EARNINGS RELEASE

CONSOLIDATED FINANCIAL REPORT

3Q22

InterCement

Building sustainable partnerships

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Despite global inflation, a robust Adj. EBITDA of US$130M, and a FCF to the firm of US$115M, up 63% YoY

1. 3Q22 Performance

- Volume of 5.5Mt in 3Q22 was up by 1.2% in comparison to 3Q21. Argentinean operations continued to post robust growth, mainly boosted by the increase of bulk cement sales. Our African operations sales were slightly reduced, reflecting a combination of expansion in South Africa with compression in Mozambique and Egypt, whereas our volume in Brazil decreased, as seen in the previous quarters, mirroring the cement demand softening.
- Total sales of US$ 574 million increased +16.5% YoY, driven by solid volume performance in Argentina and healthy pricing across all geographical locations, including Brazil (+20% YoY).
- Costs pressure raised materially driven by global inflation and energy costs, although partially offset by prices increases. Anyhow, rising top line generated positive effects from operational leverage that led to Adj. EBITDA expansion of 2% YoY, at US$ 130 million. Africa operations reported Adj. EBITDA of US$ 21 million, an expansion of 31% YoY, while Argentina reached US$ 60 million, - 8.6% YoY, and Brazil US$ 46 million, a decrease of 3% vs 3Q21. Adj. EBITDA margin declined 3.2 p.p. to 22.7% from 25.9% in 3Q21, as a result of higher costs.
- Positive Free Cash Flow to the Firm of US$ 115 million, higher than 3Q21 by US$ 45 million, benefited by improvements in working capital movements (+ US$ 28 million).
- Net Debt[2] was at US$ 1,458 million, a 12% increment over Dec'21 due to higher payment of interests and dividends, and also due to the higher financial expense in Argentina. Cash position was at US$ 203 million at 3Q22.

KEY FIGURES (US$ million, unless otherwise expressed)	3Q22	3Q21	Var. %	9M22	9M21	Var. %
Cement and Clinker Sales ('000 ton)	**5,494**	5,428	1.2%	**15,295**	14,961	2%
Sales	**574**	492	16.5%	**1,500**	1,218	23%
EBITDA	**126**	122	2.7%	**349**	345	1%
Adjusted EBITDA[1]	**130**	127	2.1%	**364**	345	6%
CAPEX	**(31)**	**(34)**	(8.1%)	**(77)**	**(89)**	(14%)
FCF to the firm	**115**	**70**	63.0%	**204**	**88**	132%

Debt (US$ million)	3Q22	4Q21	Var. %
Net Debt[2]	**1,458**	1,298	12.4%
Net Debt/ Adjusted EBITDA LTM	**3.0**	2.8	

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. Working Capital Considerations

As of September 30, 2022, the working capital is negative in the amount of US$ 99 million, having the Company incurred in losses of US$ 208 million in the nine-month period then ended (profits of US$ 25 million as of September 30,2021), primarily as a result of pressure over our margins in certain locations due to inflation and raising interest rates which impacted certain of our floating debts, combined with significant losses incurred in the liquidation of operations in foreign currency in Argentina as explained in note 22.4 of the Condensed Consolidated Interim Financial Information (one time event). Nevertheless, considering different assumptions and scenarios when projecting our expected free cash flows for the next twelve-months period, Management considers the negative working capital as punctual and seasonable, as certain costs which had an abnormal accretion (particularly fuel and petcoke) already presented a significant reduction in this past trimester. Considering that our cash projections do not foresee difficulties to manage our business and liquidate our obligations in a predictable future, Management has prepared Company's consolidated interim financial statements on the ongoing basis.

3. Profit and Loss

Volumes Sold totaled 5.5Mt in 3Q22, an expansion of 1.2% YoY in the quarter. In Argentina, volumes increased 12.9%, mainly boosted by the growth of bulk cement, driven by a higher level of activity in residential, industrial and private infrastructure projects, accompanied by a moderate level of activity in public works, mainly at the municipal and provincial levels. Brazil volumes were down 5.6% YoY, reflecting the industry trend, mainly noticed in the Southeast, due to the moderate drop in the homebuilding and home renovation activity, in comparison to the strong base of last year, driven by the pandemic context; when compared to 3Q19 (pre-pandemic) volume is 4% higher. South Africa increased 12.6% YoY, driven by the demand for bagged cement in the rural sector and also reflecting the lower base of comparison, given that the volume last year was impacted by the civil unrest that took place in our region. On the other hand, Mozambique registered volumes retraction, 14.3% YoY, as a result of lower demand, whereas Egypt recorded a 3.3% decrease YoY, yet at favorable market dynamics.

INCOME STATEMENT (US$ million)	3Q22	3Q21	Var. %	9M22	9M21	Var. %
Sales	**574**	**492**	**17%**	**1,500**	**1,218**	**23%**
Net Operational Cash Costs	**(448)**	(370)	(21%)	**(1,152)**	(873)	(32%)
Operational Cash Flow (EBITDA)	**126**	**122**	**3%**	**349**	**345**	**1%**
Deprec. Amort. and Impairments	**(50)**	(50)	1%	**(151)**	(128)	(18%)
Operating Income (EBIT)	**76**	**72**	**5%**	**198**	**217**	**(9%)**
Financial Results	**(156)**	**(10)**	**(1415%)**	**(365)**	**(93)**	**(291%)**
Foreign exchange gains/(losses), net	**(12)**	27	(144%)	**(126)**	(9)	(1239%)
Financial income	**45**	10	357%	**68**	35	93%
Financial expenses	**(189)**	(47)	(303%)	**(307)**	(119)	(157%)
Pre-tax Income	**(80)**	**62**	**(230%)**	**(167)**	**124**	**(235%)**
Income Tax	**(13)**	(34)	60%	**(40)**	(99)	59%
Net Income	**(94)**	**28**	**(431%)**	**(208)**	**25**	**(923%)**
Attributable to:						
Shareholders	**(59)**	19	(421%)	**(204)**	(1)	(15997%)
Minority Interests	**(34)**	10	(449%)	**(3)**	26	(113%)

Moneywise, **sales** totaled US$ 574 million during 3Q22, an increase of 17% YoY, helped by better price dynamics in all geographic locations (in local currency and US dollar), mainly driven by cost inflation pass-through to prices, and also by a more rational competitive environment. Excluding forex impact, sales would have grown 31%, given the significant devaluation of Argentine Pesos (+49%), Egyptian Pound (+12%), and South African Rand (+11%), while Brazilian Real appreciated in the period (average FX 4% stronger than in 3Q21).

Cash costs rose 21% in the period, mostly driven by escalating thermal energy international prices (petcoke, natural gas and coal) and global inflation. On the other hand, a more favourable pricing environment and the operational leverage allowed the Company to offset cost inflation, leading the **Adj. EBITDA** to increase 2%, to US$ 130 million. Meanwhile, Adj. EBITDA margin, despite being down 3.2 p.p. vs 3Q21, remained on a healthy level of 23%.

In Brazil, the Adj. EBITDA totalled US$ 46.2 million, down by 3.4% vs 3Q21, affected by accounting adjustments in the amount of US$ 3 million. Excluding this effect, it would have shown an expansion of 2.3%, helped by the positive effect from operating leverage as top line increase was enough to offset costs pressure in the period. Argentina's Adj. EBITDA totalled US$ 60.2 million, a decrease of 8.6% YoY, as a result of the high inflation environment. South African operations reported a 13.9% YoY increase, benefited by a better operational performance, while in Mozambique this indicator was up 207.5% YoY, as a result of better pricing and higher operational efficiency, despite the volume contraction. On the other hand, in Egypt, better prices were not enough to offset the cost inflation, which drove Adj. EBITDA down by 6.2% YoY.

Non-recurring items related to InterCement's operations totaled US$ 5 million, basically explained by: (i) taxes on bank debits and credits in Argentina, and (ii) one-off restructuring expenses; with an Adj. EBITDA reconciliation as follows:

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ADJ. EBITDA - RECONCILIATION ITEMS (US$ million)	3Q22	3Q21	Var. %	9M22	9M21	Var. %
EBITDA Operations in Continuation	**126**	**122**	**3%**	**349**	**345**	**1%**
Reconciliation Itens to Adjusted EBITDA	**5**	**5**	**(12%)**	**15**	**(1)**	**(2967%)**
Taxes on bank debits and credits - Argentina	**3**	2	11%	**7**	5	26%
Restructuring projects	**1**	1	(3%)	**2**	2	(9%)
Layoff related to restructuring	**0**	1	(63%)	**3**	3	2%
Additional costs South Africa (floods business interruption)	**0**	-	s.s	**2**	-	s.s
Others non-recurring	**0**	1	(77%)	**2**	2	(34%)
PIS/ COFINS Credit	**-**	(0)	(100%)	**-**	(13)	(100%)
ADJ. EBITDA	**130**	**127**	**2%**	**364**	**345**	**6%**

Financial Results amounted to a negative US$156 million, a deterioration of US$ 146 million when compared to 3Q21, mainly increased in Argentina, where the liquidation of debt in foreign currency with local funding resulted in a loss of US$ 108 million (see note 22.4 of the condensed consolidated interim financial information for further consideration), in addition to the increase in the total debt position, and also affected by increased financial expenses from the Brazilian debts, due to higher interest rates in Brazil (CDI), at 13.65% in September 2022 vs 6.15% in September 2022.

Income taxes totalled US$ 13 million in 3Q22, US$ 20 million lower YoY, mainly driven by lower pre-tax income in Argentina when compared to 3Q21, led mostly by higher interest expenses.

All in all, **Net Income** registered a loss of US$ 94 million in 3Q22, in contrast to a gain of US$ 28 million in 3Q21.

Free Cash Flow

FREE CASH FLOW GENERATION MAP (US$ million)	3Q22	3Q21	9M22	9M21
Adjusted EBITDA	**130**	127	**364**	345
Fluctuation in Operational Assets/Liabilities	**34**	5	**(5)**	(110)
Others	**(3)**	(4)	**(20)**	(1)
Operating Activities	**160**	**128**	**339**	**234**
CAPEX	**(31)**	(34)	**(77)**	(89)
Income taxes Paid	**(15)**	(24)	**(59)**	(57)
Free Cash Flow to the firm	**115**	**70**	**204**	**88**
Interests Paid	**(34)**	(25)	**(128)**	(72)
Other Investing activities	**20**	(1)	**39**	(10)
Free Cash Flow	**101**	**44**	**115**	**5**
Borrowings and financing	**206**	206	**365**	245
Repayment of borrowings, financ. and debent.	**(134)**	(228)	**(244)**	(295)
Dividends	**(44)**	(3)	**(74)**	(18)
Other financing activities	**(104)**	(15)	**(134)**	(36)
Changes in cash & equivalents	**26**	**5**	**27**	**(99)**
Exchange differences	**(34)**	(3)	**(30)**	**(1)**
Changes in investments in Securities	**(19)**	(0)	**(40)**	**18**
Cash, cash equivalents and securities, End of the Period	**203**	**179**	**203**	**179**

InterCement reached US$ 160 million of **Cash Flow from Operations** in the quarter, an increase of US$ 32 million when compared to the same period of last year, mostly due to a better management of working capital, especially in Argentina, benefited by better inventory efficiency.

CAPEX disbursement during 3Q22 amounted to US$ 31 million, level relatively flat when compared to 3Q21. Income taxes paid totalled US$ 15 million, a variance of +US$ 9 million YoY, due to lower taxable profit in Brazil and Argentina.

On the other hand, interests paid in the period amounted to US$ 34 million, showing an increase of US$ 9 million, mostly in Argentina, driven by the growth in the total debt position. Other investing activities in the period showed a positive variation on securities, mainly in Argentina, realized in the context of dividends distribution.

As a result, the Free Cash Flow reached US$ 101 million in the quarter, a significant improvement of US$ 57 million, compared to the same period of 2021.

At the financing side: (i) new issuance of debt in Argentina and Egypt, in the amount equivalent to US$ 185 million (US$ 105 million of backup line) and US$ 16 million (backup line), respectively; (ii) debt amortization, mostly in Argentina US$ 124 million (US$ 44 million of backup line) and Egypt US$ 7 million (backup line); and (iii) dividends were paid to minority shareholders (US$ 44 million), mostly from Argentina. In addition, other financing activities in the period amounted to US$ 104 million, mostly due to a liquidation of debt in foreign currency with local funding in Argentina.

As a result, InterCement posted a US$ 13 million increase in its cash position in the quarter. Cash and cash equivalents totalled US$ 203 million at the end of September 2022, contrasting to US$ 179 million in 3Q21.

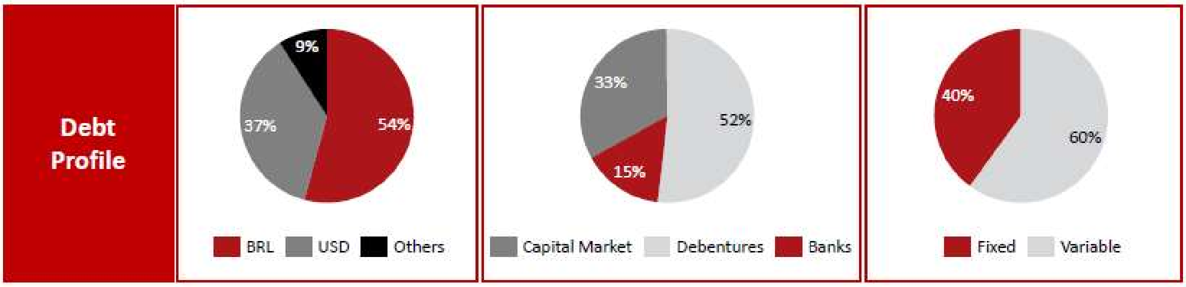
4. Balance Sheet

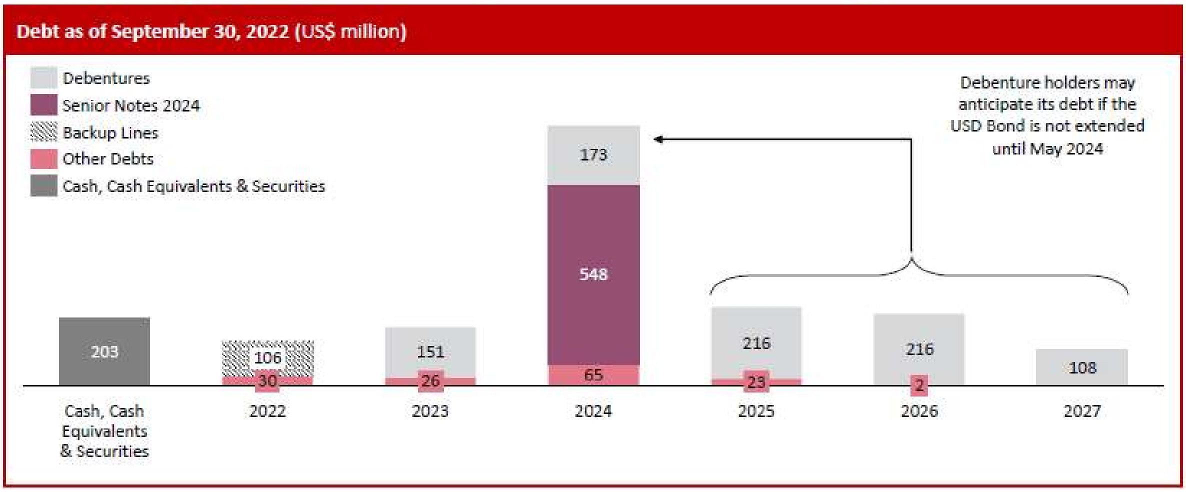
Total Assets amounted to US$ 3,418 million on September 30th, 2022, an increase of US$ 116 million compared to Dec'21, mainly due to a gain from variation in exchange rates (mainly BRL appreciation) and the effect of hyperinflationary monetary adjustment in Argentina.

Gross Debt at US$ 1,663 million, implied a net debt of US$ 1,458 million, an increase of 12.4% when compared to Dec'21, when net debt was at US$ 1,298 million. The increase was mostly due to higher payment of interests and dividends, and also due to the higher financial expense in Argentina, generated by the liquidation of debt in foreign currency with local funding.

CONSOLIDATED BALANCE SHEET SUMMARY			
(US$ million)	30 set 2022	31 dec 2021	Var. %
Assets			
Non-current Assets			
Other Non-current Assets	**2,749**	2,677	3%
Derivatives	**1**	1	15%
Current Assets			
Cash, cash equivalents and securities	**203**	247	(18%)
Other Current Assets	**464**	377	23%
Total Assets	**3,418**	**3,302**	**4%**
Current Liabilities			
Borrowing and Financing	**240**	123	96%
Lease Liabilities	**13**	19	(34%)
Other Current Liabilities	**513**	432	19%
Non-Current Liabilities			
Borrowing and Financing and Debentures	**1,423**	1,423	(0%)
Leases Liabilities	**19**	15	25%
Provision for tax, civil and labor risks and environmental recovery	**56**	59	(5%)
Other Liabilities	**292**	248	17%
Total Liabilities	**2,556**	**2,320**	**10%**
Shareholders' Equity attributable to:			
Equity Holders	**516**	605	(15%)
Minority Interests	**347**	377	(8%)
Total Shareholders' Equity	**862**	**982**	**(12%)**
Total Liabilities and Shareholders' Equity	**3,418**	**3,302**	**4%**

The Debt Profile on September 30th, 2022 was as follows:





Among the next debt maturities, there are loans for working capital purposes that include US$ 106 million of backup lines, which are regularly renewed, besides the first semi-annual maturity of the debentures, due in June-23, and other bilateral loans at the corporate and subsidiary levels. The Company is currently working with some of its financial debtors on the extension of borrowings that are due within the next twelve-months, as well as discussing new loans, mainly for some subsidiaries in Africa. On a currency perspective, the debt is well balanced between BRL and US Dollar, which correspond to 54% and 37% of the total gross debt, respectively.

In this quarter, the Company succeeded to execute new loans at the business units with low leverage, in Egypt (backup lines) and Argentina, proceeding with the strategy to benefit from the tax shield from the debt expenses at those operations, by decreasing the tax burden over the Company results and returning cash to the Holding and minority shareholders.

Notwithstanding, the company is still actively assessing opportunities to execute its financial strategy, which includes refinancing the outstanding Bonds (2024 Senior Notes) and a potential IPO of the Brazilian operations. As the market conditions have been volatile on the back of global inflation and market uncertainties magnified by the Russia/Ukraine conflict and the US hawkish cycle, these strategic transactions are dormant, although InterCement continues to be in a readiness mode.

5. Operations in-depth look – 3Q22

Brazil

In Brazil, cement sales reflected the industry trend, recording a 5.6% decrease in the quarter. This was mainly noticed in the Southeast, due to the moderate drop of the homebuilding and home renovation activity. Meanwhile, the Midwest regions continued to report solid demand, driven by the favorable pace of the agribusiness sector. The labor market, which has shown continuous signs of recovery, in addition to the gradual recovery of GDP (+1.2%), may favour the cement industry in the coming months.

Despite the volume retraction, the topline increased 20.3% vs 3Q21, as a result of rising prices, due to a greater focus on the optimization of the sales mix, based on the prioritization of the most profitable channels and customers, and cost inflation pass-through, also allowing for an enhanced customers diversification and higher logistic efficiency.

Production costs increased by 4% vs 2Q22, showing signs of deceleration compared to the last quarters. However, costs pressure remained in place, driving a 24% increase vs 3Q21, mainly on petcoke, reflecting the reverse relation between supply and demand from the pandemic scenario, and more importantly the impacts caused by the conflict in Eastern Europe, that drove prices to historical highs. The price of diesel also continued to impact the results, as it increased 39% YoY, increasing transport costs, raw materials and transport costs of cement sold.

As a result, Adj. EBITDA amounted for US$ 46.2 million in the quarter, also impacted by US$ 2.7 million accounting adjustment, leading Adj. EBITDA to decline 3.4% YoY. Excluding this accounting effect, the indicator would have shown an expansion of 2.3%. Margins stood at 23.0%, down 5.6 p.p. YoY, still at a healthy level, especially under the 3Q22 challenging macroeconomic context.

Argentina

Argentinean operations continued to show increasing volumes, mainly boosted by the growth of bulk cement, driven by a higher level of activity in residential, industrial and private infrastructure projects, accompanied by a moderate level of activity in public works, mainly at the municipal and provincial levels. Additionally, sales of bagged cement also maintained its positive trend, supported by strong demand from the retail sector. Therefore, volumes expanded by 12.9% YoY.

The context of high inflation continued to compress the margins and also the results, mainly due to higher costs of thermal and electrical energy. Meanwhile, operational efficiencies, greater availability of natural gas and greater production flexibility, as a result of the latest capacity investments, have partially offset the cost pressure. Thus, the adj. EBITDA margin declined by 5.8 p.p., with an Adj. EBITDA at US$ 60.2 million, a contraction of 8.6%.

Africa

African operations went through different business environments within our geographies in the quarter, reporting volumes decline of 0.8% when compared to 3Q21, but a 40.7% YoY increase in Adjusted EBITDA in the period, reaching US$21 million.

Egypt, although still supported by warmer regional construction activity and the enhanced competitive dynamics promoted by the production quota system, Amreyah recorded a 3.3% decrease YoY, as the comparison base was also high due to the month of July'21 which recorded strong sales, benefited by the start of the production quota system. Meanwhile, prices in 3Q22 were up in local terms and increased 59.1% vs 3Q22, but not enough to offset the volume drop and mainly the cost inflation. Thus, Adj. EBITDA dropped 6.2% and margins were 4.5 p.p. down YoY.

On the other hand, volume sold in South Africa increased 12.6% YoY, driven by the increased demand for bagged cement in the rural sector and the low comparison base in July'21, when a civil unrest halted sales for almost one week. Prices were up in local terms, and increased 15.5% vs 3Q21. As a result, Adj. EBITDA increased 13.9% in the period when compared to 3Q21, with margins up +1.4 p.p..

In Mozambique, on the negative side, volumes declined 14.3% YoY in the quarter, due to a weaker demand across the country. But, on the positive side, prices in local terms increased 29.6% YoY, whereas costs remained at the same level as last year, leading, thus, to material increase on Adj. EBITDA, which expanded by 207.5% YoY, with margins up +14.7 p.p..

Operational Summary

See below the summary tables for our operational performance in 3Q22:

CEMENT AND CLINKER VOLUMES SOLD						
(thousand tons)	3Q22	3Q21	Var. %	9M22	9M21	Var. %
BRA	**2,328**	2,465	(5.6%)	**6,659**	6,999	(4.9%)
ARG	**1,875**	1,661	12.9%	**5,024**	4,447	13.0%
AFRICA	**1,291**	1,302	(0.8%)	**3,612**	3,515	2.8%
Consolidated Total	**5,494**	**5,428**	**1.2%**	**15,295**	**14,961**	**2.2%**

NET REVENUES						
(US$ million)	3Q22	3Q21	YoY	9M22	9M21	Var. %
BRA	**201**	167	20.3%	**545**	444	22.8%
ARG	**265**	231	14.8%	**662**	512	29.4%
AFRICA	**108**	94	14.0%	**294**	263	12.1%
Others	**7**	6	16.9%	**17**	41	(57.7%)
Sub-Total	**580**	**498**	**16.5%**	**1,518**	**1,259**	**20.6%**
Intra-Group Eliminations	**(7)**	(6)	(20.6%)	**(18)**	(41)	56%
Consolidated Total	**574**	**492**	**16.5%**	**1,500**	**1,218**	**23.2%**

ADJ. EBITDA						
(US$ million)	3Q22	3Q21	Var. %	9M22	9M21	Var. %
BRA	**46**	48	(3.4%)	**120**	142	(15.5%)
ARG	**60**	66	(8.6%)	**186**	161	15.7%
AFRICA	**21**	16	31.4%	**52**	49	5.7%
Others	**2**	(2)	(206.7%)	**6**	(8)	(170.3%)
Consolidated Total	**130**	**127**	**2.1%**	**364**	**345**	**5.7%**
EBITDA Margin	**22.7%**	**25.9%**	**-3.2 p.p.**	**24.3%**	**28.3%**	**-4.0 p.p.**

Disclaimer:

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

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

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

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It is also important to bear in mind that independent auditors have not audited non-financial data and non-accounting metrics, such as EBITDA and Adjusted EBITDA.