule

As of March 31, 2022, the non-current portion of debentures mature as follows:

Period	03.31.2022
2023	174,017
2024	747,689
2025	244,844
Following years	367,266
	1,533,816

Covenants

Debentures and Senior Notes contain certain restrictive covenants that require compliance with financial ratios calculated based on the Company's consolidated financial statements.

<u>Debentures</u>

For December 31, 2021 and following years, the financial covenant are measured by the Net Debt over Adjusted EBITDA. In 2021, the limit was 5.85X, and for the following years are 5.35X in 2022; 4.85X in 2023; 3.85X in 2024 and 3.35X from 2025 until 2027.

Also, for the new debentures issued on September 30, 2021, the Company agreed with the debentures holders' compliance with net leverage, measured by the Net Debt over Adjusted EBITDA based on consolidated financial information of InterCement Brasil S.A. (Company's subsidiary in Brazil). In 2021, the limit was 3.25X and, for the following years, limits are 3.00X in 2022; 2.75X in 2023; 2.50X in 2024 and 2.00X from 2025 until 2027.

As of December 31, 2021, the covenants condition were met. The next measurement is on December 31, 2022.

Senior notes

The non-compliance with covenant (ratio Net Debt / EBITDA of 4.5) foresees that the Company operates with certain restrictions, being the principal ones:

i) Limitation in US$500,000 for new debts, provided it is not used to refinance the existing debt;
ii) Restrictions on certain payments, such as dividends to shareholders above the statutory minimum legal required amount;
iii) Dividends limitation of US$25,000 per year, on a cumulative basis, for preferred shareholders after the Senior Notes issuance (July/2014).

As of December 31, 2021, the conditions were met, therefore, restrictions are not applicable until the next measurement period that will be based on the financial figures for the year to be ended December 31, 2022.

12. Provisions for tax, civil and labor risks and judicial deposits

Provisions

The Group is subject to labor and social security, tax, civil and other risks. Management periodically reviews known contingencies and group tax positions, assesses the likelihood of losses and recognizes corresponding provisions based on its legal counsel's opinion and other available data at the date of the reporting period.

The provision for risks is demonstrated as follows:

	03.31.2022	12.31.2021
Labor and social security	6,821	6,739
Tax (a)	17,612	17,940
Civil and other (b)	21,008	23,431
	45,441	48,110
Judicial deposit (c)	(1,989)	(1,947)
Total	43,452	46,163

(a) Brazil: Refer to tax assessment notices and lawsuits amounting to US$1,104 (US$0,898 as of December 31, 2021) mainly related to discussions on: (i) CFEM – discussion on the correct calculation basis; (ii) Income tax and social contribution related to disputes about the correct amount on moratoriums on the basis of compliance for the term of obligations assumed by third parties;(iii) income tax monetary adjustments, and (iv) PIS and COFINS – undue credit caused by freight expenses in transfers of goods between the industrial establishment and the distributor.

InterCement Participações S.A: Refers to legal dispute regarding the charging of financial transaction services over purchasing and reselling InterCement Portugal´s shares occurred in 2014 in the amount of US$3,468 (US$2,873 as of December 31, 2021).

InterCement Portugal: Refers basically to the provisions for tax risks related to income tax, amounting to US$6,274 as of March 31, 2022 (US$6,406 as of December 31, 2021), which are being challenged in courts.

Egypt: Is mainly justified by tax provisions in this business segment related to income tax from years 2011 to 2021, which is being challenged in courts, in the amount of US$5,423 (US$6,317 in December 31, 2021).

(b) Egypt: Includes mainly a provision related to a dispute about the requirement of an industrial license and corresponding interest and monetary accretion totalling US$16,457 (US$19,160 on December 31, 2021).

(c) The Group has escrow deposits related to the labor and social security, tax, civil and other risks as follows:

	03.31.2022	12.31.2021
Labor and social security	972	963
Tax	878	762
Civil and other	33	134
Environmental	106	88
Total	1,989	1,947

Changes in the provision for risks for the three-month period ended March 31, 2022 and 2021 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
Balance as of December 31, 2020	8,583	19,789	39,846	(1,900)	66,318
Effects of hyperinflationary monetary adjustment (Note 2.1)	153	92	57	-	302
Recognition/deposit	930	6	-	(363)	573
Payment	(872)	(289)	(588)	762	(987)
Reversal	(152)	-	(691)	-	(843)
Exchange differences	(738)	(1,056)	(198)	135	(1,857)
Balance as of March 31, 2021	7,904	18,542	38,426	(1,366)	63,506
Balance as of December 31, 2021	6,739	17,940	23,431	(1,947)	46,163
Effects of hyperinflationary monetary adjustment (Note 2.1)	41	35	48	-	124
Recognition/deposit	284	249	699	(52)	1,180
Payment	(783)	(130)	(379)	330	(962)
Exchange differences	540	(482)	(2,791)	(320)	(3,053)
Balance as of March 31, 2022	6,821	17,612	21,008	(1,989)	43,452

Contingent liabilities

In the normal course of its business the Group is involved in several legal cases and complaints relating to its labor and social security, tax, civil and other risks, which the likelihood of loss is assessed as possible or less likely than not of loss for uncertain income tax positions as per IFRIC 23.

As of March 31, 2022 and December 31, 2021, the Group has the following exposure:

	03.31.2022	12.31.2021
Labor and social security	18,040	15,116
Tax and uncertain income tax position (a)	1,608,239	1,415,792
Civil, administrative and other (b)	230,447	191,902
	1,856,726	1,622,810

The most significant contingencies are:

a) Tax and uncertain income tax position

Brazil – InterCement Brasil S.A.

Risk exposure amounts to US$1,027,301 as of March 31, 2022 (US$872,938 as of December 31, 2021) and refers mainly to administrative and judicial proceedings related to: (i) collection of alleged difference or non-payment of CFEM, a financial compensation paid to the Federal Government for the economic use of mineral resources; (ii) several discussions related to the ICMS: rate differential, absence of payment in different operations, applicability of tax agenda and transfer of goods between plants of the same taxpayer, improper credits taken upon intermediate materials and fixed assets considered for use and consumption; (iii) undue PIS and COFINS credit resulting from freight expenses on goods transfers between industrial plants and distributors; (iv) non-collection of the Property Transfer Tax ("ITBI") on mergers transactions; (v) undue charge of a municipal tax (Services Taxes - "ISS"); (vi) disallowance of credits for allegedly undue deduction of the IRPJ and CSLL calculation base, as goodwill amortization resulting from the acquisition of other companies; (vii) non-ratified IRPJ credit compensation resulting from the improper application of the tax incentive granted by Authorities and credits resulting from the lower calculation of the negative tax balance; (viii) alleged taxation of interest on capital not paid by the Company; and (ix) alleged non-payment of federal taxes resulting from non-approved deductible expenditures resulting in lower negative tax balances.

Brazil - InterCement Participações S.A.

Risk exposure amounts to US$274,442 as of March 31, 2022 (US$229,787 as of December 31, 2021) and refers mainly to ongoing challenges of taxable income earned abroad by subsidiaries and affiliated entities.

Spain

Risk exposure is US$220,149 as of March 31, 2022 (US$224,772 as of December 31, 2021) and refers mainly to dispute about events occurred from 2009 through 2012 related essentially to net financial items resulting from interpretations not adjusted to the nature of certain transactions.

In September 2019, similar dispute for the years from 2005 through 2008 was ruled by the Supreme Court and the decision was favourable to the Company, consequently, the respective tax assessment was cancelled. Therefore, Management and Company´s legal counsel believe the risk of an unfavourable outcome of this dispute is "less likely than not" and no provision was recorded.

Portugal

Under the Consolidated Income Tax Regime (RETGS), applicable to the Company and other Portuguese entities of the Group until the year 2000, intra-group results ("eliminated results"), amounting to US$293,990 as of March 31, 2022 and US$300,164 as of December 31, 2021 (equivalent to €265,000 thousand in both periods), were generated due to property, plant and equipment sales between group companies.

During the Corporate Income tax (CIT) inspection of the fiscal year 2016, the Tax Authority requested the provision of information relating to such property, plant and equipment sales, with the purpose of assessing the need for possible adjustments to the Group's taxable profit in that fiscal year and in the fiscal years ending in 2017 and 2018, due to the transitional rules successively inserted in the State Budget Laws of the years 2016, 2017 and 2018, which required partial or total incorporation (in the event of termination of the Group) in those years of any taxable income that were still pending from taxation.

The final Income tax inspection Report for the year 2016 incorporated a correction of US$109,748 as of March 31, 2022 and US$112,053 as of December 31, 2021 (equivalent to €98,926 thousands in both periods) to the Group's Taxable base, corresponding to 25% (cf. Law No. 7-A / 2016, of December 31) of the eliminated results calculated by the Tax Authority by reference to December 31, 2015, and for that year an additional tax assessment as of March 31, 2022 of US$4,691 and as of December 31, 2021 of US$4,789 (equivalent to €4,228 thousands in both periods) was received and is being contested. Even so, the amount of US$4,549 as of March 31, 2022 and of US$4,644 as of December 31, 2021 (equivalent to €4,100 thousands in both periods) was already compensated with a Company tax credit.

The final Income tax inspection Report for the year 2017 incorporated a correction to the Group available tax losses, and also the above referred "eliminated results" partial incorporation, and accordingly during December 2021, an additional tax assessment of US$22,747 as of March 31, 2022 and of US$23,225 as of December 31, 2021 (equivalent to €20,504 thousands in both periods), related to the 2017 tax inspection was received, and is also being contested.

The inspection of the fiscal year 2018 is still in course, and, considering the equivalent nature of corrections made for the years 2016 and 2017, the related risk exposure is of about US$61,017 as of March 31, 2022 and of US$62,298 as of December 31, 2021 (equivalent to €55,000 thousands in both periods). Based on the opinion of the Company´s legal advisors, the risk of an unfavourable outcome on this dispute is "less likely than not", therefore, no contingency provision was recorded.

b) Civil

Brazil

The main lawsuits relate to: (i) reparation of damages due to contractual breach; (ii) indemnity for accidents at work in the civil sphere and for undue collection; (iii) non-compliance with operating license conditions and alleged lack of licensing; (iv) air and soil pollution; and (v) infraction against the economic order ("CADE), as described below:

Administrative Council for Economic Defence ("CADE")

The Company, along with other companies in the industry, is part of administrative proceedings related to antitrust regulation in progress at the Administrative Council for Economic Defense ("CADE"). In July 2015, CADE's tribunal judged the administrative appeal presented by the Group under the process initiated in 2007 regarding competition in Brazil (as well by other involved companies), maintaining the condemnation decision about cartel formation and the imposition of a pecuniary fine and other accessory penalties. As of March 31, 2022, the fines imposed to the Group corresponds to US$182,566 and as of December 31, 2021, fines corresponds to US$151,449, besides the obligation to sell 20% of its installed capacity of the concrete assets in the relevant Brazilian markets in which the Company operates, among other accessory penalties.

After the referred administrative CADE's decision became final, the Group appealed judicially, having obtained, on October 22, 2015, the grant of the preliminary injunction to suspend all penalties imposed by CADE, by the presentation of real guarantees (two plants), until the final judgment decision. Such preliminary injunction decision was judicially appealed by CADE and was rejected. The proceeding did not have any significant change until March 31, 2022. Based on the opinion of the legal advisors, the risk of loss in court has been considered as possible, therefore, no provision was recorded for this contingent liability.

13. Related Parties

Transactions and balances between Group companies consolidated upon the full consolidation method were eliminated in the consolidation process and therefore are not disclosed herein. The balances and transactions between the Group and associated companies and with other related parties fall within normal operational activities, and include advances, loan agreements, sales and purchases of products and services.

14. Right-of-use assets and lease liabilities

The changes of rights-of-use assets in the three-month period ended March 31, 2022 and 2022 March 31, 2021 are demonstrated as follows:

Changes in right-of-use assets

	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other	Total
Cost						
As of December 31, 2020	12,779	79,063	3,849	34	322	96,047
Additions	28	1,946	-	-	-	1,974
Write-offs	-	(300)	-	-	-	(300)
Impairment	7	45	-	-	-	52
Exchange difference	81	(6,869)	(133)	-	(29)	(6,950)
As of March 31, 2021	12,895	73,885	3,716	34	293	90,823
As of December 31, 2021	12,758	76,666	3,700	32	595	93,751
Additions	9	1,026	-	-	-	1,035
Write-offs (a)	(1,038)	(3,983)	(16)	-	-	(5,037)
Exchange difference	1,686	12,896	441	(2)	105	15,126
As of March 31, 2022	13,415	86,605	4,125	30	700	104,875
(-) Accummulated depreciation						
As of December 31, 2020	(4,335)	(37,137)	(1,821)	(12)	(234)	(43,539)
Additions	(570)	(5,246)	(160)	(17)	(28)	(6,021)
Write-offs	-	253	13	-	-	266
Exchange difference	17	3,432	42	1	21	3,513
As of March 31, 2021	(4,888)	(38,698)	(1,926)	(28)	(241)	(45,781)
As of December 31, 2021	(6,298)	(54,557)	(2,255)	(32)	(360)	(63,502)
Additions	(408)	(5,080)	(181)	(2)	(46)	(5,717)
Write-offs (a)	1,038	3,197	7	-	-	4,242
Exchange difference	(442)	(10,283)	(208)	4	(67)	(10,996)
As of March 31, 2022	(6,110)	(66,723)	(2,637)	(30)	(473)	(75,973)
Balance as of March 31, 2022	7,305	19,882	1,488	-	227	28,902
Balance as of December 31, 2021	6,460	22,109	1,445	-	235	30,249

(a) Refers primarily of early termination of the lease contracts in Brazil business segment in the amount of USD 3,983 and Argentina business segment in the amount of USD1,037.

The changes in obligations under finance leases in the three-month period ended March 31, 2022 and March 31, 2021 between December 31, 2021 and March 31, 2022 as are demonstrated below:

Changes in lease liabilities:

	Lease Liabilities
As of December 31, 2020	57,477
Additions, net of write-offs	1,674
Payments	(6,985)
Present value adjust	1,085
Exchange difference	(3,734)
As of March 31, 2021	49,517
As of December 31, 2021	34,319
Additions, net of write-offs	(4,002)
Payments	(6,652)
Present value adjust	285
Exchange difference	8,633
As of March 31, 2022	32,583

The obligation under finance leases are broken down as current and non-current and is aged as demonstrated below:

Lease liabilities included in the statement of financial position:

	03.31.2022	12.31.2021
Current	18,718	19,069
Non-current	13,865	15,250
Lease liabilities	32,583	34,319

Lease liabilities - Maturity analysis:

	Lease Liabilities
Less than one year	18,718
One to five years	13,135
More than five years	730
Lease liabilities	32,583

15. Shareholder's Equity

Share Capital

As of March 31, 2022 and December 31, 2021 share capital is represented by 55,279,765 registered shares without par value, of which 52,920,764 are common shares and 2,359,001 are preferred shares Class A.

Capital Reserves - Preferred Shares – InterCement Participações

Class A

The preferred shares (Class A) grant their holders the right to receive minimum dividends, not accumulating losses, do not grant voting rights in the Company's shareholders' meetings, and can be redeemed by decision of the Board of Directors. Any contractual obligations are guaranteed and recorded at Company's controller shareholder; consequently, the Company does not have any contractual obligation assumed with such holders of the preferred shares.

Earning Reserves – Transaction with non-controlling interests

Argentinian subsidiary – acquisition of non-controlling interests of Loma Negra

In 2021, Loma Negra´s Board of Director approved a plan to acquire up to US$7,471 (ARS750,000 thousands) of its shares with the purpose to efficiently manage the cash and to return a greater value for the shareholders considering the attracted current prices of the shares that are on the market. Purchases took place according to market opportunities, closings, prices and corners, as determined by the Management of Loma Negra. The plan was extended for 2022.

The acquisition cannot exceed the limit of 10% of the share capital in conformity with article 64 of the Argentinian Capital Market Law.

For the three months period ended March 31, 2022, Loma Negra acquired 2,029,326 own shares for a total value of US$5,487, of which US$3,959 were attributed to Company´s owners (1,447,608 owns shares for a total value of US$2,775, of which US$2,132 were attributed to Company´s owners, for the three-months period ended March 31, 2021).

As of March 31, 2022, Loma Negra had acquired 10,625,520 for a total value of US$29,394, which is equivalent to 1.78% of total shares (8,596,194 for a total value of US$23,907 as of December 31, 2021, which is equivalent to 1.44% of total shares).

Dividends

The holders of common shares are entitled to annual minimum mandatory dividends equivalent to 25% of the profits for the year adjusted as provided for by the bylaws and the Brazilian Corporate Law. It was not declared dividends to shareholders for the three-months period ended March 31, 2022 and 2021.

Other comprehensive income attributable to the Company´s owners

Other comprehensive income attributable to Company´s owners of US$202,049 (negative US$18,672 as of March 31, 2021) corresponds to: i) positive equity recognition of actuarial losses on the liability to employees in the amount of US$274; ii) positive equity recognition of exchange differences from translation of foreign operations in the amount of US$41,808 (negative US$97,987 as of March 31, 2021); (iii) positive equity recognition of derivative and hedging transactions amounting to US$206, net of taxes (US$248 as of March 31, 2021); and (iv) positive effect of hyperinflationary monetary adjustment in Argentinian business segment of US$159,761(US$79,067 as of March 31, 2021).

Non-controlling interests

<u>Changes in non-controlling interests</u>

a) In other comprehensive loss attributable to non-controlling interests, the amount of US$29,459 (US$5,777 as of March 31, 2021) corresponds to: i) negative exchange differences from translation of foreign operations in the amount of US$119,989 (negative of US$71,110 as of March 31, 2021), ii) positive equity recognition of derivative, hedging and actuarial transactions amounting to US$133 (positive of US$1 as of March 31, 2021) and (iii) positive effect of hyperinflationary monetary adjustment in Argentinian business segment of US$149,315 (positive of US$76,886 as of March 31, 2021).

b) Following the aforementioned approved plan to acquire own shares of Loma Negra, during the three-month period ended March 31, 2022 were acquired 2,029,326 own shares for a total value of US$5,487, of which US$1,528 were attributed to non-controlling interests (1,447,608 owns shares for a total value of US$2,775, of which US$643 were attributed to non-controlling interests, for the three-months period ended March 31, 2021)

c) Special purposes entities (SPEs) controlled by Brazilian subsidiaries declared dividends to non-controlling interests in the amount of US$3,985 (R$19,792 thousands) related to 2021 results, which was paid in April, 2022, as disclosed in note 24 – subsequent events.

16. Income Tax and Social Contribution

For the three-month period ended March 31, 2022 and 2021, the reconciliation between the nominal and the effective income tax was as follows:

	03.31.2022	03.31.2021
Profit (loss) before income tax and social contribution	(110,195)	59,017
Group Tax rate	34%	34%
Income tax and social contribution at statutory rates	37,466	(20,066)
Adjustments to calculate income tax and social contribution at effective rate:		
Permanent additions / (deductions), net (a)	(8,534)	(8,311)
Effect of differences in foreigner tax rates to Group tax rate (34%)	(12,856)	954
Effect of changes in tax rates in Argentinian business (b)	-	(2,387)
Deferred income tax and social contribution over tax losses recognized (not recognized) (c)	(5,800)	3,561
Other (d)	(16,193)	9,238
Income tax and social contribution expense	(5,917)	(17,011)
Current Income tax and social contribution expense	(17,734)	(18,691)
Deferred Income tax and social contribution expense	11,817	1,680

(a) For the three-month period ended March 31, 2022, it mainly refers to deduction of US$9,116 (deduction of U$9,967 for the three-month period ended March 31, 2021) related to the effect of financial transactions recorded in the Spanish subsidiary that were excluded for tax purposes.

(b) Argentina authorities passed a tax reform resulting in a nominal tax rate of 35% from the previously 30% in 2021. Due to that, deferred income tax assets and liabilities were remeasured resulting in a loss in 2021 not deductible for tax purposes in the three-month period ended March 31, 2021.

(c) For the period ended March 31, 2022, it includes the effect from tax losses and/or tax temporary differences mainly in Egypt business segment, where deferred tax assets were not recognized due to lack of positive evidences that would justify the corresponding recoverability in a foreseeable future. In 2021, due to business recoverability in Brazil segment, it was possible to recognize partial deferred taxes assets over tax temporary differences of previous years.

(d) For the three-month period ended March 31, 2022, it mainly refers to (i) a positive amount of US$833 related to the impact of monetary adjustment in Argentina due to hyperinflationary economy (a positive amount of US$1,275 for the three-month period ended March 31, 2021) (ii) a negative impact of US$17,754 related to results recorded in our Spanish subsidiary that were eliminated for consolidation purposes as they were transactions between intragroup entities (a positive impact of US$7,665 for the three-month period ended March 31, 2021). Such results are deductible for tax purposes in local books and, therefore, represent a permanent difference in the group effective tax rate.

Deferred income tax and social contribution

Deferred income tax and social contribution were recognized on tax losses carryforwards and temporary differences in the recognition of revenues and expenses between tax books and corporate records, to the extent considered realizable by the subsidiaries.

17. Net Revenue

The breakdown of the Company's net revenues for the three-month period ended March 31, 2022 and 2021 is as follows:

	03.31.2022	03.31.2021
Products sold	498,054	439,852
Services provided	21,197	17,078
(-) Taxes on sales	(47,034)	(41,062)
(-) Discounts	(67,091)	(59,964)
Total	405,126	355,904

18. Information on the Nature of the Costs and Expenses Recognized in the statement of profit or loss

The consolidated statements operations are presented based on a classification of expenses according to their function. Information on the nature of such expenses is as follows:

	03.31.2022	03.31.2021
Depreciation and amortization	(46,601)	(38,978)
Impairment losses, net (a)	(4,734)	31
Salaries and employee benefits	(53,333)	(45,723)
Raw materials and consumables	(76,953)	(64,250)
Tax expenses	(7,340)	(5,569)
Outside services	(30,921)	(27,144)
Rental	(1,339)	(1,359)
Freight expenses	(37,016)	(29,233)
Maintenance costs	(21,946)	(20,564)
Fuel	(48,642)	(31,001)
Electricity	(27,637)	(21,848)
Recognition of inventories and trade receivable impairments	(430)	(817)
Gain (loss) on sale of property, plant and equipment	(123)	1,123
Other	(5,898)	(4,538)
Total	(362,913)	(289,870)
Cost of sales and services	(321,432)	(258,367)
Selling expenses	(17,125)	(12,631)
Administrative expenses	(22,904)	(22,994)
Other income (loss)	(1,452)	4,122
Total	(362,913)	(289,870)

(a) The three-month period ended March 31, 2022 refers to impairment of certain fixed assets in Egyptian and Brazilian business segments in the amount of US$3,934 and US$0,800, respectively. The amount in Egypt is due to market value depreciation of certain assets.

19. Financial Income (Expenses) and Foreign Exchanges Losses (net)

	03.31.2022	03.31.2021
Foreign exchange gain (losses), net (a):		
Exchange gain	83,875	97,665
Exchange loss	(192,416)	(82,087)
Total	(108,541)	15,578
Financial income:		
Inflation adjustment (b)	2,592	79
Effects of Hyperinflationary monetary adjustments	6,978	6,302
Financial earnings	1,887	583
Interest income	99	69
Other income	284	257
Total	11,840	7,458
Financial expenses:		
Inflation adjustment	(2,181)	(1,082)
Expenses on interest and charges (c)	(42,669)	(22,825)
Expenses on banking commissions	(1,083)	(591)
Fines	(250)	(91)
Derivative financial instruments	(443)	-
Lease liabilities present value	(285)	(1,085)
Other expenses (d)	(8,796)	(4,379)
Total	(55,707)	(30,053)

(a) The exchange differences are mainly influenced by the appreciation and depreciation of functional currencies against other currencies (mainly US$ and Euro).

(b) In the three-month period ended March 31, 2022, the Brazilian subsidiary had a favourable court decision regarding a dispute on the calculation of Tax on Industrialized Products ("IPI"), which the court decided that freight and insurance should not be included in the calculation when the incoterm is CIF - "Cost, Insurance and Freight". Such decision resulted in gain of US$769 recognized as "other income" and US$1,055 recognized as financial income within "inflation adjustment".

(c) The main increase in the interest expenses line item is related to the rising of the floating interest rate (CDI) when compared to 2021, which directly impacted interest expenses.

(d) For the three-period ended March 31, 2022 it includes (i) losses of US$2,846 (US$2,955 for the period ended March 31, 2021) in Argentinian business segment and US$1,435 (US$0,037 for the period ended March 31, 2021) in the InterCement Reinsurance related to investments in securities.

20. Commitments

Purchase agreements

The subsidiary InterCement Brasil S.A. has a contractual agreement for the acquisition of hydroelectric power until 2024 and contracts "take or pay contract" for rail transport services until 2023, logistics services for storage, transport and handling until 2029, sale of clinker in accordance with the minimum stipulated in the contract until 2022, purchase of cement in accordance with the minimum stipulated in the contract until 2022, purchase of limestone and plaster in accordance with the minimum stipulated in the contract until 2023 and purchase of fuel in accordance with the minimum stipulated in the contract until 2024, whose estimated cash disbursements, in amounts nominal amounts are as follows:

	03.31.2022
2022	88,567
2023	71,492
2024	22,544
2025	6,852
Total	189,455

Other subsidiaries are parties to contractual agreements for the purchase of inventories and property, plant and equipment, and the operation of facilities located in third-party properties, as follows:

	03.31.2022
2022	104.495
2023	32.537
2024	17.985
2025	14.176
After 2025	84.856
Total	254.049

The above balances refer mainly to the contracts signed by Loma Negra as details below:

The Argentina segment contains certain contractual commitments for the purchase of slag with effect until 2022, with estimated future cash flows are approximately US$4,747 (ARS526,935 thousands) during 2022. In addition, the Company assumed commitments for the purchase of stone until 2025 for an average annual price of US$ 75 (ARS8,300 thousands).

The Argentina segment also signed contracts (i) for the supply of gas, assuming payment commitments in the total amount of approximately US$20,845 (ARS 2,314,043 thousands) to be paid during 2022 and US$ 22,147 (ARS2,458,548 thousands) to be paid between 2023 and 2024; and (ii) for the supply of energy in the amount of US$24,788 (ARS 2,751,676 thousands) to be paid during 2022 and 2023 and US$113,185 (ARS 12,564,667 thousands) to be paid between 2024 and 2037.

21. Earnings (loss) Per Share

The table below shows the reconciliation of loss for each period with the amounts used to calculate basic and diluted loss per share:

	03.31.2022	03.31.2021
Profit (loss) for the period attributable to Company's owners	(131,188)	23,217
Profit (loss) for the period attributable to common shares	(131,188)	23,217
Weighted average number of common shares	52,920,764	52,920,764
Basic/diluted profit (loss) per common share	(2.48)	0.44

22. Financial Instruments

The Group conduct transactions involving financial instruments, including derivatives, all of which recorded in balance sheet accounts, which are intended to meet their operating and financial needs. The Company contracts short-term investments, borrowings and financing, debentures as well as derivatives.

22.1. Capital risk management

The Group capital structure consists on net debt and equity. The net debt comprises borrowings and financing and debentures less the cash and cash equivalents, current securities and derivatives. Interest payable and obligations under finance leases are not included within the net debt.

As mentioned in Note 10 and 11, the Company is subject to certain covenants metrics, as the ratio Net Debt / Adjusted EBITDA. The breach of such covenants can lead to the anticipation due date of the borrowings and financing and debentures.

For the purpose to determine the metrics aforementioned, the adjusted EBITDA is calculated as profit or loss from continuing operations adjusted by (i) financial income (expenses), (ii) income taxes and depreciation and amortization costs and expenses; (iii) plus or minus impairment loss and reversal, plus taxes on financial transactions in Argentinian businesses segment, plus or minus non-recurring expenses.

Gross Debt is calculated as the sum of current and non-current borrowings and financings and debentures (excluding interest payable, current and non-current obligations under finance leases and other financing liabilities, such as forfaiting).

Senior Debt is calculated as the sum of Gross Debt and the obligations under finance leases.

22.2. Financial risk management

General principles

During its normal business activities, ICP Group is exposed to a variety of financial risks likely to change its net worth, which can be grouped, according to their nature, in the following categories:

- Interest rate risk;
- Exchange rate risk;
- Liquidity risk;
- Credit risk;
- Counterparty risk.

Financial risk means the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters the Group's net worth.

All risk management, focused on that objective, is conducted according to two core concerns:

- Reducing, whenever possible, fluctuations in profit/loss and cash flows that are exposed to risk situations;

- Curbing deviation from forecast financials by means of strict financial planning based on multi-year budgets.

Furthermore, another concern of the Group is that the processes for managing these risks meet internal information requirements and external requirements (regulators, auditors, financial markets and all other stakeholders).

The Group, as a rule, does not take speculative positions and so the sole aim of all operations carried out with the purpose of managing financial risks is to control existing risks to which the Group is unavoidably exposed.

Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market (for reasons of flexibility), involving a limited number of counterparties with high ratings. These operations are undertaken with financial entities with which International Swaps and Derivatives Association (ISDA) contracts were completed in advance, in accordance with international standards.

The treasury department is responsible for managing financial risks, including identifying, assessing and hedging such risks. This risk management is conducted under the guidance of the Executive Committee, in particular of the director responsible for the financial risk area (whose approval is required prior to any operation).

22.3. Interest rate risk

The Group's exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that may have been contracted at fixed interest rates or at variable interest rates. In the former case, the Group runs the risk of variation in the fair value of those assets and liabilities, whereby any change in market rates involves a (positive or negative) opportunity cost. In the latter case, such change has a direct impact on the amount of interest paid/received, resulting in cash account changes.

Interest-rate swaps can be contracted to hedge this type of risk, in accordance with the Group's expectations concerning the development of market rates.

As of March 31, 2022 and December 31, 2021, there were no hedge instruments contracted to protect such risks.

Exposure to interest rate risks and to floating and fixed rates

The Group is exposed to floating interest rates and inflation rates mainly related to changes in the IGP-M, CDI and Libor on borrowings and financing and debentures. Interest rates on short-term investments are mostly linked to the CDI and Selic fluctuation. These positions are as follows:

	Borrowings and financing	Debentures	Cash and cash equivalents	Securities	Other payables	03.31.2022	12.31.2021
Assets:							
CDI	-	-	83,152	150	-	83,302	83,129
Total	-	-	83,152	150	-	83,302	83,129
Liabilities:							
IGP-M	-	-	-	-	11,024	11,024	9,359
CDI	35,882	985,445	-	-	-	1,021,327	872,361
LIBOR	6,825	-	-	-	-	6,825	36,274
Prime Rate	-	-	-	-	-	-	5,851
JIBAR	33,178	-	-	-	-	33,178	31,341
Corridor	6,749	-	-	-	-	6,749	8,185
Total	82,634	985,445	-	-	11,024	1,079,103	963,371

As of March 31, 2022 and December 31, 2021, the Group's liability by type of interest rate, considering derivative financial instruments, between floating and fixed rate, are as follows:

	03.31.2022	12.31.2021
Floating rates	64%	62%
Fixed rates	36%	38%

22.4. Exchange rate risk

The Group is exposed to the exchange-rate risk for the currencies of different countries due to the amounts of capital invested in those countries where functional currency is different from Group functional currency.

The exchange effects of the translation of local financial statements in the Group's consolidated financial statements can be mitigated by hedging the net investments in such countries.

When hedging the exchange-rate risk, swaps and forward contracts and with maturities equivalent to the instrument that serves as a hedging basis, are contracted.

The Group does not carry out exchange-rate operations that do not adequately cover existing or contracted positions.

The fact that the Group operates in countries with significant interest rate differentials in relation to the consolidation currency, results in the search for natural hedge strategies. In this respect there was a seeking to increase the debt of the Business Units in order to obtain better correspondence between assets and liabilities in the same currency, thus decreasing the Group's overall exposure.

Exposure to foreign exchange risk

The Group has assets and liabilities in currencies other than their own functional currencies, mainly the US Dollars and Brazilian Reais, and their individual financial results may be materially impacted by exchange rate fluctuations.

The main account groups exposed to foreign exchange risk are as follows:

	03.31.2022	12.31.2021
Assets:		
Cash, cash equivalents and securities	13,796	39,962
Trade receivables	2,741	2,910
Related parties (a)	763,381	763,750
Other assets	3,385	1,068
Exposed assets	783,303	807,690
Liabilities:		
Interest, borrowings, financing and debentures (note 10 and 11)	555,196	584,381
Interest payable	6,916	15,338
Foreign trade payables	32,026	25,179
Related parties (a)	1,244,996	1,177,362
Other liabilities	650	91
Exposed liabilities	1,839,784	1,802,351
Exposed net position liabitity	(1,056,481)	(994,661)

(a) Include balances between related parties with currency exposure for creditor, debtor or both. Risk arises when the currency determined in the transaction is different from entities functional currencies and even though balances (assets and liabilities) are eliminated during the consolidation process; exchange variation results are not eliminated.

The presentation of cash and cash equivalents and current securities by currencies and related foreign exchange exposures are as follows:

		03.31.2022		12.31.2021	
Functional currency	**Currency**	**Currency**	**USD**	**Currency**	**USD**
ARS	USD	866	866	612	612
BRL	USD	8,766	8,766	-	-
EGP	USD	2,184	2,184	1,587	1,587
EUR	USD	1,589	1,589	36,810	36,810
MZN	USD	0	-	383	383
ARS	EUR	13	12	14	12
EGP	EUR	162	146	97	85
MZN	EUR	1	1	338	299
EUR	EGP	2,724	149	2,725	174
MZN	ZAR	1,207	83	-	-
Amount exposed to foreign exchange risks			13,796		39,962
BRL	BRL	407,378	85,985	474,128	84,962
EUR	EUR	28,270	25,482	31,115	27,470
ARS	ARS	5,021,093	45,231	5,219,633	50,814
MZN	MZN	743,311	11,762	1,096,321	17,347
EGP	EGP	71,222	3,907	94,360	6,026
ZAR	ZAR	221,219	15,133	320,991	20,121
Amount by functional currency			187,500		206,740
			201,296		246,702

The main debt instruments (essentially related with loans and debentures) as of March 31, 2022 and December 31, 2021, and considering the effect of the existing cross currency swaps, were denominated in the following currencies:

	03.31.2022	12.31.2021
USD	34%	38%
BRL	62%	57%
EUR	1%	1%
Other	3%	4%

22.5. Liquidity risk

Liquidity risk management means maintaining an appropriate level of cash resources and contracting credit limits that not only ensure the normal pursuit of the Group's activities but also meet the needs of any extraordinary operations.

In 2020, the Company successfully refinanced its debts, releasing pressures until 2023 related to liquidity risk. Management continues to work in its liabilities plan, targeting extension of the remaining loans and debentures providing sufficient period of time to Brazilian cement business recovering that has already started and is releasing pressure in liquidity risk.

22.6. Credit risk

The markets view of Group's credit risk in regards to financing operations is naturally reflected in the financial costs associated to such operations. The Group's influence in such matters is merely ancillary, embodying the prudent and balanced management of the business in order to lessen the probability of defaulting on its obligations.

The Group's level of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA). As described in Notes 10 and 11, as of December 31, 2021, the Company complied with restrictive covenants. Furthermore, in 2020, the Company successfully refinanced some of its debts, extending debts maturities to 2024 and releasing financing pressures. Furthermore, covenants metrics were reviewed and management does not foresee any issue in complying with them at year end (see Notes 10 and 11 above) in accordance with current and expected Adjusted EBITDA.

Financial instruments that potentially subject the Company and its subsidiaries to concentrations of credit risk consist primarily of short-term investments. The Company and its subsidiaries maintain bank accounts and short-term investments with financial institutions approved by Management, and only carry out sale transactions according to credit approval criteria for minimizing default risks.

22.7. Counterparty risk

When the Group establishes different contractual relations with third parties, it takes on the risk of the probability of non-fulfilment or even, in an extreme scenario, default by a counterparty.

The Group endeavours to limit its exposure to this risk, when making bank deposits and other cash investments and also, when contracting derivative instruments, by carefully selecting the counterparties, based on their rating and taking into account the nature, maturity and scope of the operations.

Due to COVID-19 pandemic which started in 2020, management reassessed the assumption related to the risk of defaults of our clients on each business units in order to determine if the expected credit losses reflected management´s collectability risks, which are based on historical losses for each aging list bucket and prospective data. The prospective data are obtained from Legal, Credit and Accounts Receivable departments. Furthermore, management implemented more restrictive rules to authorize new sales due to COVID-19. Those actions are still in place in 2022.

Until the issuance of the condensed consolidated interim financial statements, the Company has not observed a significant change in the assessed risks of its portfolio that could result in a significant increase in its expected credit losses as of March 31, 2022 compared to the amount as of December 31, 2021.

22.8. Sensitivity analysis of financial instruments

Exposure to interest-rate risk results in the variability of the Group's net financial expenses. The results of a sensitivity analysis of exposure as of March 31, 2022 were as follow:

a) Sensitivity analysis - Interest rates with US Libor and CDI index

A parallel change of +/- in the interest rate curves applied on principal amounts as of March 31, 2022, with all the other assumptions remaining constant would result in an increase in annual financial costs (before taxes) as shown in table below:

Indexing	Currency	Asset (Liability)	1%	2%	3%
US Libor	USD	(6,825)	(68)	(137)	(205)
CDI	BRL	(938,025)	(9,380)	(18,760)	(28,141)
JIBAR	ZAR	(33,178)	(332)	(664)	(995)

b) Exchange rates

In the debt balances, considering the currency distribution aforementioned, the exchange rate risks from exchange rate volatility may result in significant impacts on consolidated financial results.

Considering the Group's companies financial asset and liability profile (including intercompany balances) as of March 31, 2022, the significant impacts on net financial results would be as follows:

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate Local / Transaction	USD depreciation -10%	USD depreciation -5%	USD appreciation 5%	USD appreciation 10%
US$	(553,614)	EUR	0.90	55,361	27,680	(27,680)	(55,361)
US$	(6,019)	ARS	111.01	602	301	(301)	(602)
US$	(1,078)	BRL	4.74	108	54	(54)	(108)
US$	16,866	ZAR	14.62	(1,687)	(843)	843	1,687
US$	(13,180)	EGP	18.23	1,318	659	(659)	(1,318)
US$	(20,157)	MZN	63.20	2,016	1,008	(1,008)	(2,016)
	(577,182)	Total exposure US$ dollars x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate Local / Transaction	EUR depreciation -10%	EUR depreciation -5.0%	EUR appreciation 5.0%	EUR appreciation 10.0%
EUR	(91)	ZAR	16.22	7	4	(4)	(7)
EUR	(7,010)	BRL	5.26	570	285	(285)	(570)
EUR	(29,570)	EGP	20.22	2,403	1,201	(1,201)	(2,403)
EUR	12	ARS	123.15	(1)	(0)	0	1
EUR	187	MZN	70.11	(15)	(8)	8	15
	(36,472)	Total exposure EURO x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate Local / Transaction	EGP depreciation -10%	EGP depreciation -5.0%	EGP appreciation 5.0%	EGP appreciation 10.0%
EGP	3,544	EUR	0.05	(322)	(169)	169	322
	3,544	Total exposure EGP x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate Local / Transaction	ZAR depreciation -10%	ZAR depreciation -5.0%	ZAR appreciation 5.0%	ZAR appreciation 10.0%
ZAR	257	MZN	4.32	(1)	(1)	1	1
	257	Total exposure ZAR x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate Local / Transaction	BRL depreciation -10%	BRL depreciation -5.0%	BRL appreciation 5.0%	BRL appreciation 10.0%
BRL	(446,628)	EUR	0.19	40,603	21,268	(21,268)	(40,603)
	(446,628)	Total exposure BRL x local currency					

22.9. Categories of financial instruments

	03.31.2022	12.31.2021
Current assets:		
Cash and bank accounts (Note 4)	44,888	77,510
Financial assets at amortized cost:		
Securities - bonds investments (Note 5)	19,123	19,134
Trade receivables (Note 6)	100,675	82,032
Other receivables	33,276	29,529
Financial assets at fair-value through profit & Loss:		
Short-term investments - financial asset (Note 4)	117,490	128,293
Securities - Investments funds (Note 5)	19,795	21,765
Non-current assets:		
Financial assets at amortized cost:		
Trade receivables (Note 6)	393	372
Other receivables	37,404	35,258
Long-term investments - financial asset (Note 5)	1,405	1,103
Financial assets at fair-value through profit & loss:		
Derivatives (Note 22.10)	1,050	1,303
Current liabilites:		
Financial liabilities at amortized cost:		
Borrowings and financing (Note 10)	83,779	122,618
Trade payables	256,013	258,467
Interest payable (Notes 10 and 11)	50,097	24,503
Lease liabilities (Note 14)	18,718	19,069
Other payables	29,343	26,758
Non-current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	1,533,816	1,384,628
Borrowings and financing (Note 10)	38,768	38,746
Lease liabilities (Note 14)	13,865	15,250
Other payables	31,637	25,597

22.10. Derivative transactions

As of March 31, 2022, and December 31, 2021, the fair value of derivatives is as follows:

	Assets	
	Non-current	
	03.31.2022	12.31.2021
Written-put options ("Baesa", "Machadinho" and “Estreito” operations)	1,050	1,303
	1,050	1,303

Trading derivatives

Represented by three derivative options in connection with "Baesa", "Machadinho" and “Estreito” operations, whose asset and liability fair value as of March 31, 2022 and December 31, 2021.

22.11. Market values

Estimated fair value – assets measured at fair value

The following table presents the Group’s assets and liabilities measured at fair value as of March 31, 2022 in accordance with the following fair value seniority levels:

– Level 1: the fair value of financial instruments is based on listings on net active markets as of the date of the financial statements;
– Level 2: the fair value of financial instruments is not based on listings on net active markets but rather based valuation models;
– Level 3: the fair value of financial instruments is not based on listings on net active markets but rather on valuation models, the principal inputs of which are not observable in the market.

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets at fair value	Securities	19,076	118,209	-
Financial assets at fair value	Financial derivative instruments	-	-	1,050

The valuation technique to determine the fair value measurement of the financial instruments categorized within Level 3 of the fair value hierarchy, which comprises the derivative options of “Baesa", "Machadinho" and “Estreito” operations, was Black-Scholes. The significant unobservable inputs to the measurement include: expected future dividends payments based upon on discounted cash flows projections; benchmarking information of comparative listed entities volatility, among others. We have also used the Monte Carlo valuation technique to create a probability distribution (or risk assessment) in the determination of the exercise of the put options, which assumption was also used in the determination of the fair value.

Estimated fair value – assets and liabilities not measured at fair value

Measurement of fair value of derivatives financial instruments is based on criteria extracted from external database agencies, and the results obtained faced with the corresponding evaluations made by counterparties.

Except as regards lease liabilities, borrowings financing and debentures, financial assets and liabilities mature in the short term and so their fair value is considered to be the same as their book values.

The valuation to fair value in relation to their book value (amortized cost) being as follows:

	03.31.2022		12.31.2021	
	Amortized cost	Fair value	Amortized cost	Fair value
Borrowing and financing (Note 10)	122,547	97,700	161,364	143,587
Debentures (Note 11)	1,533,816	1,498,038	1,384,628	1,339,415
Leases liabilities (Note 14)	32,583	29,546	34,319	30,873

23. Operating Segment

The operating segments are identified based on the internal reports on the Company's components, periodically reviewed by the Chief Executive Officer (CEO), the chief operating decision-maker, so that funds can be allocated to the segments and their performances assessed.

To manage its business taking into consideration its financial and operating activities, the Company classified its business into each geographical area where the Company operates.

The statement of profit or loss information are as follows:

	03.31.2022				03.31.2021			
	Net Revenue				Net Revenue			
	Foreign sales	Intersegment sales	Total	Results	Foreign sales	Intersegment sales	Total	Results
Operating segments:								
Brazil	145,664	5,460	151,124	4,230	126,050	515	126,565	29,050
Argentina	158,802	-	158,802	36,635	148,797	-	148,797	40,818
Egypt	39,143	-	39,143	(2,746)	20,896	-	20,896	(1,810)
Mozambique	20,881	-	20,881	2,489	27,011	-	27,011	3,464
South Africa	35,342	-	35,342	633	32,656	-	32,656	2,537
Total	399,832	5,460	405,292	41,241	355,410	515	355,925	74,059
Unallocated (a)	5,294	19	5,313	972	494	26,610	27,104	(8,025)
Eliminations	-	(5,479)	(5,479)	-	-	(27,125)	(27,125)	-
Sub-total	405,126	-	405,126	42,213	355,904	-	355,904	66,034
Income before financial income (expenses)				42,213				66,034
Foreign exchange, net				(108,541)				15,578
Financial income				11,840				7,458
Financial expenses				(55,707)				(30,053)
Income before income tax and social contribution				(110,195)				59,017
Income tax and social contribution				(5,917)				(17,011)
Profit (loss) for the period from continuing operations				(116,112)				42,006
Profit (loss) for the period				(116,112)				42,006

(a) This caption includes holding companies and trading companies not attributable to specific segments.

The profit for each three-month period above includes the full amount of the Company's segments disregarding the following amounts attributable to non-controlling interests:

	03.31.2022	03.31.2021
Continuing operating segments:		
Brazil	3,222	3,906
Argentina	12,298	14,017
Egypt	(190)	(28)
Mozambique	55	852
South Africa	38	70
	15,423	18,817
Unallocated	(347)	(28)
	15,076	18,789
Profit for the year attributable to non-controlling interests	15,076	18,789

Other information:

	03.31.2022		03.31.2021	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Operating segments:				
Brazil	6,310	22,028	10,161	18,281
Argentina	4,614	16,615	6,165	11,868
Egypt	1,567	7,984	3,084	4,074
Mozambique	209	1,645	354	1,931
South Africa	382	2,987	151	2,719
	13,082	51,259	19,915	38,873
Unallocated	2,300	76	9	74
Total	15,382	51,335	19,924	38,947

The impairment losses, when it occurs, respects to impairment losses on goodwill, tangible and intangible assets.

In addition, segment assets and liabilities reconciled with the consolidated balances as of March 31, 2022 and December 31, 2021 are as follows:

	03.31.2022			12.31.2021		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	1,626,414	848,608	777,806	1,374,340	704,231	670,109
Argentina	1,290,245	305,227	985,018	1,193,825	314,861	878,964
Egypt	233,209	232,383	826	257,053	238,639	18,414
Mozambique	160,712	124,244	36,468	167,714	132,161	35,553
South Africa	532,539	286,936	245,603	499,318	269,741	229,577
Total	3,843,119	1,797,398	2,045,721	3,492,250	1,659,633	1,832,617
Unallocated	(46,228)	911,438	(957,665)	19,356	869,840	(850,485)
Eliminations	(231,961)	(231,962)	-	(209,605)	(209,604)	-
Total	3,564,930	2,476,874	1,088,056	3,302,001	2,319,869	982,132

The unallocated assets and liabilities include assets and liabilities not attributable to specific segments basically allocated to holding and trading companies.

24. Events After the Reporting Period

Bilateral liquidation

On April 29, 2022, the Spanish subsidiary liquidated a bilateral in the amount of US$17,391 (EUR16,500 thousands).

Dividends declared and paid by Argentinian segment to the Group and minorities interests

On April 14, 2022, the Argentina subsidiary (Loma Negra C.I.A.S.A) announced payment of dividends for a total amount of US$44,902 (ARS5,150,000 thousands, which is equivalent to ARS8.8 per share). The payment occurred on April 26, 2022, of which US$23,336 (ARS2,676,463 thousands) was paid to the Group and US$21,566 (ARS2,473,537 thousands) to minority interests.

New loans in Argentinian and Mozambique business segments

On April 24, 2022, the Argentina subsidiary (Loma Negra C.I.A.S.A) obtained a new loans in the amount of US$56,000 with maturity in July, 2024 and bearing interests of LIBOR 3M plus spread of 8%.

In April, 2022, Mozambique subsidiary obtained new loans in the approximately amount of US$14,500 (MZN 919,387 thousands) with maturity in March, 2025 and bearing interest of PRIME plus a negative spread of 3%.

Dividends paid by Brazilian segment to minorities interests

On April 26, 2022, the Brazilian subsidiary (InterCement Brasil S.A.) paid out dividends to its hydroelectric power generation minority interests in the amount of US$3,985 (R$19,792 thousands).

25. Authorization for issuance of the Condensed consolidated financial information

At the meeting held on May 17, 2022, the Board of Directors authorized the issuance of this condensed consolidated interim financial information, being approved by them for disclosure.