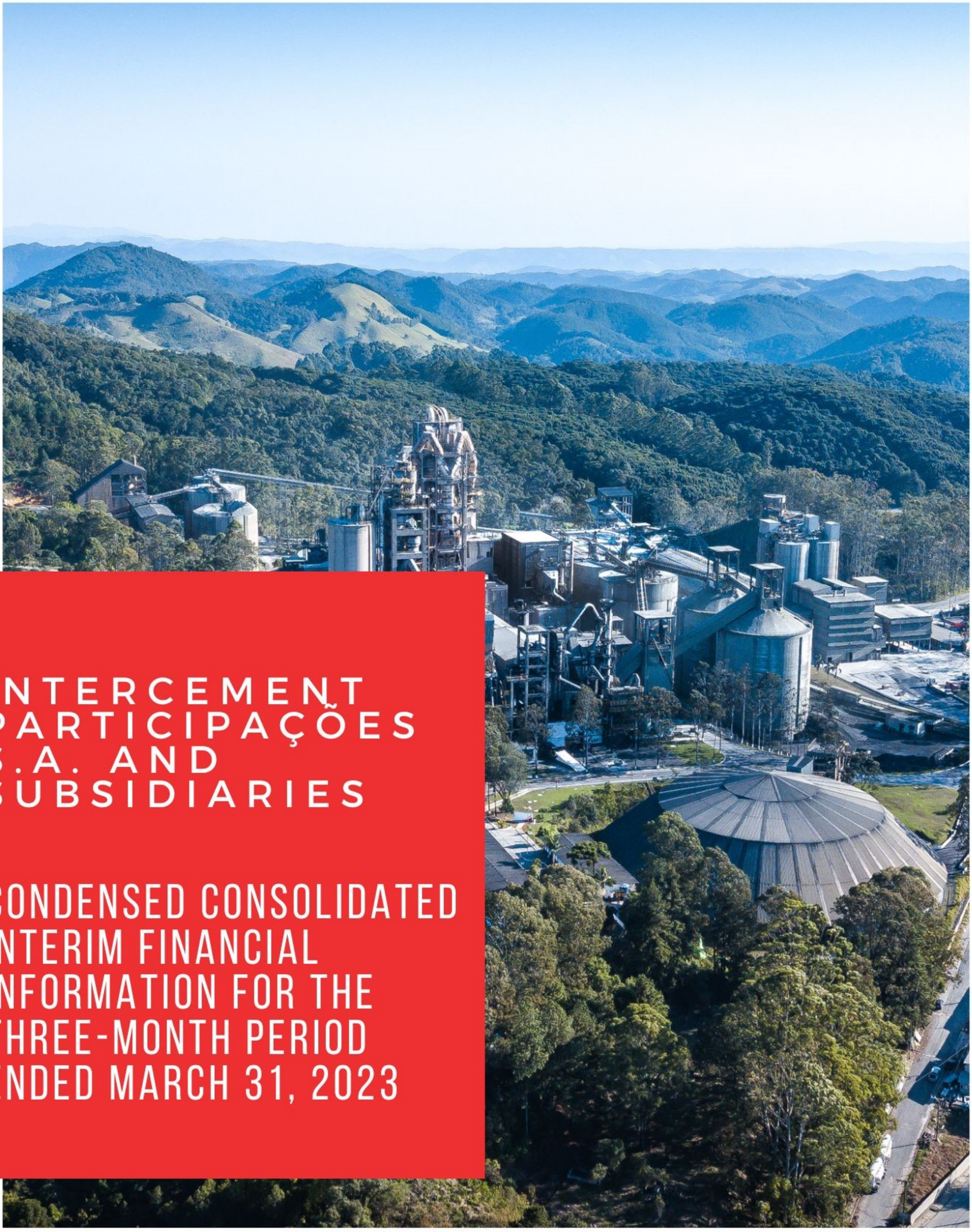

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

InterCement

Building sustainable partnerships

São Paulo Corporate Towers
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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, 2023 and the related condensed consolidated statements of profit or loss, of comprehensive income (loss), of changes in shareholders' 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.

Emphasis of matter - Restatement of the corresponding financial information

As mentioned in note 2.4, as a result of the reclassification of the Company's operations in South Africa, Mozambique and Egypt to held for sale and discontinued operations as of March 31, 2023, the corresponding financial information as of March 31, 2022, presented for comparison purposes, have been adjusted and are being restated to present such operations as "Discontinued Operations" as required by International Financial Reporting Standard 5 ("IFRS 5") – Non-Current Assets Held for Sale and Discontinued Operating Units. Our conclusion does not contain any modification in respect of this matter.

Building a better working world

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, 2023

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

Cezar Augusto Ansoain de Freitas
Contador CRC-SP246234/O

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Position as of March 31, 2023 and December 31, 2022

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

ASSETS	Notes	03.31.2023	12.31.2022
CURRENT ASSETS			
Cash and cash equivalents	4	162,379	218,871
Trade receivables	6	94,725	64,233
Inventories	7	200,700	230,306
Recoverable taxes		40,109	51,106
Other receivables		20,420	29,957
Total current assets		518,333	594,473
Assets classified as held for sale	2.4	377,174	180,512
Total current assets		895,507	774,985
NONCURRENT ASSETS			
Securities	5	7,814	7,403
Trade receivables	6	673	707
Inventories	7	51,698	53,490
Recoverable taxes		30,310	28,661
Deferred income tax and social contribution		100,998	95,315
Judicial deposits		15,989	16,284
Derivatives	22.10	1,684	1,567
Other assets and receivables		19,423	20,348
Right-of-use assets	14	65,582	28,843
Property, plant and equipment	8	1,333,253	1,457,837
Intangible assets:			
Goodwill	9	731,684	837,725
Other intangible assets	9	89,123	98,483
Total noncurrent assets		2,448,231	2,646,663
TOTAL ASSETS		3,343,738	3,421,648

LIABILITIES AND EQUITY	Notes	03.31.2023	12.31.2022
CURRENT LIABILITIES			
Trade payables		162,241	224,893
Obligations from confirming		43,624	71,271
Debentures	11	121,768	156,446
Borrowings and financing	10	62,407	106,094
Interest payable	10 and 11	64,667	31,915
Leases liabilities	14	14,881	11,151
Taxes payable		42,294	47,707
Payroll and related taxes		41,034	45,146
Advances from customers		10,680	12,195
Other payables		10,625	23,714
		574,221	730,532
Liabilities directly associated with assets classified as held for sale	2.4	129,620	140,512
Total current liabilities		703,841	871,044
NONCURRENT LIABILITIES			
Debentures	11	1,429,858	1,287,027
Borrowings and financing	10	44,520	113,610
Leases liabilities	14	53,440	20,628
Provision for tax, civil and labor risks	12	16,782	19,059
Provision for environmental recovery		11,088	14,397
Taxes payable		5,313	6,182
Deferred income tax and social contribution		220,252	236,458
Other payables		31,712	30,917
Total noncurrent liabilities		1,812,965	1,728,278
TOTAL LIABILITIES		2,516,806	2,599,322
SHAREHOLDER'S EQUITY			
Capital	15	1,445,943	1,445,943
Capital reserves	15	588,641	588,641
Earnings reserves	15	232,312	232,312
Accumulated loss		(75,752)	-
Other comprehensive loss	15	(1,734,917)	(1,797,684)
Equity attributable to the Company's owners		456,227	469,212
Non-controlling interests	15	370,705	353,114
Total equity		826,932	822,326
TOTAL LIABILITIES AND EQUITY		3,343,738	3,421,648

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of profit or loss for the three-month period ended March 31, 2023 and 2022

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

	Notes	03.31.2023	03.31.2022 (Restated - Note 2.4)
CONTINUING OPERATIONS			
NET SALES	17	353,573	309,760
COST OF SALES AND SERVICES	18	(282,320)	(236,374)
GROSS PROFIT		71,253	73,386
OPERATING INCOME (EXPENSES)			
Selling expenses	18	(17,168)	(15,444)
Administrative expenses	18	(18,845)	(17,466)
Other income	18	3,083	1,365
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		38,323	41,841
FINANCIAL INCOME (EXPENSES)			
Foreign exchange gains/(losses), net	19	(14,481)	(91,187)
Financial income	19	42,687	11,403
Financial expenses	19	(79,506)	(51,068)
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(12,977)	(89,011)
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	16	(9,868)	(15,856)
Deferred	16	6,386	10,194
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(16,459)	(94,673)
DISCONTINUED OPERATIONS			
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.4	(43,023)	(21,439)
LOSS FOR THE PERIOD FROM CONTINUING AND DISCONTINUED OPERATIONS		(59,482)	(116,112)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO			
Company's owners		(75,752)	(131,188)
Non-controlling interests		16,270	15,076
LOSS PER SHARE FROM CONTINUING OPERATIONS			
Basic/diluted loss per share	21	(0.62)	(2.08)
LOSS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS			
Basic/diluted loss per share	21	(1.43)	(2.48)

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income (loss) for the three-month period ended March 31, 2023 and 2022

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

	Notes	03.31.2023	03.31.2022 (Restated - Note 2.4)
CONTINUING OPERATIONS			
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(16,459)	(94,673)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Employee benefits		(215)	406
Items that might be reclassified subsequently to profit or loss:			
Exchange differences from translation of foreign operations		(628,686)	(54,299)
Effects of hyperinflationary monetary adjustment	2.2	668,383	309,076
Derivative and hedging transactions		217	207
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		23,240	160,717
DISCONTINUED OPERATIONS			
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.4	(43,023)	(21,439)
Other comprehensive income:			
Items that might be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		27,664	(23,882)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS		(15,359)	(45,321)
COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:			
Company's owners		(2,283)	117,662
Non-controlling interests		25,523	43,055
COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO:			
Company's owners		(12,985)	70,861
Non-controlling interests		20,866	44,535

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Shareholders' Equity for the three-month period ended March 31, 2023 and 2022

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

	Notes	Share capital	Capital Reserves	Earnings reserves: Legal	Earnings reserves: Capital Budget	Earnings reserves: Transactions with shareholders	Other comprehensive income (loss)	Accumulated profit / (losses)	Total attributable to Company's owners	Non-controlling interests	Total equity
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
BALANCE AS OF DECEMBER 31, 2022		1,445,943	588,641	-	-	232,312	(1,797,684)	-	469,212	353,114	822,326
Profit (loss) for the period		-	-	-	-	-	-	(75,752)	(75,752)	16,270	(59,482)
Other comprehensive income	15	-	-	-	-	-	62,767	-	62,767	4,596	67,363
Transactions with shareholders, recorded directly in equity	15	-	-	-	-	-	-	-	-	-	-
Dividends declared to noncontrolling interests	15	-	-	-	-	-	-	-	-	(3,275)	(3,275)
BALANCE AS OF MARCH 31, 2023		1,445,943	588,641	-	-	232,312	(1,734,917)	(75,752)	456,227	370,705	826,932

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

INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows for the three-month period ended March 31, 2023 and 2022

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

	Notes	03.31.2023	03.31.2022
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before income tax and social contribution		(55,344)	(110,195)
Adjustments to reconcile income before income tax and social contribution with net cash generated by (used in) operating activities:			
Depreciation, amortization and impairment losses	23	41,540	51,335
Recognition (reversal) of expected credit losses, net		140	390
Recognition of allowance for inventories, net		187	40
Interest, accrued charges, and exchange differences		52,566	152,408
Loss (gain) on sale of long-lived assets	18	(233)	123
Exchange difference from translation of disposed discontinued operations	2.4	43,136	-
Other noncash operating losses, net		896	560
Decrease (increase) in operating assets:			
Related parties		168	168
Trade receivables		(37,619)	(14,480)
Inventories		(5,032)	(26,989)
Recoverable taxes		(2,441)	(3,432)
Other receivables		1,794	(3,734)
Increase (decrease) in operating liabilities:			
Related parties		(8)	(8)
Trade payables		(91,111)	(12,628)
Obligations from confirming		28,902	10,660
Payroll and vacation payable		(524)	2,155
Other payables		(7,015)	(8,619)
Taxes payable		(638)	97
Cash generated (used) by operating activities before income tax and interest paid		(30,636)	37,851
Income tax and social contribution paid		(7,479)	(9,138)
Interest paid		(33,340)	(23,246)
Net cash generated (used) by operating activities		(71,455)	5,467
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in securities		(224)	(96)
Purchase of property, plant and equipment		(17,904)	(11,411)
Purchase of intangible assets		(1,097)	(1,125)
Cash received from sale of property, plant and equipment and discontinued operations		40,750	1,845
Other		(423)	(454)
Net cash generated (used) in investing activities		21,102	(11,241)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings, financing and debentures	10 and 11	137,884	28,809
Repayment of borrowings, financing and debentures	10 and 11	(114,078)	(73,417)
Acquisition of noncontrolling interests	15	-	(5,487)
Dividends paid by Argentinian subsidiary to non-controlling interests		(9,458)	-
Payment of principal portion of lease liabilities	14	(7,776)	(6,652)
Other instruments		(261)	191
Net cash generated (used) in financing activities		6,311	(56,556)
DECREASE IN CASH AND CASH EQUIVALENTS		(44,042)	(62,330)
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		8,442	18,905
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	218,871	205,803
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	183,271	162,378

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Information for the three-month period ended March 31, 2023

(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 4 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 31 cement plants, 23 concrete plants, and 4 aggregates plants (located in Brazil, Argentina, Mozambique and South Africa). Additionally, in Brazil it holds participation in hydroelectric power generation equity interests and assets. As mentioned below, the Company is expecting to sell its business in Mozambique and South Africa and, therefore, such operations are classified as "discontinued operations". Disregarding such segments, the Company owns 23 cement plants, 16 concrete plans, and 1 aggregates plants.

As of March 31, 2023, the working capital is positive in US$191,666 (as of December 31, 2022 is negative in US$96,059), having the Company incurred in losses from continuing operations of US$16,459 in the three-month period then ended (losses of US$94,673 for the three-month period ended March 31,2022). The results are primarily a consequence of pressure over our margins in certain locations that started in the first quarter of 2022 and raising interests rates since 2021 which impacted certain of our floating debts. Since the beginning of the year, margin pressure is continually decreasing and Management expects that in the second half of the year it will be recovered to a more sustainable level.

Management is engaged to the Liability Management Plan announced in prior years and certain disinvestment actions are ongoing at the moment, including negotiations for the sale of our in Mozambique and South Africa, classified as assets held for sale and liabilities directly associated with assets classified as held for sale. Also, in January 2023, the Company concluded the sale of our Egypt segment. Such actions are expected to contribute with the release of working capital pressure in the upcoming months (see below and Note 2.4 for further information).

Disregarding the "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale", working capital would be negative in US$55,888, which significantly improved compared to December 31, 2022 (US$136,059), mainly due to cash generated by the operations combined with the issuance of new notes in the amount of US$133,261 by the Argentinian subsidiary, Loma Negra, in January 2023, with 18-months maturity date (see Note 11).

Debentures instalments issued by InterCement Participações and InterCement Brasil (principal and interests) in the amount of US$128,336 and US$70,466 are due in June and December, 2023, respectively. The Group has already started negotiation with debentures´ holders and recently engaged external specialists to assist in the negotiation with creditors to extend the corresponding maturity dates. Management is positive that will be able to extend such maturity dates based on historical relationship with creditors along with the management liability plan actions recently concluded and those that are ongoing, with proceeds being used to partially liquidated those debentures.

Furthermore, the Brazilian subsidiary is seeking opportunities to generate cash from the sales of other non-core and non-operating assets, and, along with the cash to be generated by the operations and some others financial possibilities, Management believes it reasonable to conclude that will generate sufficient cash to liquidate our current obligations, therefore, the condensed consolidated interim financial statements was prepared on an ongoing basis.

Disinvestment in Egypt business segment and classification of Mozambique and South Africa business segments as assets and liabilities held for sale

On January 27, 2023, the Company announced the signing of a definitive agreement to sell all of its operations in Egypt, with immediate transfer of control to the buyer. Such sale was aligned with the Group's ongoing liability management plan to deleverage the Company and focus on our core markets.

The net proceeds received in January, 2023 were fully applied to repay existing debts in accordance with the trust deed agreements (see Note 11).

The sale resulted in the need to record an impairment loss on the net investment in the amount of US$12,560 as of December 31, 2022. Additionally, as per IAS 21, the cumulative translation adjustment (CTA), previously presented as "Other comprehensive income", was reclassified to profit or loss in January 2023 upon the transfer of control to the new shareholder, in the amount of US$43,136 (included in the "Loss for the period from discontinued operations").

Furthermore, during the first quarter of 2023 the Group decided to disinvest its operations in Mozambique and South Africa and has contracted external specialists to assist on the sale of such business, which outcome is expected to occur within a twelve-months period. Currently management does not have any indicative that the potential selling prices would be lower than the businesses carrying amounts and, therefore, no impairment loss provision was deemed necessary for quarter ended March 31, 2023.

As required by International Financial Reporting Standards 5 ("IFRS 5") Non-Current Assets Held for Sale and Discontinued Operation, the results for the three-months period ended March 31, 2023 arising from Egypt, Mozambique and South Africa were presented as "discontinued operations" in the Consolidated Statements of profit of loss and, accordingly, the comparative figures as of March 31, 2022 are being restated (for further information, see Note 2.4 below). In respect of the Consolidated statements of financial position, as of March 31, 2023, the Mozambique and South Africa segments were presented as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale", while as of December 31 2022 only the Egypt segment had such classification (sale initiatives commences in late 2022 and the investment was fully derecognized as of March 31, 2023 upon the sale completion and transfer of control).

Russia x Ukraine conflict and effects of the Coronavirus pandemic (COVID-19)

Geopolitical events in Eastern Europe (Russia x Ukraine conflict) combined with pos-impact of Coronavirus pandemic brought new challenges for the resilience of world economies, mainly related to inflation pressures and rapidly interest rates increasing across the world.

The Group does not has assets nor any financial and commercial operations with such countries, therefore, the Group was not directly impacted by such conflict. 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 main impact comes due to higher interest rates, since 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

Management continues to closely monitor the consequences and evolution of such events reassesses the net realizable values of financial and non-financial assets on an ongoing basis.

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, 2023 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, 2022.

All relevant information in the financial statements is being evidenced and corresponds to that used by 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, 2022 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, 2022, 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, 2023, reflects an equity increase of US$668,383 (US$309,076 for the three-month period ended March 31, 2022), 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, 2023, presented in financial income, in the amount of US$34,454 (US$6,978 for the three-month period ended March 31, 2022) 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		03.31.2023	12.31.2022	03.31.2023	03.31.2022
USD	US Dollar	5.08040	5.21710	5.19705	5.18975
EUR	Euro	5.52440	5.56940	5.57633	5.81292
MZN	Mozambique Metical	0.08034	0.08251	0.08209	0.08285
EGP	Egyptian Pound (*)	0.17411	0.21090	0.17216	0.32480
ZAR	South African Rand	0.28650	0.30770	0.28898	0.34052
ARS	Argentinian Peso (**)	0.02431	0.02945	0.02431	0.04268

(*) The closing exchange rate refers to January 23, 2023 (date we derecognized our investment) and the average exchange rate was calculated for the period from January 1 to January 23, 2023. See Note 2.4 for further considerations on the sale of Egypt.

(**) 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.

2.4. IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

As a result of the classification of our segments in Egypt, South Africa and Mozambique as discontinued operations (See Note 1), the following main changes in relation to the normal presentation of the remaining continuing operations where applied:

- Total profit or loss for the periods from "Discontinued Operations" are presented in a single line in the Consolidated Statements of Profit or Loss under the caption "Profit / (Loss) for the period from Discontinued Operations" (including comparative figures, which are being restated);
- Assets and liabilities related to the segments subject to sale are also separately presented in the Consolidated Statements of Financial Position, under the captions "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" (Mozambique and South Africa as of March 31, 2023 and Egypt as of December 31, 2022);
- Notes to the condensed consolidated interim financial statements were adjusted to present the profit or loss, assets and liabilities of the continuing operations only, even if in some cases, whenever considered significant for a proper understanding of the effects, details on the "Discontinued operations" are also presented therein;
- "Discontinued operations" correspond to the Group's businesses (segments) in Egypt, Mozambique and South Africa and are consistent with the Group's operating geographic segments as demonstrated in Note 23 - "Operating Segments";
- The valuation criteria used for the "Discontinued operations" are consistent with those used for continuing operations.

"Discontinued Operations" and "Assets and Liabilities of Discontinued Operations" details, as well as information on the cash flow generated by discontinued operations; are presented below:

Details of the net loss from our discontinued operations:

DISCONTINUED OPERATIONS	03.31.2023	03.31.2022
NET SALES	50,277	95,366
COST OF SALES AND SERVICES	(43,967)	(85,058)
GROSS PROFIT	6,310	10,308
OPERATING INCOME (EXPENSES)		
Selling expenses	(398)	(1,681)
Administrative expenses	(4,464)	(5,438)
Other income/(expenses), net	589	(2,817)
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION	2,037	372
FINANCIAL INCOME (EXPENSES)		
Foreign exchange gains/(losses), net	1,412	(17,354)
Financial income	508	437
Financial expenses	(3,188)	(4,639)
Reversal of accumulated exchange differences	(43,136)	-
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(42,367)	(21,184)
INCOME TAX AND SOCIAL CONTRIBUTION		
Current	(1,014)	(1,878)
Deferred	358	1,623
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	(43,023)	(21,439)
LOSS FOR THE PERIOD ATTRIBUTABLE TO		
Company’s owners	(42,876)	(21,341)
Non-controlling interests	(147)	(98)

The net result for the three-month period ended March 31, 2023 for Egypt, Mozambique and South Africa are, respectively, loss of US$43,136 (due to the recycling at the disposal date of the cumulative translation adjustment previously recorded as “other comprehensive income”), loss of U$43 and gain of US$156 (loss of US$17,623, gain of U$922 and loss of US$4,738 for the three-month period ended March 31, 2022).

The reconciliation from the original financial information presented to the restated statement profit or loss for the three-month period ended March 31, 2022, is presented below:

	03.31.2022		
	Originally presented	Discontinued operations	Restated
NET SALES	405,126	95,366	309,760
COST OF SALES AND SERVICES	(321,432)	(85,058)	(236,374)
GROSS PROFIT	83,694	10,308	73,386
OPERATING INCOME (EXPENSES)			
Selling expenses	(17,125)	(1,681)	(15,444)
Administrative expenses	(22,904)	(5,438)	(17,466)
Other income/(expenses), net	(1,452)	(2,817)	1,365
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION	42,213	372	41,841
FINANCIAL INCOME (EXPENSES)			
Foreign exchange gains/(losses), net	(108,541)	(17,354)	(91,187)
Financial income	11,840	437	11,403
Financial expenses	(55,707)	(4,639)	(51,068)
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(110,195)	(21,184)	(89,011)
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	(17,734)	(1,878)	(15,856)
Deferred	11,817	1,623	10,194
LOSS FOR THE PERIOD	(116,112)	(21,439)	(94,673)

<u>The contribution of these operations to the Group´s discontinued operations cash flow is as follows:</u>

	03.31.2023			03.31.2022		
	Presented	Discontinued operation	Continued operation	Presented	Discontinued operation	Continued operation
Net cash used in (generated by) operating activities	(71,455)	(4,000)	(67,455)	5,467	10,060	(4,593)
Net cash used in (generated by) investing activities	21,102	(5,071)	26,173	(11,241)	(2,726)	(8,515)
Net cash used in (generated by) financing activities	6,311	(4,731)	11,042	(56,556)	(19,484)	(37,072)
Decrease in cash and cash equivalents	(44,042)	(13,803)	(30,240)	(62,330)	(12,149)	(50,181)
Exchange differences on cash and cash equivalents	8,442	(985)	9,428	18,905	909	17,996
Cash and cash equivalents at the beginning of the year	218,871	35,680	183,191	205,803	44,816	160,987
Cash and cash equivalents at the end of the year	183,271	20,892	162,379	162,378	33,576	128,802

Details of the assets and liabilities related to our discontinued operations:

ASSETS	03.31.2023 Mozambique and South Africa	12.31.2022 Egypt
CURRENT ASSETS		
Cash and cash equivalents	20,892	4,216
Securities	-	516
Trade receivables	7,372	611
Inventories	35,429	55,708
Recoverable taxes	10,123	8,273
Other receivables	4,041	8,580
Total current assets	77,857	77,904
NONCURRENT ASSETS		
Inventories	11,896	22,457
Deferred income tax and social contribution	863	119
Other receivables	1,306	5,161
Investments	497	-
Right-of-use assets	8,144	198
Property, plant and equipment	144,451	74,673
Intangible assets:		
Goodwill	121,377	-
Other intangible assets	10,783	-
Total noncurrent assets	299,317	102,608
Total assets	377,174	180,512
LIABILITIES		
CURRENT LIABILITIES		
Trade payables	23,458	65,191
Borrowings and financing	5,639	13,277
Interest payable	722	88
Leases liabilities	3,101	-
Taxes payable	6,800	7,240
Payroll and related taxes	5,591	9
Advances from customers	6	12,302
Other payables	6,154	3,258
Total current liabilities	51,471	101,365
NONCURRENT LIABILITIES		
Borrowings and financing	46,266	2,538
Leases liabilities	5,249	104
Provision for tax, civil and labor risks	350	21,474
Provision for environmental recovery	3,446	-
Deferred income tax and social contribution	22,015	6,119
Other payables	823	8,912
Total noncurrent liabilities	78,149	39,147
Total liabilities	129,620	140,512
Net assets	247,554	40,000

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, 2022.

4. Cash and Cash Equivalents

	03.31.2023	12.31.2022
Cash and bank accounts	47,459	71,469
Short-term investments	114,920	147,402
Total cash and cash equivalents	162,379	218,871
Cash and cash equivalents from discontinued operations (Note 2.4)	20,892	4,216
	183,271	223,087

Short-term investments were as follows:

	03.31.2023	12.31.2022
Short Term Investment in Brazilian Reais (a)	28,123	105,957
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean Pesos (b)	83,286	3,749
Short-term investments in U.S. Dollars (c)	3,511	20,221
Short-term investments in South African Rand (d)	-	7,986
Short-term investments in Mozambique Metical (e)	-	9,489
Total short-term investments	114,920	147,402

a) Short-term investments in Brazilian Reais have a yield between 70% and 105% interbank interest rate "CDI" per year (70% and 105% per year as of December 31, 2022).
b) Represents short-term investments in Argentinean pesos with interest of 71.6% per year (59.2% per year as of December 31, 2022).
c) Short-term investments in U.S. Dollars with interest of 0.14% per year held by Argentinian segment (0.14% per year as of December 31, 2022).
d) Deposits in Rands with floating interest between 6.8% and 7.0% as of December 31, 2022. Floating interests are indexed to the Repo rate ("South African repurchase rate"). As of March 31, 2023, the amount of US$3,457 is classified as "assets held for sale" (see Note 2.4) bearing interests between 7.6% and 7.8%.
e) Short-term investments in Mozambique Metical with interest of 15.7% of December 31, 2022.

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:

	03.31.2023	12.31.2022
Market investments	7,814	7,403
Total	7,814	7,403
Total - noncurrent	7,814	7,403

"Market investments" are held by the Brazilian subsidiaries, which are composed by (i) investments in Brazilian Reais amounting US$6,708 (US$6,326 as of December 31, 2022) yielding 101% of interbank interest rate "CDI" per annum with maturity in 2024 given as collateral to borrowings and financings (see Note 10); and (ii) remaining amount of US$1,106 composed by escrow accounts that do not bear interests (US$1,077 as of December 31, 2022).

6. Trade Receivables

	03.31.2023	12.31.2022
Current		
Domestic and foreign customers (a)	101,463	75,631
(-) Expected Credit Losses	(6,738)	(11,398)
Trade receivables	94,725	64,233
Noncurrent		
Domestic and foreign customers	673	1,411
(-) Expected Credit Losses	-	(704)
Trade receivables	673	707

(a) In March, 2023 and December, 2022, our Brazilian subsidiary sold to financial institutions trade receivables in the amounts of US$ 9,842 (with a discount of US$ 207) and US$39,047 (with a discount of US$363), respectively, recorded as "Financial Expenses". The sale is irrevocable and without co-obligation to the Brazilian subsidiary (true-sale), therefore, such amounts were derecognized on such months.

As a result of the classification of Mozambique and South Africa segments as discontinued (see Note 2.4 above) as of March 31, 2023, trade receivables related to those segments totalling US$7,372 were reclassified to the caption "Assets classified as held for sale" in the Statements of financial position (US$611 as of December 31, 2022, related to Egypt segment).

7. Inventories

	03.31.2023	12.31.2022
Current:		
Finished products	16,894	21,297
Work in process	62,684	63,983
Raw material	53,575	63,803
Fuel	44,323	50,513
Supplies and consumable materials	43,109	53,916
Advances to suppliers	1,766	1,064
Packaging and other	2,245	4,977
Allowance for impairment losses	(23,896)	(29,247)
Total	200,700	230,306
Noncurrent:		
Raw material	-	1,722
Supplies and consumable materials	57,299	64,863
Packaging and other	-	428
Allowance for impairment losses	(5,601)	(13,523)
Total	51,698	53,490

As a result of the classification of Mozambique and South Africa segments as discontinued (see Note 2.4 above) as of March 31, 2023, current and non-current inventories (gross) related to those segments totalling US$41,373 and US$20,078, respectively, and impairment losses of US$5,944 and US$8,182, respectively, were reclassified to the caption “Assets classified as held for sale” in the Statements of financial position (US$55,708 of gross inventories and US$22,457 of impairment losses as of December 31, 2022, related to Egypt segment).

8. Property, Plant and Equipment

	03.31.2023			12.31.2022
	Cost	Depreciation & Impairment	Net book value	Net book value
Land	53,293	(16,481)	36,812	43,372
Buildings	750,436	(513,419)	237,017	252,378
Machinery and equipment	1,813,372	(960,889)	852,483	938,395
Vehicles	151,632	(137,758)	13,874	13,657
Furniture and fixtures	43,900	(42,648)	1,252	2,176
Mines and ore reserves	262,414	(206,578)	55,836	53,383
Reservoirs, dams and feeders	55,293	(25,695)	29,598	29,223
Spare parts	10,919	(2,460)	8,459	18,481
Other	12,686	(10,583)	2,103	2,630
Advances to suppliers	15,818	(6,241)	9,577	9,338
Construction in progress	181,873	(95,631)	86,242	94,804
Total	3,351,636	(2,018,383)	1,333,253	1,457,837

As a result of the classification of Mozambique and South Africa segments as discontinued (see Note 2.4 above), as of March 31, 2023, property, plant and equipment related to those segments totalling US$144,451 (net of depreciation and impairment losses), were reclassified to the caption “Assets classified as held for sale” in the Statements of financial position (US$74,673 as of December 31, 2022, related to Egypt segment).

Construction in progress

As of March 31, 2023, construction in progress mainly relates to: (i) US$10,447 (US$9,239 as of December 31, 2022) in Argentinian business segment mainly explained by certain improvements in L’amali cement plant and in railways; and (ii) US$75,795, net of impairment losses of US$95,631 (US$74,672 as of December 31, 2022, net of impairment losses of US$92,262), 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, 2023, there are assets in Brazil business segment given as collateral for loans obtained for their own acquisition in the amount of approximately US$2,116 (US$2,318 as of December 31, 2022).

In addition, in Brazil business segment, two cement plants were given as guarantee as part of “CADE” litigation, 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, 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
Balance as of December 31, 2022	43,372	252,378	938,395	13,657	2,176	53,383	29,223	18,481	2,630	94,804	9,338	1,457,837
Effects of hyperinflationary monetary adjustment (Note 2.1)	2,027	25,851	112,417	2,342	187	9,619	-	1,718	177	1,680	-	156,018
Additions	-	61	129	-	-	-	-	539	-	18,421	-	19,150
Disposals	-	(7)	(375)	-	-	-	-	(265)	-	-	(13)	(660)
Depreciation	(54)	(4,767)	(21,733)	(945)	(155)	(3,517)	(402)	(783)	(213)	-	-	(32,569)
Impairment provision	-	-	-	-	-	-	-	-	-	(825)	-	(825)
Effect of changes in exchange rates	(1,278)	(19,182)	(81,569)	(1,932)	(169)	(7,900)	777	(8,904)	(1,224)	1,228	252	(119,901)
Transfers	23	4,387	7,474	1,051	16	4,251	-	(643)	1,000	(18,905)	-	(1,346)
Discontinued operations (Note 2.4)	(7,278)	(21,704)	(102,255)	(299)	(803)	-	-	(1,684)	(267)	(10,161)	-	(144,451)
Balance as of March 31, 2023	36,812	237,017	852,483	13,874	1,252	55,836	29,598	8,459	2,103	86,242	9,577	1,333,253

Additions

Argentina business segment:
Disbursements in the total amount of US$7,837 for the three-month period ended March 31, 2023 (US$4,614 for the three-month period ended March 31, 2022), primarily due to the increase of the quarry recovery of US$4,348 (US$2,150 for the three-month period ended March 31, 2022) and improvements in railways and locomotives of US$2,371 (US$0,570 for the three-month period ended March 31, 2022).

Brazil business segment:
Disbursements in the total amount of US$10,670 for the three-month period ended March 31, 2023 (US$1,608 for the three-month period ended March 31, 2022), primarily due to improvements in the production process for the full utilization of the capacity of certain units and optimization of existing machines with future benefits.

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, 2023, there are no relevant indicators that property, plant and equipment could be impaired, even considering raising interests and inflations as an indirect impact of 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 three-month period ended March 31, 2023 due to their market value depreciation, mainly in Brazil. See Note 18 for further information.

9. Other intangible assets and goodwill

	03.31.2023	12.31.2022
Other intangible assets:		
Software licenses	7,487	7,917
Mining rights and concession related assets	76,797	83,837
Project development costs	214	227
Trademarks, patents and others	4,625	6,502
	89,123	98,483

	03.31.2023	12.31.2022
Goodwill per operating segments:		
Brazil	541,029	526,853
Argentina	190,655	185,657
Mozambique	-	37,756
South Africa	-	87,459
	731,684	837,725

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, 2023, there are no relevant indicators that goodwill could be impaired, even considering the raising interests rates and inflation arising from macroeconomic events and the conflict between Russia-Ukraine, further commented in Note 1 above.

As a result of the classification of Mozambique and South Africa segments as discontinued operations (see Note 2.4 above) as of March 31, 2023, goodwill related to those segments totalling US$37,753 and US$83,624, respectively, were reclassified to the caption "Assets classified as held for sale" in the Statements of financial position.

Changes in intangible assets for the three-month period ended March 31, 2023 and 2022 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, 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
Balance as of December 31, 2022	7,917	83,837	227	6,502	837,725	936,208
Effects of hyperinflationary monetary adjustment (Note 2.1)	477	-	-	-	104	581
Additions	149	163	-	785	-	1,097
Amortization	(617)	(2,189)	(19)	(122)	-	(2,947)
Impairment provision	-	(39)	-	-	-	(39)
Effect of changes in exchange rates	(268)	1,622	6	129	15,232	16,721
Transfers	(130)	3,928	-	(2,452)	-	1,346
Discontinued operations (Note 2.4)	(41)	(10,525)	-	(217)	(121,377)	(132,160)
Balance as of March 31, 2023	7,487	76,797	214	4,625	731,684	820,807

10. Borrowings and Financing

Functional Currency	Business unit	Type of financing	Currency	Annual Interest rates	Maturity	03.31.2023		12.31.2022	
						Current	Noncurrent	Current	Noncurrent
BRL	Holdings and Financial Vehicles (*)	Promissory note (**)	BRL	3% + 100% CDI	Mar-23	-	-	13,417	-
BRL	Holdings and Financial Vehicles (*)	Bilateral	BRL	3% + 100% CDI	May-23	19,683	-	19,168	-
ARS	U.N. Argentina	Bilateral	USD	US Libor + (7.5% to 8.0%)	Jul-24	21,592	37,333	3,900	56,000
ARS	U.N. Argentina	Bilateral	ARS	52% - 54%	Apr-23	478	-	-	-
ARS	U.N. Argentina	Bilateral	EUR	16%	May-23	350	-	-	-
ARS	U.N. Argentina	Bilateral	USD	13.5%-37.0%	Jun-23	537	-	425	-
ARS	U.N. Argentina	Working capital	ARS	52.0% - 73.0%	Apr-23	9,113	-	52,899	-
BRL	U.N. Brazil	Subsidised loan	BRL	2.50% - 5.00%	Dec-24	1,890	1,344	1,876	1,545
BRL	U.N. Brazil	Bilateral (***)	BRL	IPCA	Nov-24	8,764	5,843	8,511	7,811
MZN	U.N. Mozambique	Bilateral (**)	MZN	Prime Rate - 3%	Mar-25	-	-	-	15,815
ZAR	U.N. South Africa	Bilateral (**)	ZAR	Jibar + 2.9%	Dec-27	-	-	5,898	32,439
					Continuing operations	62,407	44,520	106,094	113,610
MZN	U.N. Mozambique (discontinued operations - note 2.4)	Bilateral (**)	MZN	Prime Rate - 3%	Mar-25	-	15,814		
ZAR	U.N. South Africa (discontinued operations - note 2.4)	Bilateral (**)	ZAR	Jibar + 2.9%	Dec-27	5,639	30,452		
					Discontinued operations	5,639	46,266		

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

(**) The borrowings contains certain restrictive financial covenants, which are describe in section "covenants" below.

(***) Bilateral indexed to Extended National Consumer Price Index ("IPCA") is partially guaranteed by a financial investment in the amount of US$6,708 as of March 31, 2023 (US$6,326 as of December 31, 2022) – see Note 5 above.

As of March 31, 2023 and December 31, 2022, the incurred interest expenses related to those financing agreements classified in current liabilities and presented as 'Interest payable' amount to US$2,518 and US$7,206, respectively.

Changes in Borrowings and Financing for the three-month period ended March 31, 2023 and 2022 were as follows (continued operations only):

	Borrowings and financing
Balance as of December 31, 2021	161,364
New borrowings and financing	28,809
Payments	(73,417)
Effect of changes in exchange rates	5,791
Balance as of March 31, 2022	122,547
Balance as of December 31, 2022	219,704
New borrowings and financing	4,623
Payments	(75,837)
Discontinued operations (Note 2.4)	(51,905)
Effect of changes in exchange rates	10,342
Balance as of March 31, 2023	106,927

Maturity schedule

As of March 31, 2023, the non-current portion of the borrowings and financing related to the continuing operations mature as follows (continued operations only):

Period	03.31.2023
2024	44,520
	44,520

Covenants

The loans and financing agreements contain certain 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 or quarterly, which depends on conditions agreed upon on each contract entered into with the financial institutions.

The Mozambique (presented as discontinued operations – see Note 2.4) bilateral in the amount of US$15,814 requires the following ratios at stand-alone figures and in a twelve-month basis range at the end of each fiscal year (December 31st): (a) Senior Debt / EBITDA to be no higher than 1,5x and (b) EBITDA / Total Accrued Interest to be no lower than 4x.

The promissory note in the amount of US$13,417 required that Net Debt / Adjusted EBITDA ratio to be no higher than 4.5x as of December 31, 2022. Such financing was fully liquidated in 2023.

As of December 31, 2022, the covenants conditions of the borrowings and financing mentioned above were met.

Additionally, the South Africa (presented as discontinued operations – see Note 2.4) bilateral in the amount of US$36,091 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, 2023, the covenants conditions were met and such obligation will be remeasured on June 30, 2023.

11. Debentures

Functional Currency	Business unit	Instrument	Currency	Annual interest rate	Final maturity		03.31.2023 Current	03.31.2023 Noncurrent	12.31.2022 Current	12.31.2022 Noncurrent
EUR	Holdings and Financial Vehicles (*)	Senior Notes	USD	5.75%	July-24	a)	-	548,416	-	548,217
BRL	Holdings and Financial Vehicles (*)	Debenture	BRL	CDI + 3.75%	June-27	b)	29,181	320,989	66,304	312,578
BRL	U.N. Brazil	Debenture	BRL	CDI + 3.75%	June-27	b)	58,564	276,087	57,029	268,853
BRL	U.N. Brazil	Debenture	BRL	CDI + 3.75%	June-27	c)	34,024	161,710	33,113	157,379
ARS	U.N. Argentina	Senior Notes	ARS	Badlar + 2%	August-24	d)	-	122,656	-	-
							121,768	1,429,858	156,446	1,287,027

(*) 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, 2023, the Group holds bonds at the face value of US$199,812 (US$199,812 as of December 31, 2022).

(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) and on February 02, 2023, partially prepaid a principal amount of US$39,611 related to the instalment that is due in July, 2023, with proceedings coming from the sale of Egypt business segment (see Note 1).

(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 are being amortized during the lifetime of the loan using the effective interest method.

(d) On February 22, 2023, Loma Negra tendered its Class 1 Negotiable Obligations, obtaining as a result a face value of ARS 25,636,250 thousands (equivalent to US$133,261), with interest rate of BADLAR + 2%, and a 18 months maturity.

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

As of March 31, 2023, and December 31, 2022, the incurred interest expenses classified in current liabilities and presented as 'Interest payable' amounts to US$62,149 and US$24,709, respectively.

Changes in Debentures in the three-month period ended March 31, 2023 and 2022 were as follows (continued operations only):

	Debentures
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
Balance as of December 31, 2022	1,443,473
New debentures	133,261
Payments	(38,241)
Effect of changes in exchange rates	13,133
Balance as of March 31, 2023	1,551,626

Maturity schedule

As of March 31, 2023, the non-current portion of debentures mature as follows (continued operations only):

Period	03.31.2023
2024	855,020
2025	229,935
2026	229,933
2027	114,970
	1,429,858

Covenants

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

Debentures

The financial covenants are measured by the Net Debt over Adjusted EBITDA. For 2023, the limit is 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 debenture 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 2023, the limit is 2.75X in 2023; 2.50X in 2024 and 2.00X from 2025 until 2027.

As of December 31, 2022, the covenants conditions were met. Next measurement is on December 31, 2023.

Senior notes

The non-compliance with financial 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, 2022, 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, 2023.

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:

	03.31.2023	12.31.2022
Labor and social security	7,761	7,359
Tax (a)	8,381	12,023
Civil and other	2,460	2,322
	18,602	21,704
Judicial deposit (b)	(1,820)	(2,645)
Total	16,782	19,059

(a) Brazil: Refer to tax assessment notices and lawsuits amounting to US$516 (US$1,305 as of December 31, 2022) mainly related to discussions of: (i) Income tax and social contribution related to non-compliance with ancillary obligations, (ii) Social Security Contribution and (iii) ISS - non-payment claim.

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$3,540 (US$3,371 as of December 31, 2022).

InterCement Portugal: Refers basically to the provisions for tax risks related to income tax, amounting to US$3,588 as of March 31, 2023 (US$6,582 as of December 31, 2022), which are being challenged in courts. In the first quarter of 2023, InterCement Portugal obtained a favourable decision related to an income tax dispute, reverting a provision in the amount of US$3,116 against income tax expenses (see Note 16 below).

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

	03.31.2023	12.31.2022
Labor and social security	1,037	1,089
Tax	393	1,180
Civil and other	289	279
Environmental	101	97
Total	1,820	2,645

Changes in the provision for risks for the three-month period ended March 31, 2023 and 2022 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
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
Balance as of December 31, 2022	7,359	12,023	2,322	(2,645)	19,059
Effects of hyperinflationary monetary adjustment (Note 2.1)	296	75	(222)	304	453
Recognition/deposit	928	105	472	7	1,512
Payment	(586)	(251)	(95)	869	(63)
Reversal	-	(3,657)	-	-	(3,657)
Discontinued operations (Note 2.4)	-	(16)	(23)	(311)	(350)
Effect of changes in exchange rates	(236)	102	6	(44)	(172)
Balance as of March 31, 2023	7,761	8,381	2,460	(1,820)	16,782

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, 2023, and December 31, 2022, the Group has the following exposure:

	03.31.2023	12.31.2022
Labor and social security	16,416	14,376
Tax and uncertain income tax position (a)	1,449,656	1,389,524
Civil, administrative and other (b)	239,726	226,295
	1,705,798	1,630,195

The most significant contingent liabilities are:

a) Tax and uncertain income tax position

Brazil – InterCement Brasil S.A.

Risk exposure amounts to US$1,069,485 as of March 31, 2023 (US$1,022,996 as of December 31, 2022) 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) undue charge of a municipal tax (Services Taxes - “ISS”); (v) disallowance of credits for allegedly undue deduction of the IRPJ and CSLL calculation base, as goodwill amortization resulting from the acquisition of other companies; (vi) 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; (vii) alleged taxation of interest on capital not paid by the Company; and (viii) 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$275,104 as of March 31, 2023 (US$263,092 as of December 31, 2022) and refers mainly to ongoing challenges of taxable income earned abroad by subsidiaries and affiliated entities.

Other holdings

Risk exposure is US$18,832 as of March 31, 2023 (US$18,359 as of December 31, 2022) and refers to claims for withholding taxes not collected.

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$288,160 as of March 31, 2023 and US$282,895 as of December 31, 2022 (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.

In previous years, the final Income tax inspection Report for the year 2016 incorporated a correction of €98,926 thousands 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 of €4,201 thousands was received and is being contested. Even so, the amount of €4,100 thousands was already compensated with a Company tax credit. Therefore, there is no provision as of 2023 and 2022 related to 2016 inspection report.

The final Income tax inspection Report for the years 2017 and 2018 incorporated corrections to the Group available tax losses, and also for the above referred “eliminated results” partial incorporation, and accordingly additional tax assessments of US$22,296 (equivalent to €20,504 thousands) and US$61,963 (equivalent to €56,983 thousands), respectively for those years, were received and both are being contested, resulting in an exposure risk (plus interest) of US$84,259 as of March 31, 2023 and US$82,720 as of December 31, 2022 (equivalent to €77,487 thousands) as of March 31, 2023.

Based on the opinion of the Company´s legal advisors, the risk of an unfavourable outcome on these disputes is “less likely than not”, therefore, no contingency provision was recorded.

b) Civil

Brazil

The main lawsuit relates to 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, 2023, the fines imposed to the Group corresponds to US$192,979 and as of December 31, 2022, fines correspond to US$182,002, 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, 2023. 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, 2023 and 2022 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, 2021	12,758	76,666	3,700	32	595	93,751
Additions	9	1,026	-	-	-	1,035
Write-offs	(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
As of December 31, 2022	15,819	90,634	4,884	-	989	112,326
Additions	203	42,334	6,285	-	-	48,822
Write-offs (a)	(72)	-	(39)	-	-	(111)
Discontinued operations (2.4)	(2,360)	(1,098)	(8,141)	-	-	(11,599)
Exchange difference	318	3,508	(17)	-	27	3,836
As of March 31, 2023	13,908	135,378	2,972	-	1,016	153,274
(-) Accummulated depreciation						
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	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)
As of December 31, 2022	(7,078)	(73,216)	(2,588)	-	(601)	(83,483)
Additions	(553)	(4,388)	(916)	-	(51)	(5,908)
Write-offs (a)	72	-	25	-	-	97
Discontinued operations (2.4)	1,277	333	1,845	-	-	3,455
Exchange difference	(132)	(1,709)	5	-	(17)	(1,853)
As of March 31, 2023	(6,414)	(78,980)	(1,629)	-	(669)	(87,692)
Balance as of March 31, 2023	7,494	56,398	1,343	-	347	65,582
Balance as of December 31, 2022	8,741	17,418	2,296	-	388	28,843

(a) Refers primarily of early termination of the lease contracts in Mozambique business segment in the amount of US$14.

The changes in obligations under finance leases in the three-month period ended March 31, 2023 and 2022 are demonstrated below:

Changes in lease liabilities:

	Lease Liabilities
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
As of December 31, 2022	31,779
Additions, net of write-offs	48,808
Payments	(7,776)
Present value adjust	2,299
Discontinued operations (2.4)	(8,350)
Exchange difference	1,561
As of March 31, 2023	68,321

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:

	03.31.2023	12.31.2022
Current	14,881	11,151
Non-current	53,440	20,628
Lease liabilities	68,321	31,779

Lease liabilities - Maturity analysis:

	Lease Liabilities
Less than one year	14,881
One to five years	50,585
More than five years	2,855
Lease liabilities	68,321

15. Shareholder's Equity

Share Capital

As of March 31, 2023 and December 31, 2022 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.

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 Parent Company; 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 own shares in prior periods

For the three-month 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. For the three-month period ended March 31, 2023, there was no purchase of own shares.

As of March 31, 2023 and December 31, 2022, Loma Negra had acquired 12,352,329 own shares for a total value of US$33,600, which is equivalent to 3.52% of total shares.

Dividends

The shareholders are entitled to annual minimum mandatory dividends equivalent to 25% of adjusted profit for the year as provided by the bylaws and the Brazilian Corporate Law. In 2022, due to losses for the year attributable to Company´s owners, the Company did not constitute any minimum mandatory dividends.

Other comprehensive income (loss) attributable to the Company´s owners

Other comprehensive income attributable to Company´s owners of US$62,767 (US$202,049 for the three-month period ended March 31, 2022) corresponds to: i) equity recognition of actuarial losses on the employee benefits plan in the amount of US$145 (gain of US$274 for the three-month period ended March 31,2022); ii) negative equity recognition of exchange differences from translation of foreign operations in the amount of US$284,089 (positive US$41,808 for the three-month period ended March 31, 2022) of which a positive amount of US$32,174 relates to discontinued operations (see Note 2.4); (iii) positive equity recognition of derivative and hedging transactions amounting to US$217, net of taxes (US$206 for the three-month period ended March 31, 2022); and (iv) positive effect of hyperinflationary monetary adjustment in Argentinian business segment of US$346,784 (US$159,761 for the three-month period ended March 31, 2022).

The exchange differences from translation of foreign operations from discontinued operation aforementioned (US$32,174) refers to the reversal of an accumulated loss of US$43,136 to the statement of profit or loss as a result of the Egypt segment disposal (see Note 2.4). Such reversal is partially offset by the negative exchange variation from translation of Mozambique and Africa of US$10,962 for the three-month period ended March 31, 2023, which will be recycled to the statement of profit or loss only at the disposal.

Non-controlling interests

Changes in non-controlling interests

a) Other comprehensive income: the amount of US$4,596 (US$29,459 for the three-month period ended March 31, 2022) corresponds to: i) equity recognition of actuarial loss on the liability to employees in the amount of US$70; ii) negative exchange differences from translation of foreign operations in the amount of US$316,933 (negative of US$119,989 for the three-month period ended March 31, 2022) of which a negative amount of US$4,510 relates to discontinued operations (see Note 2.4); iii) positive equity recognition of derivative, hedging and actuarial transactions amounting to US$1 (positive of US$133 for the three-month period ended March 31, 2022); and (iv) positive effect of hyperinflationary monetary adjustment in Argentinian business segment of US$321,598 (positive of US$149,315 for the three-month period ended March 31, 2022).

b) Dividends declared to non-controlling interests:

For the three-month period ended March 31, 2023, special purposes entities (SPEs) controlled by Brazilian subsidiaries declared dividends to non-controlling interests in the amount of US$3,275 (R$16,639 thousands) related to 2022 results (US$3,985 for the three-months period ended December 31, 2022 related to 2021 results).

The Argentinian subsidiary (Loma Negra) paid in January, 2023 dividends of US$9,458 declared in December, 2022.

16. Income Tax and Social Contribution

For the three-month period ended March 31, 2023 and 2022, the reconciliation between the nominal and the effective income tax was as follows:

	03.31.2023	03.31.2022 (Restated)
Loss before income tax and social contribution	(12,977)	(89,011)
Group Tax rate	34%	34%
Income tax and social contribution at statutory rates	4,412	30,264
Adjustments to calculate income tax and social contribution at effective rate:		
Consumption of losses from liquidation of certain financial instruments in Argentina	1,218	-
Non-deductible financial expenses in Spanish subsidiary	(2,843)	(9,116)
Effect of differences in foreigner tax rates to Group tax rate (34%)	(2,400)	(10,594)
Permanent additions / (deductions), net	920	909
Deferred income tax and social contribution not recognized (a)	(9,463)	(1,242)
Other (b)	4,674	(15,883)
Income tax and social contribution expense	(3,482)	(5,662)
Current Income tax and social contribution expense	(9,868)	(15,856)
Deferred Income tax and social contribution gain	6,386	10,194

(a) For the period ended March 31, 2023, it includes the effect from tax losses and/or tax temporary differences mainly in Brazil business segment, where deferred tax assets were not recognized, as a consequence of the deterioration of the projected taxable results mainly explained by the increase of financial expenses due to rising interest rates. Additional deferred tax assets in such subsidiary will only be recognized when utilization of existing deferred taxes are observed and future projections demonstrate full utilization will be accelerated, not exceeding the ten years period established in the initial recognition, ending in December 31, 2031. In 2022, it relates to deferred tax assets not recognized due to lack of available future taxable income in the holding companies.

(b) For the three-month period ended March 31, 2023, it mainly refers to (i) positive amount of US$2,268 related to the impact of monetary adjustment in Argentina due to hyperinflationary economy (positive amount of US$833 for the three-month period ended March 31,2022); (ii) a negative impact of US$2,607 related to results recorded in our Spanish subsidiary that were eliminated for consolidation purposes as they were transactions between group entities (negative impact of US$17,754 for the three-month period ended March 31, 2022). Such results are deductible for tax purposes in local books and, therefore, represent a permanent difference in the group effective tax rate; (iii) positive amount of US$2,290 mainly generated by entities in Brazilian segment taxed under the presumed profit tax rules and other permanent differences in Brazil (positive amount of US$1,115 for the three-month period ended March 31, 2022); and (iv) income tax gains of US$3,116 in our Portuguese holding as a result of a favourable judicial decision (see Note 12 above).

As mentioned in Note 2.4, Egypt, Mozambique and South Africa segments were classified as discontinued operations, therefore, an expense of US$656 was reclassified from current and deferred income tax expenses to “loss for the period from discontinued operation” within the Statements of profit or loss for the three-month period ended March 31, 2023 (US$255 for the three-month period ended March 31, 2022).

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 Sales

The breakdown of the Company’s net sales for the three-month period ended March 31, 2023 and 2022 are as follows:

	03.31.2023	03.31.2022 (Restated)
Products sold	480,021	408,387
Services provided	15,962	15,498
(-) Taxes on sales	(52,724)	(47,034)
(-) Discounts	(89,686)	(67,091)
Total	353,573	309,760

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

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

	03.31.2023	03.31.2022 (Restated)
Depreciation and amortization	(35,977)	(37,919)
Impairment losses, net (a)	(864)	(800)
Salaries and employee benefits	(50,084)	(44,229)
Raw materials and consumables	(54,216)	(33,276)
Tax expenses	(6,689)	(6,863)
Outside services	(26,301)	(20,583)
Rental	(642)	(622)
Freight expenses	(38,484)	(31,273)
Maintenance costs	(21,541)	(18,814)
Fuel	(57,988)	(48,283)
Electricity	(16,820)	(18,573)
Recognition of inventories and trade receivable impairments	(327)	(430)
Gain (Loss) on sale of property, plant and equipment	233	(123)
Other	(5,550)	(6,131)
Total	(315,250)	(267,919)
Cost of sales and services	(282,320)	(236,374)
Selling expenses	(17,168)	(15,444)
Administrative expenses	(18,845)	(17,466)
Other income/(expenses) (b)	3,083	1,365
Total	(315,250)	(267,919)

(a) The three-month period ended March 31, 2023 and 2022 refers to impairment losses recognized to certain fixed assets in Brazil due to market value depreciation.

(b) The three-month period ended March 31, 2023, includes the recognition of extemporaneous tax credit in Brazil in the amount of US$3,174, resulting from a favourable court decision from a dispute regarding the possibility to reduce from tax basis interests and fines.

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

	03.31.2023	03.31.2022 (Restated)
Foreign exchange gain (losses), net (a):		
Exchange gain	12,714	47,268
Exchange loss	(27,195)	(138,455)
Total	(14,481)	(91,187)
Financial income:		
Inflation adjustment	881	2,592
Effects of Hyperinflationary monetary adjustments (b)	34,454	6,978
Financial earnings	6,007	1,500
Interest income	85	99
Derivative financial instruments	74	-
Other income	1,186	234
Total	42,687	11,403
Financial expenses:		
Inflation adjustment	(1,545)	(2,181)
Expenses on interest and charges (c)	(70,500)	(41,491)
Expenses on banking commissions	(950)	(989)
Fines	(77)	(250)
Derivative financial instruments	(3,031)	(443)
Lease liabilities present value	(2,299)	(175)
Other expenses (d)	(1,104)	(5,539)
Total	(79,506)	(51,068)

(a) The exchange differences are mainly influenced by the appreciation and depreciation of functional currencies against other currencies (mainly US$ and Euro). The three-month period ended March 31, 2022 was significantly impacted by the devaluation of Euro against Brazilian Reais and U.S.dollars, which since inception of the net foreigner net investment in July, 2022 (see Note 22.4), such exchange variation exposure was eliminated .

(b) It relates to the application of hyperinflationary monetary adjustments in Argentinean business due to the application of IAS29 – Hyperinflationary economy (Note 2.2). The variation is mainly explained by the increase in the monetary adjustments rates, which for the three-month period ended March 31, 2023 it was 21,8% against 16% in comparable period.

(c) The main increase in the interest expenses line item is related to the rising of the floating interest rate ("CDI"), which directly impacted interest expenses. The Brazilian annual average basic interest rate ("SELIC") was 13.75% and 10.37% in the three-month period ended March 31, 2023 and 2022, respectively.

(d) For the three-month period ended March 31, 2023 it includes US$1,073 related to PIS and COFINS on financial income in Brazilian business segment (US$0,148 for the three-month period ended March 31, 2022). Furthermore, for the three-month period ended March 31, 2022 it includes losses related to investments in securities of US$2,846 in Argentinian business segment and US$1,435 in the InterCement Reinsurance.

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 2024, purchase of cement, 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:

	03.31.2023	12.31.2022
2023	52,434	71,188
2024	27,999	27,046
2025	1,383	1,245
2026	1,383	1,245
After 2026	4,147	3,733
Total	87,346	104,457

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 (includes continued and discontinued operations):

	03.31.2023	12.31.2022
2023	83,452	71,624
2024	62,527	46,237
2025	48,289	38,395
2026	31,863	25,870
After 2026	81,049	77,337
Total	307,180	259,463

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

The Argentina segment contains certain contractual commitments for the purchase of slag with effect until 2027, with estimated future cash flows of approximately US$5,095 (ARS 1,064,937 thousand) during 2023, and US$27,174 (ARS 5,679,665 thousand) between 2024 and 2027.

The Argentina segment also signed contracts (i) for the supply of gas, assuming payment commitments in the total amount of approximately US$44,721 (ARS 9,347,056 thousand) to be paid during 2023 and US$79,777 (ARS 16,674,150 thousand) to be paid between 2024 and 2027; and (ii) for the supply of energy in the amount of US$14,180 (ARS 2,963,849 thousand) to be paid during 2023 and US$113,406 (ARS 23,703,072 thousand) to be paid between 2024 and 2038.

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:

	03.31.2023	03.31.2022 (Restated)
Loss for the period from continuing and discontinuing operations attributable to Company's owners	(75,752)	(131,188)
Loss for the period attributable to common shares	(75,752)	(131,188)
Weighted average number of common shares	52,920,764	52,920,764
Basic/diluted loss per common share	(1.43)	(2.48)
Loss for the period from continuing operations attributable to Company's owners	(32,876)	(109,847)
Loss for the period attributable to common shares	(32,876)	(109,847)
Weighted average number of common shares	52,920,764	52,920,764
Basic/diluted loss per common share	(0.62)	(2.08)

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 and discontinuing 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 confirming).

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, 2023 and December 31, 2022, 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, Libor, Prime-rate, Jibar, IPCA and Badlar on borrowings and debentures. Interest rates on short-term investments are mostly linked to the CDI fluctuation. These positions are as follows:

	Continuing Operations						
	Borrowings and financing	Debentures	Cash and cash equivalents	Securities	Other payables	03.31.2023	12.31.2022
Assets:							
CDI	-	-	28,123	6,708	-	34,831	112,283
Total	-	-	28,123	6,708	-	34,831	112,283
Liabilities:							
IGP-M	-	-	-	-	10,810	10,810	10,567
CDI	19,683	880,554	-	-	-	900,237	927,841
LIBOR	58,925	-	-	-	-	58,925	59,900
Badlar	-	122,656	-	-	-	122,656	-
IPCA	14,607	-	-	-	-	14,607	16,322
Total	93,215	1,003,210	-	-	10,810	1,107,235	1,014,630

	Discontinued Operations						
	Borrowings and financing	Debentures	Cash and cash equivalents	Securities	Other payables	03.31.2023	12.31.2022
Assets:							
Repo Rate	-	-	17,561	-	-	17,561	7,986
Total	-	-	17,561	-	-	17,561	7,986
Liabilities:							
Prime Rate	15,814	-	-	-	-	15,814	15,815
JIBAR	36,091	-	-	-	-	36,091	38,337
Total	51,905	-	-	-	-	51,905	54,152

As of March 31, 2023 and December 31, 2022, the Group's liability by type of interest rate, considering derivative financial instruments, between floating and fixed rate, are as follows (continuing and discontinuing operations):

	03.31.2023	12.31.2022
Floating rates	67%	63%
Fixed rates	33%	37%

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 applicable.

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.

Additionally, considering the current exchange regulations existing in Argentina, the official exchange rates, which are considered by the Argentinian subsidiary to record any unrealized gain or loss resulting from changes in exchange rates as per IAS 21 — The Effects of Changes in Foreign Exchange Rates, might be considerable different from the exchange rates actually used when collecting financial assets or liquidating financial liabilities in a foreign currency (mainly U.S. dollars). This is mainly due to the U.S. dollars and other foreign currencies constrains in Argentina market, causing the effect "dollar blue" where the U.S. dollar can be worth twice as much in peso terms when exchanged.

Therefore, the Group is constantly monitoring the alternatives to collect financial assets and liquidate financial liabilities in foreign currency (other currencies than Argentinian Pesos) and their corresponding impacts. The realized profit or loss derived from the use of alternative financial instruments to liquidate operations in foreign currency is recognized at the time the Argentinian subsidiaries unconditionally commits or executes such financial asset or liability in kind ("cash"). As of March 31, 2023, in case such instruments were used for the liquidation of the aforementioned operations, would result in a negative impact of approximately 94.6% over the net position in dollars.

For the three-month period ended March 31, 2023 and 2022, there was no collection or liquidation of financial assets or liabilities in foreign currency in Argentina, therefore, no impact in the Statement of profit or loss for the periods.

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 (as mentioned in Note 1 above, Egypt segment was sold on January 23, 2023 and, therefore, was excluded from the table below. Differently, as Mozambique and South Africa segments are yet classified as held for sale, those segments balances were included in the table below):

	03.31.2023	12.31.2022
Assets:		
Cash, cash equivalents and securities	12,328	50,548
Trade receivables	418	80
Related parties (a)	729,550	770,205
Other assets	5	5
Exposed assets	742,301	820,838
Liabilities:		
Borrowings, financing and debentures (Note 10 and 11)	608,228	608,542
Interest payable	7,991	16,841
Foreign trade payables	18,503	22,563
Related parties (a)	225,637	237,223
Other liabilities	5,433	9,023
Exposed liabilities	865,792	894,192
Exposed net position liabitity	(123,491)	(73,354)

(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 and are recognized directly into profit or loss, except when the monetary asset or liability is accounted as net investment in a foreign operation in light with IAS 21 – The Effect of changes in Foreign Exchange Rates. Furthermore, from the table above, a net asset position amount of US$14,033 refers to Mozambique and Africa segments, which per Note 2.4 above, is presented in the financial position as “Assets held for sale” or “liabilities from assets held for sale” (see Note 22.8 below for breadkdown of such amount and respective sensitive analysis).

Starting in July 01, 2022, certain Related Parties loans that are payable to or receivable from a foreign operation within the Group were accounted as part of entity´s net investment in light with IAS 21 – The Effect of changes in Foreign Exchange Rates. Accordingly, exchange differences arising from such related parties loans were recognized as “Exchange differences from translation of foreign operations” within “other comprehensive income”. Such results will be reclassified from equity to profit or loss on disposal of the corresponding net investment. As of March 31, 2023, the Related Parties payables and receivables of US$1,093,290 and US$199,812, respectively, were determined to be part of entity´s net investment and the exchange difference since inception of US$25,191 were recorded within “other comprehensive income” (US$6,738 for the three-month period ended March 31, 2023).

The presentation of cash and cash equivalents and related foreign exchange exposures are as follows (continued and discontinued operations):

		03.31.2023		12.31.2022	
Functional currency	**Currency**	**Currency**	**USD**	**Currency**	**USD**
ARS	USD	736,259	3,521	3,583,770	20,228
BRL	USD	20,717	4,078	55,797	10,695
EUR	USD	3,731	4,057	17,644	18,835
MZN	USD	6,549	104	12,505	198
ARS	EUR	2,282	11	1,903	11
BRL	EUR	-	-	1	-
MZN	EUR	18,565	294	40	1
EUR	EGP	81	89	-	-
MZN	ZAR	11,025	174	10,540	167
EUR	ARS	-	0	387	413
Amount exposed to foreign exchange risks			12,328		50,548
BRL	BRL	141,266	27,806	554,447	106,275
EUR	EUR	30,278	32,924	22,163	23,660
ARS	ARS	18,788,327	89,892	1,324,224	7,475
MZN	MZN	626,229	9,903	1,018,950	16,115
ZAR	ZAR	184,739	10,418	250,902	14,798
Amount by functional currency			170,943		168,323
			183,271		218,871

The amounts which the functional currency is MZN or ZAR totalling US$20,892 refers to discontinued operations, as mentioned in Note 2.4 above.

The main debt instruments (essentially related with loans and debentures) as of March 31, 2023 and December 31, 2022, were denominated in the following currencies (includes continuing and discontinuing operations):

	03.31.2023	**12.31.2022**
USD	36%	37%
BRL	54%	56%
Other	10%	7%

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.

Management is continually working in its liability Management Plan announced in previous years and, as detailed mentioned in Note 1, Management believes that there is sufficient financial resources to liquidate its liabilities in a predictable future.

22.6. Credit risk

The market 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, 2022, 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 in a short term. 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.

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, 2023 were as follow:

a) Sensitivity analysis - Interest rates with CDI index, US Libor, IPCA, Badlar, Jibar and Prime Rate.

A parallel change of +/- in the interest rate curves applied on principal amounts as of March 31, 2023, 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	(58,925)	(589)	(1,179)	(1,768)
CDI	BRL	(865,406)	(8,654)	(17,308)	(25,962)
IPCA	BRL	(14,607)	(146)	(292)	(438)
Badlar	ARS	(122,656)	(1,227)	(2,453)	(3,680)
JIBAR (discontinued operations)	ZAR	(36,091)	(361)	(722)	(1,083)
Prime Rate (discontinued operations)	MZN	(15,814)	(158)	(316)	(474)

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, with the exception of balances considered as net investment in a foreign operation) as of March 31, 2023, the significant impacts on net financial results would be as follows:

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	USD depreciation		USD appreciation	
			Local / Transaction	-10%	-5%	5%	10%
US$	(6,016)	EUR	0.92	602	301	(301)	(602)
US$	(72,191)	ARS	209.01	7,219	3,610	(3,610)	(7,219)
US$	(9,877)	BRL	5.08	988	494	(494)	(988)
US$	41,784	ZAR (discontinued operations)	17.73	(4,178)	(2,089)	2,089	4,178
US$	(19,155)	MZN (discontinued operations)	63.24	1,915	958	(958)	(1,915)
	(65,455)	Total exposure US$ dollars x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	EUR depreciation		EUR appreciation	
			Local / Transaction	-10%	-5.0%	5.0%	10.0%
EUR	(638)	ZAR (discontinued operations)	19.28	54	27	(27)	(54)
EUR	(19,834)	BRL	5.52	1,677	839	(839)	(1,677)
EUR	(1,713)	ARS	227.28	145	72	(72)	(145)
EUR	(7,871)	MZN (discontinued operations)	68.76	666	333	(333)	(666)
	(30,056)	Total exposure EURO x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	EGP depreciation		EGP appreciation	
			Local / Transaction	-10%	-5.0%	5.0%	10.0%
EGP	91	EUR	0.03	(8)	(4)	4	8
	91	Total exposure EGP x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	ZAR depreciation		ZAR appreciation	
			Local / Transaction	-10%	-5.0%	5.0%	10.0%
ZAR	(87)	MZN (discontinued operations)	3.57	1	0	(0)	(1)
	(87)	Total exposure ZAR x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	BRL depreciation		BRL appreciation	
			Local / Transaction	-10%	-5.0%	5.0%	10.0%
BRL	(27,573)	EUR	0.18	2,507	1,313	(1,313)	(2,507)
BRL	(3)	ZAR	3.49	0.3	0.2	(0.2)	(0.2)
	(27,576)	Total exposure BRL x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	ARS depreciation		ARS appreciation	
			Local / Transaction	-10%	-5.0%	5.0%	10.0%
ARS	(408)	EUR	0.004	37	19	(19)	(37)
	(408)	Total exposure ARS x local currency					

22.9. Categories of financial instruments

	03.31.2023	12.31.2022
Current assets:		
Cash and bank accounts (Note 4)	47,459	71,469
Financial assets at amortized cost:		
Trade receivables (Note 6)	94,725	64,233
Other receivables	20,420	29,957
Financial assets at fair-value through profit & Loss:		
Short-term investments - financial asset (Note 4)	114,920	147,402
Non-current assets:		
Financial assets at amortized cost:		
Trade receivables (Note 6)	673	707
Other receivables	19,423	20,348
Long-term investments - financial asset (Note 5)	7,814	7,403
Financial assets at fair-value through profit & loss:		
Derivatives (Note 22.10)	1,684	1,567
Current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	121,768	156,446
Borrowings and financing (Note 10)	62,407	106,094
Trade payables	162,241	224,893
Obligations from confirming	43,624	71,271
Interest payable (Notes 10 and 11)	64,667	31,915
Lease liabilities (Note 14)	14,881	11,151
Other payables	10,625	23,714
Non-current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	1,429,858	1,287,027
Borrowings and financing (Note 10)	44,520	113,610
Lease liabilities (Note 14)	53,440	20,628
Other payables	31,712	30,917

22.10. Derivative transactions

It is represented by trading derivatives options in connection with "Baes", "Machadinho" and "Estreito" operations, whose assets and liabilities fair value as of March 31, 2023 and December 31, 2022 are demonstrated below:

	Assets	
	Non-current	
	03.31.2023	12.31.2022
Written-put options ("Baesa", "Machadinho" and "Estreito" operations)	1,684	1,567
	1,684	1,567

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 Mach 31, 2023 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 information;
- 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 2	Level 3
Assets:			
Financial assets at fair value	Securities	114,920	-
Financial assets at fair value	Financial derivative instruments	-	1,684

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:

	03.31.2023		12.31.2022	
	Amortized cost	Fair value	Amortized cost	Fair value
Borrowing and financing (Note 10)	106,927	107,114	219,704	217,782
Debentures (Note 11)	1,551,626	1,450,705	1,443,473	1,321,108
Leases liabilities (Note 14)	68,321	66,463	31,779	27,355

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 (continuing operations) are as follows:

	03.31.2023				03.31.2022 (Restated)			
	Net Revenue				Net Revenue			
	Foreign sales	Intersegment sales	Total	Results	Foreign sales	Intersegment sales	Total	Results
Operating segments:								
Brazil	163,931	-	163,931	6,187	145,664	5,460	151,124	7,956
Argentina	189,865	-	189,865	32,499	158,802	-	158,802	36,635
Total	353,796	-	353,796	38,686	304,466	5,460	309,926	44,591
Unallocated (a)	(223)	18	(205)	(363)	5,294	19	5,313	(2,750)
Eliminations	-	(18)	(18)	-	-	(5,479)	(5,479)	-
Sub-total	353,573	-	353,573	38,323	309,760	-	309,760	41,841
Income before financial income (expenses)				38,323				41,841
Foreign exchange, net				(14,481)				(91,187)
Financial income				42,687				11,403
Financial expenses				(79,506)				(51,068)
Loss before income tax and social contribution				(12,977)				(89,011)
Income tax and social contribution				(3,482)				(5,662)
								-
Loss for the year from continuing operations				(16,459)				(94,673)
Loss for the year from discontinued operations (note 2.4)				(43,023)				(21,439)
								-
Loss for the year				(59,482)				(116,112)

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

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

	Noncontrolling interests	
	03.31.2023	03.31.2022 (Restated)
Operating segments:		
Brazil	4,942	3,222
Argentina	11,544	12,298
	16,486	15,520
Unallocated	(69)	(347)
	16,417	15,173
Discontinued operating segments (note 2.4)	(147)	(97)
Profit for the year attributable to non-controlling interests	16,270	15,076

Other information:

	03.31.2023		03.31.2022 (Restated)	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Operating segments:				
Brazil	11,618	21,474	6,310	22,028
Argentina	7,986	15,290	4,614	16,615
	19,604	36,764	10,924	38,643
Unallocated	-	77	2,300	76
	19,604	36,841	13,224	38,719
Discontinued operating segments (note 2.4)	643	4,699	2,158	12,616
Total	20,247	41,540	15,382	51,335

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, 2023 and December 31, 2022 are as follows:

	03.31.2023			12.31.2022		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	1,544,413	862,950	681,463	1,499,307	817,376	681,931
Argentina	1,430,874	540,356	890,518	1,328,436	488,845	839,591
Mozambique	-	-	-	157,830	94,499	63,331
South Africa	-	-	-	276,317	94,517	181,800
Total	2,975,287	1,403,306	1,571,981	3,261,890	1,495,237	1,766,653
Unallocated	137,898	1,130,501	(992,603)	154,097	1,138,425	(984,327)
Eliminations	(95,621)	(95,621)	-	(134,806)	(134,807)	-
Total	3,017,564	2,438,186	579,378	3,281,181	2,498,855	782,326
Discontinued operating segments (note 2.4)	377,174	129,620	247,554	180,512	140,512	40,000
Eliminations	(41,938)	(41,938)	-	-	-	-
Total discontinued segments (note 2.4)	335,236	87,682	247,554	180,512	140,512	40,000
Inter-segment eliminations	(9,062)	(9,062)	-	(40,045)	(40,045)	-
Total	3,343,738	2,516,806	826,932	3,421,648	2,599,322	822,326

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

At the Ordinary and extraordinary General Shareholders´ Meeting, held on April 23, 2023, the Argentinian subsidiary, Loma Negra, authorized the possibility to distribute future dividends depending on the evolution of the business and regulatory restriction and limitation and, also, authorized to expand the program to issue Negotiable Obligations up to the limit of US$500,000 (As of March 31, 2023, the amount of US$133,261 was already issued – see note 11).

On May 2, 2023, Loma Negra´s Board of Director approved the dividends distribution in kind through the delivery of National Treasury Bills in Pesos equivalent to ARS22,200,000 thousands (ARS20,646,000 thousands after withholding taxes). Of such, ARS10,765,024 thousands were distributed to the Group and ARS9,880,976 thousands to non-controlling interests (equivalents to US$51,504 and US$47,275 considering official exchange rates as of March 31, 2023).

In May, 2023, the Spanish subsidiary, Loma Negra´s indirect controlling entity, fully sold the aforementioned National Treasury Bills received in kind as dividends. The amount collected was US$23,915.

25. Authorization for issuance of the Condensed consolidated financial information

At the meeting held on May 17, 2023, the Board of Directors authorized the issuance of this condensed consolidated interim financial information, being approved by them for disclosure.