

InterCement Brasil S.A. and Subsidiaries

Quarterly Information (ITR)

March 31, 2022



2022





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Independent auditor's review report on quarterly information

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

Introduction

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

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). 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 auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission of Brazil (CVM).


Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2022, prepared under the responsibility of the Company's Management and presented as supplementary information for IAS 34 purposes. These statements have been submitted to review procedures performed in conjunction with the review of the quarterly information with the objective to conclude whether they are reconciled with the interim financial information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in accordance with the criteria defined in that Standard and consistently with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 6, 2022.

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



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

InterCement Brasil S.A. and Subsidiaries

Quarterly Information (ITR)

March 31, 2022

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InterCement Brasil S.A. and Subsidiaries

Statements of financial position

March 31, 2022 and December 31, 2021

(In thousands of reais - R\$)

	Note	Parent		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets					
Current assets					
Cash and cash equivalents	5	301,962	361,745	426,640	459,813
Trade receivables	7	230,898	171,972	231,868	172,848
Related parties	21	193,045	150,950	193,045	150,754
Inventories	8	351,291	361,616	346,266	355,935
Dividends receivable	10	5,870	-	-	-
Recoverable taxes	9	77,223	68,706	78,483	69,952
Other assets		42,005	27,924	42,169	28,180
Total current assets		1,202,294	1,142,913	1,318,471	1,237,482
Non-current assets					
Marketable securities	6	5,886	5,401	6,654	6,156
Trade receivables	7	1,862	2,076	1,862	2,076
Related parties	21	32,161	32,564	32,261	32,664
Inventories	8	32,359	28,989	32,359	28,989
Recoverable taxes	9	128,758	125,449	128,758	125,449
Judicial deposits	18	72,967	69,687	73,027	69,703
Derivative financial instruments	4 (b)	4,975	7,272	4,975	7,272
Deferred income tax and social contribution	23	673,921	640,564	673,921	640,564
Other assets		56,499	57,624	57,711	58,886
Investments:					
In subsidiaries	10	272,582	273,373	-	-
Others		-	-	88	82
Property, plant and equipment	11	1,687,274	1,747,128	1,930,913	1,994,860
Right-of-use assets	13 (a)	105,268	131,200	111,375	136,904
Intangible assets:					
Goodwill	12	301,312	301,312	301,312	301,312
Other intangible assets	12	112,606	95,792	189,173	174,297
Total non-current assets		3,488,430	3,518,431	3,544,389	3,579,214
Total assets		4,690,724	4,661,344	4,862,860	4,816,696

	Note	Parent		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Liabilities and equity					
Current liabilities					
Trade payables	14	594,398	596,475	582,593	585,102
Borrowings and financing	15	23,821	23,457	23,821	23,457
Interest payable	15 and 16	114,049	22,667	114,049	22,667
Taxes and obligations payable	17	104,667	103,333	108,416	107,226
Payroll and related charges		75,434	66,407	75,641	66,642
Dividends payable	22 (c)	-	-	19,792	-
Advances from customers		9,827	8,655	10,312	9,140
Lease liabilities	13 (b)	77,479	93,502	83,939	99,864
Other payables		21,838	20,141	27,949	26,665
Total current liabilities		1,021,513	934,637	1,046,512	940,763
Non-current liabilities					
Debentures	16	2,692,176	2,691,542	2,692,176	2,691,542
Borrowings and financing	15	16,502	18,713	16,502	18,713
Provision for civil, labor, and tax contingencies	18	24,737	26,716	25,909	27,842
Provision for asset retirement obligations	19	29,669	28,110	29,669	28,110
Taxes and obligations payable	17	36,757	41,685	36,757	41,685
Deferred income tax and social contribution	23	-	-	7,906	8,024
Lease liabilities	13 (b)	41,744	55,258	41,764	55,283
Other payables		82,587	78,340	128,039	122,926
Total non-current liabilities		2,924,172	2,940,364	2,978,722	2,994,125
Equity					
Capital	22 (a)	592,274	592,274	592,274	592,274
Legal reserve		61,206	61,206	61,206	61,206
Income reserve		2,624	2,624	2,624	2,624
Tax incentive reserve		130,147	130,147	130,147	130,147
Carrying value adjustments		92	92	92	92
Retained earnings (accumulated losses)		(41,304)	-	(41,304)	-
Equity attributable to controlling owners		745,039	786,343	745,039	786,343
Non-controlling interests		-	-	92,587	95,465
Total equity		745,039	786,343	837,626	881,808
Total liabilities and equity		4,690,724	4,661,344	4,862,860	4,816,696

The accompanying notes are an integral part of the individual and consolidated quarterly information (ITR).

InterCement Brasil S.A. and Subsidiaries

Statements of profit or loss

Three-month periods ended March 31, 2022 and 2021

(In thousands of reais - R\$, except earnings (loss) per share, in reais)

	Note	Parent		Consolidated	
		03/31/2022	03/31/2021 (Restated)	03/31/2022	03/31/2021 (Restated)
Net revenue	24	783,459	697,119	784,294	694,046
Cost of sales and services	25	(702,916)	(542,005)	(680,949)	(510,052)
Gross profit		80,543	155,114	103,345	183,994
Operating income (expenses)					
Selling and administrative expenses	25	(70,952)	(49,594)	(72,696)	(51,157)
Equity pickup in investees	10	2,114	2,435	6	-
Other operating income, net	25	5,158	20,563	5,105	20,401
Profit before finance income (expenses) and taxes		16,863	128,518	35,760	153,238
Finance income (expenses)					
Foreign exchange differences	26	(5,802)	(2,144)	(5,802)	(2,144)
Finance income	26	23,931	3,855	26,522	4,269
Finance expenses	26	(109,444)	(34,766)	(111,984)	(37,681)
Profit (loss) before income tax and social contribution		(74,452)	95,463	(55,504)	117,682
Income tax and social contribution	23	33,183	1,636	31,114	618
Profit (loss) for the period		(41,269)	97,099	(24,390)	118,300
Attributable to:					
Controlling owners		(41,269)	97,099	(41,269)	97,099
Non-controlling interests		-	-	16,879	21,201
Earnings (loss) per share					
Basic/diluted earnings (loss) per common share - R\$	28	(0.10)	0.24	(0.10)	0.24

The accompanying notes are an integral part of the individual and consolidated quarterly information (ITR).

InterCement Brasil S.A. and Subsidiaries

Statements of comprehensive income
Three-month periods ended March 31, 2022 and 2021
(In thousands of reais - R\$)

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Profit (loss) for the period	(41,269)	97,099	(24,390)	118,300
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(41,269)	97,099	(24,390)	118,300
Attributable to:				
Controlling owners	(41,269)	97,099	(41,269)	97,099
Non-controlling interests	-	-	16,879	21,201

The accompanying notes are an integral part of the individual and consolidated quarterly information (ITR).

InterCement Brasil S.A. and Subsidiaries

Statements of changes in equity

Three-month periods ended March 31, 2022 and 2021

(In thousands of reais - R\$)

	Note	Capital	Legal reserve	Income reserve	Tax incentive reserve	Carrying value adjustments	Retained earnings (accumulated losses)	Attributable to controlling owners	Non-controlling interests	Total equity
As at December 31, 2020		2,865,528			117,619	92	(2,345,835)	637,404	59,732	697,136
Profit for the period		-			-	-	97,099	97,099	21,201	118,300
Loss on equity interest in subsidiary		-			-		(24)	(24)	24	-
As at March 31, 2021		2,865,528			117,619	92	(2,248,760)	734,479	80,957	815,436
As at December 31, 2021		592,274	61,206	2,624	130,147	92	-	786,343	95,465	881,808
Loss for the period		-	-	-	-	-	(41,269)	(41,269)	16,879	(24,390)
Proposed dividends	22 (c)	-	-	-	-	-	-	-	(19,792)	(19,792)
Loss on equity interest in subsidiary	22 (b)	-	-	-	-	-	(35)	(35)	35	-
As at March 31, 2022		592,274	61,206	2,624	130,147	92	(41,304)	745,039	92,587	837,626

The accompanying notes are an integral part of the individual and consolidated quarterly information (ITR).

InterCement Brasil S.A. and Subsidiaries

Statements of cash flows

Three-month periods ended March 31, 2022 and 2021

(In thousands of reais - R\$)

Note	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cash flows from operating activities				
Profit (loss) before income tax and social contribution	(74,452)	95,463	(55,504)	117,682
Adjustments to reconcile profit (loss) before income tax and social contribution				
to net cash flows from (used in) operating activities:				
Depreciation, amortization and depletion	25	65,189	59,550	72,602
Amortization of right-of-use assets	25	22,227	28,834	26,771
Equity pickup in investees	10	(2,114)	(2,435)	(6)
Reversal of provisions for losses, net		6,759	1,123	6,804
Recovery of taxes	25	(5,898)	(3,047)	(5,898)
Provision for inventory losses	8	909	1,354	909
Accrued interest, charges and foreign exchange differences		88,931	32,518	89,221
Gain on sale of property, plant and equipment	25	(547)	(5,255)	(547)
Adjustment to recoverable amount	25	4,150	(6,789)	4,150
Decrease (increase) in operating assets:				
Related parties		(5,706)	24,051	(5,902)
Trade receivables		(60,216)	(43,169)	(60,310)
Inventories		(1,478)	(56,768)	(2,132)
Recoverable taxes		(5,928)	(4,366)	(5,942)
Other assets		(8,315)	1,615	(8,217)
Increase (decrease) in operating liabilities:				
Related parties		(371)	1,314	(3,123)
Trade payables		(8,628)	(3,812)	(13,434)
Accrued salaries, vacations and payroll charges		9,027	2,280	8,999
Other payables		5,377	(7,172)	10,708
Taxes and obligations payable		(3,768)	9,456	(4,103)
Income tax and social contribution paid		25,148	124,745	55,046
Lawsuits paid	18	-	-	(1,996)
Interest paid		(5,632)	(7,170)	(5,632)
Net cash flows from operating activities		(206)	(4,903)	(206)
Cash flows from investing activities				
Investments in marketable securities, net		(485)	303	(498)
Purchase of property, plant and equipment		(18,258)	(56,562)	(16,089)
Additions to intangible assets		(4,530)	(849)	(5,835)
Investment increase	10	(3,000)	(2,000)	-
Proceeds from sale of property, plant and equipment		6,906	2,976	6,906
Loans granted to related parties		(30,945)	-	(30,945)
Net cash flows used in investing activities		(50,312)	(56,132)	(46,461)
Cash flows from financing activities				
Repayment of loans, borrowings and debentures		(2,664)	(3,166)	(2,664)
Related parties		-	(67,255)	-
Lease consideration	13 (b)	(26,117)	(33,158)	(31,260)
Net cash flows used in financing activities		(28,781)	(103,579)	(33,924)
Decrease in cash and cash equivalents		(59,783)	(47,039)	(33,173)
Cash and cash equivalents at the beginning of the period		361,745	357,687	459,813
Cash and cash equivalents at the end of the period		301,962	310,648	426,640

The accompanying notes are an integral part of the individual and consolidated quarterly information (ITR).

InterCement Brasil S.A. and Subsidiaries

Statements of value added

Three-month periods ended March 31, 2022 and 2021

(In thousands of reais - R\$)

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenues				
Sales of goods, products and services	1,022,422	918,962	1,027,514	919,220
Other revenues	22,212	7,329	22,212	7,329
Reversal (recognition) of allowance for expected credit losses	(1,504)	842	(1,504)	842
	1,043,130	927,133	1,048,222	927,391
Inputs purchased from third parties				
Acquired products, goods and services	(614,822)	(468,227)	(612,162)	(466,864)
Materials, electric power, outsourced services and others	(119,435)	(83,604)	(89,667)	(47,840)
Impairment/recovery of assets	(5,059)	5,435	(5,059)	5,435
	(739,316)	(546,396)	(706,888)	(509,269)
Gross value added	303,814	380,737	341,334	418,122
Depreciation, amortization and depletion	(87,416)	(88,384)	(99,373)	(95,078)
Net value added produced by the Company	216,398	292,353	241,961	323,044
Value added received in transfer				
Equity pickup in investees	2,114	2,435	6	-
Finance income	27,543	3,855	30,134	4,269
	29,657	6,290	30,140	4,269
Total value added for distribution	246,055	298,643	272,101	327,313
Distribution of value added	246,055	298,643	272,101	327,313
Personnel and payroll charges	85,081	64,243	85,331	64,397
Taxes and contributions	81,630	98,694	88,008	103,094
Interest, rent and other operating expenses	120,613	38,607	123,152	41,522
Retained earnings (losses)	(41,269)	97,099	(41,269)	97,099
Non-controlling interests in retained earnings	-	-	16,879	21,201

The accompanying notes are an integral part of the individual and consolidated quarterly information (ITR).

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

1. Corporate Information

InterCement Brasil S.A. ("Company" or "InterCement Brasil Group") has its registered office at Avenida das Nações Unidas, 12,495, 13º andar, in the city of São Paulo, in the State of São Paulo, Brazil. The Company has as its ultimate parent InterCement Participações S.A., through Intercement Trading and Inversiones S.A.

The InterCement Brasil Group has 15 cement plants, 5 concrete plants and 2 aggregate units, all located in Brazil. In addition, the Company has equity interest in power plant generators in the self-producer modality.

1.1. Effects of the new Coronavirus pandemic (COVID-19) and the conflict between Russia and Ukraine on the financial statements

COVID-19

On March 10, 2020 and April 16, 2020, the Securities and Exchange Commission of Brazil issued Circular Letter 02/2020 and 03/2020 ("OFÍCIO CIRCULAR/CVM/SNC/SEP/02/2020 and 03/2020"), respectively, regarding the possible effects that the Coronavirus might have on the Companies' businesses and their impacts on the financial statements, which highlights the importance of publicly-traded companies and their independent auditors to carefully consider the impacts of Covid-19 on their businesses and the risks and uncertainties to which they are exposed. These guidelines were reinforced by CVM in Circular Letters 01/2021 and 01/2022, issued respectively on January 29, 2021 and February 1, 2022, which address relevant aspects to be considered in the preparation of the financial statements.

In this sense, the Company clarifies that, considering the current information and data regarding the potential impacts of the Covid-19 pandemic on its activities, it understands that, at this moment, there are no material effects that impact the quarterly information, its ability to continue as a going concern and/or the accounting estimates.

Nevertheless, Management continues to monitor diligently all information on the subject, and to assess the related potential impacts on the market in general, including - but not limited to - any need for revision of the projections and estimates, as well as the realization of the non-current assets (goodwill, property, plant and equipment and deferred tax assets) that are the basis for preparing the Company's financial statements.

Conflict between Russia and Ukraine

The Company is subject to risk factors that could be indirectly affected by the conflict between Russia and Ukraine, such as the increase in interest and inflation rates, and in freight and fuel costs, among others, with an effect on the costs of inputs and selling expenses.

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

Up to date, however, the effects of this conflict has not resulted in significant impacts on the Company's operations or on the fair value of its assets and liabilities. The Company's management has been monitoring the situation, and, to this time, it has not identified changes in its accounting estimates that could generate losses on its interim financial information.

2. Presentation of the consolidated quarterly information

2.1. Basis of presentation and preparation of the quarterly information

i) State of compliance

The individual and consolidated quarterly information has been prepared and is presented in accordance with the technical pronouncement CPC 21 (R1) - Interim Financial Reporting, and with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and also based on the provisions of the Brazilian corporate law, and presented consistently with the standards issued by the Securities and Exchange Commission of Brazil, applicable to the preparation of Quarterly Information (ITR).

This quarterly information has been prepared following the basis of preparation and accounting policies consistent with those described in the individual and consolidated annual financial statements for the year ended December 31, 2021, which remain valid.

Therefore, the quarterly information does not include all notes and disclosures required for annual individual and consolidated financial statements and, consequently, the respective information should be read in conjunction with the related annual individual and consolidated financial statements. Based on the judgment and assumptions used by Management regarding the significance and changes that should be disclosed in the notes to the financial information, this quarterly information includes selected notes and does not comprise all notes presented in the annual financial statements, as permitted by the Circular Letter 03/2011, issued by the Securities and Exchange Commission of Brazil (CVM).

ii) Basis of preparation

The individual and consolidated quarterly information has been prepared on a historical cost basis, except for certain financial instruments that have been measured at their fair values.

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

iii) Functional and presentation currency

The quarterly information is presented in thousands of Brazilian reais (R\$), which is the functional currency of the Company and its subsidiaries, and all amounts are rounded to the nearest thousand, unless otherwise indicated. In certain circumstances, this can lead to insignificant differences between the sum of the numbers and the subtotals shown in the tables.

Transactions in foreign currency, i.e., denominated in a currency other than the functional currency, are translated at the exchange rates prevailing at the date of each transaction. At the end of each year, monetary items in foreign currency are revalued at the prevailing rates.

Foreign exchange differences are recognized in profit or loss for the year when incurred, except for exchange differences arising from foreign currency borrowings and financing related to assets under construction for future productive use, which are included in the cost of these assets when considered as cost adjustments, with interest on said loans.

2.2. **Basis of consolidation**

i) Subsidiaries

The consolidated quarterly information comprises the financial information of the Company, its subsidiaries and joint operations.

In the Company's individual quarterly information, the financial information of the subsidiaries and joint operations is accounted for using the equity method. When necessary, adjustments are made to the financial information of subsidiaries to bring its accounting policies in line with the Company's accounting policies. All intra-group assets and liabilities relating to transactions between companies of the Group are eliminated in full on consolidation.

The interests in consortia and joint operations are recognized line by line in the Company's statements of financial position and profit or loss, in proportion to the interests in these companies.

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

Consolidation

The consolidated information includes the following subsidiaries and joint operations:

	03/31/2022		12/31/2021	
	Equity interest %		Equity interest %	
	Direct	Indirect	Direct	Indirect
<u>Direct</u>				
Barra Grande Participações S.A. (a)	80.07	-	80.07	-
Comican - Companhia de Mineração Candiota (b)	97.80	-	97.59	-
Eco Processa Tratamento de Resíduos Ltda.	100.00	-	100.00	-
Estreito Participações S.A. (c)	80.82	-	80.82	-
Machadinho Participações S.A. (d)	80.15	-	80.15	-
Neogera Investimentos em Inovação Ltda.	99.87	-	99.87	-
<u>Joint operations</u>				
BAESA - Energética Barra Grande S.A.	-	9.00	-	9.00
<u>Consortia</u>				
Consórcio Estreito Energia - CESTE	-	4.44	-	4.44
Consórcio Machadinho	-	5.28	-	5.28

- (a) At March 31, 2022 and December 31, 2021, the subsidiary Barra Grande Participações has 64,129,456 book-entry shares with no par value, of which 51,348,455 common book-entry shares with no par value and 12,781,001 preferred book-entry shares with no par value, fully subscribed and paid-up. The shareholders holding the preferred shares are entitled to priority dividends equivalent to 80% of the profit for each fiscal year, and have no voting rights.
- (b) On June 28, 2020 and October 14, 2020, the Company approved a capital increase in subsidiary Companhia de Mineração Candiota "Comican", comprising 17,850,000 shares and 15,000,000 shares, respectively, paid up through credits held against this subsidiary, in the amounts of R\$ 17,850 and R\$ 12,000 through cash contribution during 2020 and 2021, and the remainder R\$ 3,000 to be paid up by June 2022. With this capital increase, the subsidiary Comican now holds 33,850,000 shares of which 33,370,000 are common shares and 480,000 are preferred shares. In 2022, the Company made a capital contribution of R\$ 3,000, with an increase in equity interest of 0.21% since the capital contribution was made only by the partner InterCement Brasil S.A.
- (c) At March 31, 2022 and December 31, 2021, the subsidiary Estreito Participações holds 181,597,485 book-entry shares with no par value, of which 146,769,168 common book-entry shares with no par value and 34,828,317 preferred book-entry shares with no par value, fully subscribed and paid-up. The shareholders holding the preferred shares are entitled to priority dividends equivalent to 75% of the profit for each fiscal year, and have no voting rights.
- (d) At March 31, 2022 and December 31, 2021, the subsidiary Machadinho Participações holds 31,795,658 book-entry shares with no par value, of which 25,484,220 common book-entry shares with no par value and 6,311,438 preferred book-entry shares with no par value, fully subscribed and paid-up. The shareholders holding the preferred shares are entitled to priority dividends equivalent to 80% of the profit for each fiscal year, and have no voting rights.

3. Significant accounting judgments, estimates and assumptions

The preparation of quarterly information requires the use of certain critical accounting estimates and the exercise of judgment by the Company's Management in the process of applying the accounting policies. The estimates and associated assumptions are based on historical experience and other factors deemed relevant. Actual results may differ from those estimates.

Estimates and underlying assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

4. Financial instruments

The Company and its subsidiaries conduct transactions involving financial instruments, including derivatives, all of which recorded in statement of financial position accounts, which are intended to meet their operating and financial needs, not speculative. The transactions of the Company and its subsidiaries are subject to the risk factors described below:

Considerations on risks related to financial instruments

Credit risk

The financial instruments that expose the Company, its subsidiaries and joint ventures to concentration of credit risk consist mainly of financial investments and trade receivables. The Company and its subsidiaries maintain bank accounts and financial investments with financial institutions approved by Management, and only carry out sale transactions according to credit approval criteria for minimizing default risks. At March 31, 2022 and December 31, 2021, there was no relevant concentration of credit risk associated with customers.

Interest rate risk

Arises from the possibility of the Company and its subsidiaries incurring gains or losses due to fluctuations in interest rates applied to their financial assets and liabilities. To mitigate this risk, the Company and its subsidiaries try to diversify their fundraising in terms of fixed and floating rates. Interest rates on borrowings and financing, intercompany loans and debentures are mentioned in Notes 15, 21 and 16, respectively. The contracted interest rates on financial investments are mentioned in Note 5.

Liquidity risk

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

To mitigate the liquidity risks and optimize the weighted average cost of capital, the Company and its subsidiaries continuously monitor the levels of indebtedness according to market standards and compliance with indexes ("covenants") provided for in loan, borrowing and debenture contracts, in order to ensure that the operating cash generation and the previous funding, when necessary, are sufficient to meet their commitment schedule, not generating liquidity risk for the Company and its subsidiaries.

The maturities of financial instruments for loans, borrowings and debentures, trade payables and lease liabilities are as follows:

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	Up to 1 year	1-2 years	3-5 years	Over 5 years	Total
Loans, borrowings and debentures	436,209	901,782	883,298	2,040,445	4,261,734
Trade payables	582,593	-	-	-	582,593
Lease liabilities	91,028	27,815	14,067	6,342	139,252
	1,109,830	929,597	897,365	2,046,787	4,983,579

(a) Fair value hierarchy

The Company has financial instruments measured at fair value, given this scenario the fair value hierarchy rule is applied, see CPC 46/IFRS 9, for the classification into the three levels below:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: other techniques according to which all inputs with significant effects on the fair value are observable, either directly or indirectly.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Note	Parent		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
<u>Financial assets</u>					
Amortized cost:					
Trade receivables (level 2)	7	240,920	180,704	241,890	181,580
Related parties (level 2)	21	225,206	183,514	225,306	183,418
Fair value through profit or loss:					
Cash equivalents (level 2)	5	301,962	361,745	426,640	459,813
Marketable securities (level 2)	6	5,886	5,401	6,654	6,156
Derivative financial instruments (level 3)	4 (b)	4,975	7,272	4,975	7,272
<u>Financial liabilities</u>					
Amortized cost					
Debentures (level 2)	16	2,814,148	2,722,761	2,814,148	2,722,761
Borrowings and financing (level 2)	15	40,384	42,237	40,384	42,237
Trade payables (level 2)	14	594,398	596,475	582,593	585,102
Lease liabilities (level 2)	13 (b)	119,223	148,760	125,703	155,147

(b) Fair value of financial instruments

i) Calculation of fair value (levels 1 and 2)

The following estimated fair values were determined using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market information and estimate the fair value. Thus, the estimates presented

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herein are not necessarily indicative of the amounts that the Company could realize in the current market. The use of different market assumptions and/or methodologies may have a material effect on the estimated realizable values. The following methods and assumptions have been used to estimate the fair value for each class of financial instruments for which the estimate of values is practicable:

- (a) The amounts of cash and cash equivalents, marketable securities, trade receivables, other receivables, trade payables and other current liabilities approximate their fair value recorded in the financial statements.
- (b) The fair value of borrowings and financing, loans and other financial debts is estimated through discounted future cash flows using reference interest rates available for similar and remaining debts or terms.

The main carrying amounts and fair values of financial assets and liabilities at December 31, 2021, which are classified into Level 1 and Level 2 in the fair value hierarchy, are shown below:

	Note	Parent		Consolidated	
		Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial assets</u>					
Amortized cost:					
Trade receivables (level 2) - (a)	7	240,920	240,920	241,890	241,890
Related parties (level 2) - (a)	21	49,677	49,677	49,777	49,777
Related parties (level 2) - (b)	21	175,529	172,843	175,529	172,843
Fair value through profit or loss:					
Cash equivalents (level 2) - (a)	5	301,962	301,962	426,640	426,640
Marketable securities (level 2) - (a)	7	5,886	5,886	6,654	6,654
<u>Financial liabilities</u>					
Amortized cost					
Debentures (level 2) - (b)	16	2,814,148	2,854,058	2,814,148	2,854,058
Borrowings and financing (level 2) - (b)	15	40,384	36,090	40,384	36,090
Trade payables (level 2) - (a)	14	594,398	594,398	582,593	582,593
Lease liabilities (level 2) – (b)	13.2	119,223	127,146	125,703	134,055

ii) Calculation of fair value (level 3)

In accordance with CVM Rule 550, of October 17, 2008, the Companies must disclose, in a specific explanatory note, information about all their derivative financial instruments. The valuation technique for determining the fair value measurement of the financial statements categorized in Level 3 of the fair value hierarchy, which comprises the derivative options of the "BAESA", "Machadinho" and "Estreito" operations, was the Black-Scholes. Significant unobservable data for measurement include: expected dividend payments based on discounted cash flow projections; benchmarking information on the volatility of comparative listed entities, among others. We also used the Monte Carlo valuation technique to create a probability distribution (or risk assessment) in

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determining the exercise of put options, the assumption of which was also used in determining the fair value.

With respect to derivative transactions, the gain or loss recorded, considering the carrying amounts and fair values, is as follows:

Transaction	Parent and Consolidated							
	03/31/2022				12/31/2021			
	Fair value				Fair value			
	Notional value	Long position	Short position	Net effect	Notional value	Long position	Short position	Net effect
Put options (a)	-	4,975	-	(2,297)	-	7,272	-	(17,432)
Total	-	4,975	-	(2,297)	-	7,272	-	(17,432)

(a) Recognized in the statements of profit or loss as Finance income (expenses).

Capital risk management

The Company's objective when managing capital is to ensure a strong credit rating with institutions and an optimal capital structure, in order to support the Company's business and maximize shareholder value.

The capital structure of the Company and its subsidiaries consists of net debt and equity. Net debt comprises liabilities from borrowings, financing and debentures less assets from cash and cash equivalents, borrowings, financing, and current marketable securities and derivatives. Interest payable, suppliers financing (when existing) and lease liabilities are not included in the net debt.

Sensitivity analysis

The sensitivity analysis of financial instruments for the year ended March 31, 2022 describes the risks that may generate material variations in the Company's profit or loss, in order to present 10%, 25% and 50% appreciation/depreciation in the risk variable considered.

At March 31, 2022, the Company has the following financial instruments:

- (a) Financial investments, borrowings, financing and debentures indexed to the CDI;
- (b) Trade receivables and payables in foreign currency.

For the sensitivity analysis for the year ended March 31, 2022, the Company considered the projected CDI interest rate for the next 12 months for the sensitivity of financial investments, borrowings, financing and debentures at 12.47% (source: B3 S.A. - Brasil,

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Bolsa, Balcão) and the market quotations as of March 31, 2022 for the sensitivity of the balance in foreign currency. The scenarios considered were:

- Scenario I - Probable: appreciation/depreciation of 10% of the risk variables used for pricing.
- Scenario II - Possible: appreciation/depreciation of 25% of the risk variables used for pricing.
- Scenario III - Remote: appreciation/depreciation of 50% of risk variables used for pricing

Therefore, as at March 31, 2022, the sensitivities are as follows:

Transaction	Risk	Consolidated scenario					
		3	2	1	1	2	3
		50% increase	25% increase	10% increase	10% decrease	25% decrease	50% decrease

Exposure to foreign exchange risk

Assets:

Cash equivalents	Increase/decrease in US dollar	20,766	10,383	4,153	(4,153)	(10,383)	(20,766)
Trade receivables	Increase/decrease in US dollar	845	422	169	(169)	(422)	(845)
Receivables from related parties	Increase/decrease in US dollar	43	21	9	(9)	(21)	(43)

Liabilities:

Foreign suppliers	Increase/decrease in US dollar	(24,166)	(12,083)	(4,833)	4,833	12,083	24,166
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Exposure to variable indices

Financial investments:

CDI	Increase/decrease in CDI	71,541	59,617	52,463	(52,463)	(59,617)	(71,541)
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Loans:

CDI	Increase/decrease in CDI	32,833	27,361	24,077	(24,077)	(27,361)	(32,833)
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Borrowings, financing and debentures:

	Increase/decrease in CDI	(526,386)	(438,655)	(386,017)	386,017	438,655	526,386
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5. Cash and cash equivalents

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and banks	49,800	6,996	50,826	9,408
Financial investments	252,162	354,749	375,814	450,405
Total	301,962	361,745	426,640	459,813

Financial investments are comprised as follows:

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Bank Certificates of Deposit (CDBs) (a)	99,560	287,419	201,760	383,018
Repurchase agreements (b)	152,585	67,313	174,037	67,370
Others	17	17	17	17
Total	252,162	354,749	375,814	450,405

Financial investments classified as cash equivalents are short-term investments with high liquidity, maturing in up to 90 days from the original contract date, readily convertible into a known amount of cash and with insignificant risk.

(a) At March 31, 2022, Bank Certificates of Deposit - CDBs, have a yield between 99% and 106% of the CDI (99% to 107% at December 31, 2021).

(b) At March 31, 2022, repurchase agreements have a yield of 70% of the CDI (70% to 93% at December 31, 2021).

6. Marketable securities

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Debentures (a)	-	-	61	61
Guarantee deposits (b)	5,886	5,401	6,593	6,095
Total	5,886	5,401	6,654	6,156
Total classified in current	-	-	-	-
Total classified in non-current	5,886	5,401	6,654	6,156

(a) As at March 31, 2022 and December 31, 2021, the debentures have a yield of 4% p.a.

(b) The Company makes compulsory deposits as a guarantee, as a result of the partial postponement of the balance of ICMS (State VAT) to the State of Goiás. In consolidated, it also includes deposits guaranteeing the joint operation of BAESA and the subsidiary Estreito, with the purpose of establishing a reserve for obligations with the National Electric System Operator (ONS) and National Indian Foundation - FUNAI, respectively. At March 31, 2022, guarantee deposits have a yield of 95% of the CDI (95% at December 31, 2021).

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7. Trade receivables

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Domestic and foreign customers	240,920	180,704	241,890	181,580
Classified in non-current	1,862	2,076	1,862	2,076
Classified in current	239,058	178,628	240,028	179,504
Allowance for expected credit losses	(8,160)	(6,656)	(8,160)	(6,656)
Total net in current	230,898	171,972	231,868	172,848

(a) Maturity

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Current	228,193	167,157	229,163	168,033
Past due:				
01 to 30 days	3,579	5,582	3,579	5,582
31 to 60 days	293	946	293	946
61 to 90 days	253	688	253	688
91 to 180 days	2,568	1,248	2,568	1,248
More than 181 days	6,034	5,083	6,034	5,083
Total	240,920	180,704	241,890	181,580

(b) Movement in the allowance for expected credit losses

The Company recognizes an allowance for expected credit losses based on a credit risk analysis, which includes the loss history, average default percentage, the individual position of customers, the situation of their corporate group, debt collaterals and the assessment of legal counsel, and is considered sufficient by the Company's management to cover possible losses on amounts receivable.

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Opening balance	6,656	45,130	6,656	45,130
Recognitions/(reversals)	1,504	(842)	1,504	(842)
Amounts written off in the year as uncollectible	-	(33,055)	-	(33,055)
Closing balance	8,160	11,233	8,160	11,233

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8. Inventories

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Finished products	44,931	47,320	43,891	45,912
Work in progress	131,316	130,609	127,111	126,219
Raw materials	130,853	134,101	130,840	134,202
Fuels	97,338	126,458	97,555	126,458
Spare parts	89,993	87,954	90,009	87,970
Advances to suppliers	25,821	856	25,821	856
Packaging and others	8,055	7,978	8,055	7,978
Provision for realization (a)	(144,657)	(144,671)	(144,657)	(144,671)
Total	383,650	390,605	378,625	384,924
Current	351,291	361,616	346,266	355,935
Non-current (b)	32,359	28,989	32,359	28,989

(a) Movement in provision for inventory losses

	03/31/2022	03/31/2021
Opening balance	144,671	152,074
Recognitions/(reversals) (c)	909	1,354
Write-offs (d)	(923)	(10,096)
Closing balance	144,657	143,332

(a) At March 31, 2022 and December 31, 2021, the provisions for realization refer basically to inventories of raw material, maintenance parts (spare parts) and inventories of plants temporarily suspended.

(b) At March 31, 2022 and December 31, 2021, these refer to spare parts inventories that have an average consumption forecast for more than twelve months.

(c) At March 31, 2022 and 2021, the additions refer basically to low-turnover spare parts inventories.

(d) At March 31, 2022 and 2021, the write-offs refer to the accounting for the losses of discarded inventories, as well as the sale of maintenance parts to third parties that were accrued.

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9. Recoverable taxes

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Income tax and social contribution recoverable	10,984	10,917	11,065	11,152
State VAT- ICMS	24,404	25,118	24,404	25,118
Social Integration Program (PIS)/Contribution to Social Security Financing (COFINS) recoverable	119,009	117,733	119,158	117,988
Withholding Income Tax (IRRF) on financial investments	5,107	3,842	6,127	4,590
Federal VAT (IPI) (a)	33,550	23,481	33,551	23,482
Social Security Contribution on Severance Pay	12,797	12,605	12,800	12,609
Prepaid taxes and others	130	459	136	462
Total	205,981	194,155	207,241	195,401
Classified in current	77,223	68,706	78,483	69,952
Classified in non-current	128,758	125,449	128,758	125,449

- (a) At March 31, 2022, the Company recorded under Federal VAT (IPI) a credit of R\$ 9,665 (of which, R\$ 4,191 corresponded to the principal and R\$ 5,474 to monetary adjustment, recognized in its statement of profit or loss, respectively, under Other operating income and Finance income) as a result of the final and unappealable court decision regarding the non-inclusion of freight of CIF and insurance operations in the IPI calculation basis, referring to periods from 2004 to 2009.

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10. Investments

	Interests in share capital - %		Shares/units of interest held		Equity		Profit or loss for the period		Equity pick-up in investees		Balance of investments	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	03/31/2021	03/31/2022	03/31/2021	03/31/2022	12/31/2021
Subsidiaries:												
Barra Grande Participações S.A.	80.07	80.07	51,348,455	51,348,455	87,616	89,253	9,270	10,242	1,986	1,586	60,037	60,231
Companhia de Mineração												
Candiota (a)	97.80	97.59	29,636,946	29,636,946	14,650	14,181	(2,531)	(1,975)	(2,475)	(1,912)	14,327	13,838
Estreito Participações S.A.	80.82	80.82	146,769,168	146,769,168	210,687	225,333	108	7,159	75	1,378	163,198	166,812
Eco Processa Tratamento de												
Resíduos Ltda.	100.00	100.00	700,000	700,000	224	234	(9)	(7)	(9)	(7)	224	233
Machadinho Participações S.A.	80.15	80.15	25,484,220	25,484,220	56,844	45,168	11,675	10,081	2,546	1,406	34,169	31,623
Neogera Investimentos em												
Inovação Ltda.	99.87	99.87	779,000	779,000	627	636	(9)	(16)	(9)	(16)	627	636
Total									2,114	2,435	272,582	273,373

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(a) In 2020, the Company approved the capital increase in subsidiary Companhia de Mineração Candiota "Comican", as mentioned in Note 2.2 (i) letter "b".

(a) Movement

	Parent
At December 31, 2020	259,075
Capital increase (a)	2,000
Equity pickup in investees	2,435
Loss on changes in equity interest (b)	(24)
At March 31, 2021	263,486
At December 31, 2021	273,373
Capital increase (a)	3,000
Equity pickup in investees	2,114
Proposed dividends (c)	(5,870)
Other capital transactions (b)	(35)
At March 31, 2022	272,582

(a) The balance refers to a capital increase in its subsidiary Companhia de Mineração Candiota, through cash contribution.

(b) Loss on changes in equity interest related to the subsidiary Companhia de Mineração Candiota.

(c) The balance refers to proposed dividends from the subsidiaries Barra Grande and Estreito Participações.

11. Property, plant and equipment

	Parent							
	03/31/2022				12/31/2021			
	Cost	Depreciation	Adjustment to realizable value	Net value	Cost	Depreciation	Adjustment to realizable value	Net value
Land	62,179	-	-	62,179	70,612	-	-	70,612
Buildings	1,476,003	(865,815)	(65,276)	544,912	1,464,826	(855,457)	(65,276)	544,093
Machinery and equipment (a)	3,083,889	(2,321,058)	(90,292)	672,539	3,073,500	(2,281,049)	(90,292)	702,159
Vehicles (a)	36,696	(34,091)	-	2,605	40,499	(37,655)	-	2,844
Furniture and fixtures	18,690	(17,391)	(60)	1,239	18,562	(17,323)	(60)	1,179
Spare parts	33,138	(6,118)	(2,774)	24,246	39,641	(7,526)	(2,268)	29,847
Advances to suppliers (e)	80,429	-	(31,707)	48,722	80,429	-	(31,707)	48,722
PP&E in progress (b)	794,776	-	(469,319)	325,457	807,198	-	(465,675)	341,523
Others	17,899	(12,524)	-	5,375	19,332	(13,183)	-	6,149
Total	5,603,699	(3,256,997)	(659,428)	1,687,274	5,614,599	(3,212,193)	(655,278)	1,747,128

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	Consolidated							
	03/31/2022				12/31/2021			
	Cost	Depreciation	Adjustment to realizable value	Net value	Cost	Depreciation	Adjustment to realizable value	Net value
Land (d)	77,556	(5,674)	-	71,882	85,989	(5,560)	-	80,429
Buildings	1,490,539	(873,433)	(65,276)	551,830	1,479,362	(862,973)	(65,276)	551,113
Machinery and equipment (a)	3,213,119	(2,383,594)	(90,292)	739,233	3,202,729	(2,342,576)	(90,292)	769,861
Vehicles (a)	36,771	(34,162)	-	2,609	40,573	(37,725)	-	2,848
Furniture and fixtures	18,842	(17,517)	(60)	1,265	18,715	(17,448)	(60)	1,207
Reservoir, dams and water mains	280,818	(122,078)	-	158,740	280,818	(119,134)	-	161,684
Spare parts	33,138	(6,118)	(2,774)	24,246	39,641	(7,526)	(2,268)	29,847
Advances to suppliers (e)	80,429	-	(31,707)	48,722	80,429	-	(31,707)	48,722
PP&E in progress (b)	796,331	-	(469,319)	327,012	808,675	-	(465,675)	343,000
Others	17,924	(12,550)	-	5,374	19,358	(13,209)	-	6,149
Total	6,045,467	(3,455,126)	(659,428)	1,930,913	6,056,289	(3,406,151)	(655,278)	1,994,860

(a) Movement

	Parent						
	Movement in 2022						
	At 12/31/2021	Additions	Write-offs (g)	Depreciation	Transfers (f)	Adjustment to realizable value (c)	At 03/31/2022
Land	70,612	-	(9,899)	-	1,466	-	62,179
Buildings	544,093	439	(646)	(9,185)	10,211	-	544,912
Machinery and equipment	702,159	2,212	(363)	(40,776)	9,307	-	672,539
Vehicles	2,844	-	(133)	(106)	-	-	2,605
Furniture and fixtures	1,179	-	-	(93)	153	-	1,239
Spare parts	29,847	-	(1,548)	(450)	(3,097)	(506)	24,246
Advances to suppliers	48,722	-	-	-	-	-	48,722
PP&E in progress	341,523	24,183	-	-	(36,605)	(3,644)	325,457
Others	6,149	-	-	(774)	-	-	5,375
Total	1,747,128	26,834	(12,589)	(51,384)	(18,565)	(4,150)	1,687,274

	Parent						
	Movement in 2021						
	At 12/31/2020	Additions	Write-offs	Depreciation	Transfers (f)	Adjustment to realizable value (c)	At 03/31/2021
Land	122,736	-	-	-	-	-	122,736
Buildings	558,084	625	-	(9,999)	(2,478)	2,229	548,461
Machinery and equipment	679,296	2,220	-	(42,381)	28,538	5,891	673,564
Vehicles	6,461	-	-	(1,078)	786	-	6,169
Furniture and fixtures	1,101	42	-	(128)	191	15	1,221
Spare parts	33,598	2,136	-	(30)	(3,951)	86	31,839
Advances to suppliers	48,722	-	-	-	-	72	48,794
PP&E in progress	290,724	39,768	-	-	(29,570)	(2,360)	298,562
Others	6,560	-	-	(91)	(297)	6	6,178
Total	1,747,282	44,791	-	(53,707)	(6,781)	5,939	1,737,524

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

	Consolidated						At 03/31/2022
	Movement in 2022						
	At 12/31/2021	Additions	Write-offs (g)	Depreciation	Transfers (f)	Adjustment to realizable value (c)	
Land	80,429	-	(9,899)	(114)	1,466	-	71,882
Buildings	551,113	439	(646)	(9,374)	10,298	-	551,830
Machinery and equipment	769,861	2,213	(363)	(41,786)	9,308	-	739,233
Vehicles	2,848	-	(133)	(106)	-	-	2,609
Furniture and fixtures	1,207	-	-	(95)	153	-	1,265
Reservoir, dams and water mains	161,684	-	-	(2,944)	-	-	158,740
Spare parts	29,847	-	(1,548)	(360)	(3,187)	(506)	24,246
Advances to suppliers	48,722	-	-	-	-	-	48,722
PP&E in progress	343,000	24,261	-	-	(36,605)	(3,644)	327,012
Others	6,149	-	-	(775)	-	-	5,374
Total	1,994,860	26,913	(12,589)	(55,554)	(18,567)	(4,150)	1,930,913

	Consolidated						
	Movement in 2021						
	At 12/31/2020	Additions	Write-offs	Depreciation	Transfers (f)	Adjustment to realizable value (c)	At 03/31/2021
Land	133,039	-	-	(135)	-	-	132,904
Buildings	566,099	37	-	(10,127)	(2,478)	2,229	555,760
Machinery and equipment	751,289	2,220	(113)	(43,564)	28,664	5,891	744,387
Vehicles	6,467	2	-	(1,078)	785	-	6,176
Furniture and fixtures	1,174	-	-	(131)	192	15	1,250
Reservoir, dams and water mains	171,117	-	-	(2,535)	-	-	168,582
Spare parts	33,598	2,134	-	(29)	(3,950)	86	31,839
Advances to suppliers	48,722	-	-	-	-	70	48,792
PP&E in progress	291,985	40,474	-	-	(29,697)	(2,358)	300,404
Others	6,560	-	-	(90)	(297)	6	6,179
Total	2,010,050	44,867	(113)	(57,689)	(6,781)	5,939	1,996,273

- (a) In line items "Machinery and equipment" and "Vehicles", at March 31, 2022 and December 31, 2021, there are assets that were acquired for the concrete production units, under financing contracts (FINAME), which are guaranteed by the financed assets. The original financing corresponds to 90% of the total amount of the assets and, at March 31, 2022, as shown in Note 15, the balance payable (FINAME) is R\$ 2,361 (R\$ 2,816 at December 31, 2021).
- (b) The balances refer mainly to projects for expansion of units and improvements in the production process, some of these projects were temporarily suspended and adjusted to recoverable value, as mentioned in Note 11 - letter (c).
- (c) In parent, the balances of provisions at March 31, 2022 and December 31, 2021 refer mainly to projects and units temporarily suspended, due to the economic scenario and the moment of the cement market in Brazil. When the market recovers, they may resume these operations and investments, reassessing the provisions. The provisions mainly comprise PP&E in progress and advances to suppliers. The reversals incurred in the period refer mainly to the sale of these assets.
- (d) According to the Concession Contract, land linked to the Barra Grande and Estreito HPPs are depreciated on a straight-line basis over the concession term and will become part of the Federal Government's assets at the end of the concession.
- (e) These balances mainly refer to the expansion of the Caxitu and Cezarina plants.
- (f) This balance refers to the transfer of PP&E in progress to the classes of property, plant and equipment and/or intangible assets.
- (g) The write-offs for the period refer mainly to the sale of properties and equipment of the concrete plant of the Praia Grande unit, which occurred in March 2022 after the approval of the appropriate body.

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

12. Intangible assets

	Parent							
	03/31/2022				12/31/2021			
	Cost	Amortization and depletion	Adjustment to realizable value	Net value	Cost	Amortization and depletion	Adjustment to realizable value	Net value
Mining rights (a)	283,094	(191,362)	(17,921)	73,811	273,879	(187,878)	(17,921)	68,080
Software licenses	92,592	(73,400)	(117)	19,075	84,008	(72,199)	(117)	11,692
Project development costs	155,226	(151,673)	(153)	3,400	155,226	(150,797)	(153)	4,276
Intangible assets in progress	4,185	-	-	4,185	939	-	-	939
Trademarks and patents and others	31,685	(16,969)	(2,581)	12,135	29,740	(16,354)	(2,581)	10,805
	566,782	(433,404)	(20,772)	112,606	543,792	(427,228)	(20,772)	95,792

Goodwill:	Parent							
	03/31/2022				12/31/2021			
	Cost	Amortization and depletion	Adjustment to realizable value	Net value	Cost	Amortization and depletion	Adjustment to realizable value	Net value
CBC - Companhia Brasileira de Concreto (b)	102,633	-	-	102,633	102,633	-	-	102,633
RA Participações de Investimentos Ltda. (b)	14,882	-	-	14,882	14,882	-	-	14,882
Cia. Industrial e Mercantil de Cimentos S.A. (b)	75,801	-	-	75,801	75,801	-	-	75,801
Merger of Goiás (c)	16,361	-	-	16,361	16,361	-	-	16,361
Merger of Cimento Brumado (c)	59,983	-	-	59,983	59,983	-	-	59,983
Acquisition of concrete plants (c)	8,794	-	-	8,794	8,794	-	-	8,794
Others	22,858	-	-	22,858	22,858	-	-	22,858
	301,312	-	-	301,312	301,312	-	-	301,312
Total intangible assets Parent	868,094	(433,404)	(20,772)	413,918	845,104	(427,228)	(20,772)	397,104

	Consolidated							
	03/31/2022				12/31/2021			
	Cost	Amortization and depletion	Adjustment to realizable value	Net value	Cost	Amortization and depletion	Adjustment to realizable value	Net value
Mining rights (a)	332,845	(227,665)	(17,921)	87,259	323,630	(221,722)	(17,921)	83,987
Concession-related assets	72,628	(10,942)	-	61,686	72,628	(10,160)	-	62,468
Software licenses	92,714	(73,512)	(117)	19,085	84,129	(72,310)	(117)	11,702
Project development costs	172,503	(168,950)	(153)	3,400	172,503	(168,073)	(153)	4,277
Intangible assets in progress	5,491	-	-	5,491	939	-	-	939
Trademarks and patents and others	32,036	(17,203)	(2,581)	12,252	30,091	(16,586)	(2,581)	10,924
	708,217	(498,272)	(20,772)	189,173	683,920	(488,851)	(20,772)	174,297

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

	Consolidated							
	03/31/2022				12/31/2021			
	Cost	Amortization and depletion	Adjustment to realizable value	Net value	Cost	Amortization and depletion	Adjustment to realizable value	Net value
Goodwill:								
CBC - Companhia Brasileira de Concreto (b)	102,633	-	-	102,633	102,633	-	-	102,633
RA Participações de Investimentos Ltda. (b)	14,882	-	-	14,882	14,882	-	-	14,882
Cia. Industrial e Mercantil de Cimentos S.A. (b)	75,801	-	-	75,801	75,801	-	-	75,801
Merger of Goiás (c)	16,361	-	-	16,361	16,361	-	-	16,361
Merger of Cimento Brumado (c)	59,983	-	-	59,983	59,983	-	-	59,983
Acquisition of concrete plants (c)	8,794	-	-	8,794	8,794	-	-	8,794
Others	22,858	-	-	22,858	22,858	-	-	22,858
	301,312	-	-	301,312	301,312	-	-	301,312
Total intangible assets Consolidated	1,009,529	(498,272)	(20,772)	490,485	985,232	(488,851)	(20,772)	475,609

(a) Movement

	Parent					
	Movement in 2022					
	At 12/31/2021	Additions	Write-offs	Amortization and depletion	Transfers	Adjustment to realizable value
Goodwill	301,312	-	-	-	-	-
Software licenses	11,692	-	-	(1,307)	8,690	-
Mining rights	68,080	743	-	(3,483)	8,471	-
Project development costs	4,276	-	-	(876)	-	-
Intangible assets in progress	939	3,787	-	-	(541)	-
Trademarks and patents and others	10,805	-	-	(615)	1,945	-
	397,104	4,530	-	(6,281)	18,565	-

	Parent					
	Movement in 2021					
	At 12/31/2020	Additions	Write-offs	Amortization and depletion	Transfers	Adjustment to realizable value
Goodwill	301,312	-	-	-	-	-
Software licenses	8,609	-	-	(1,435)	2,988	2
Mining rights	83,515	821	-	(7,111)	2,896	468
Project development costs	12,571	-	-	(1,046)	-	8
Intangible assets in progress	443	27	-	-	-	-
Trademarks and patents and others	10,804	1	-	(371)	897	87
	417,254	849	-	(9,963)	6,781	565

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

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(In thousands of reais - R\$, unless otherwise stated)

	Consolidated						
	Movement in 2022						
	At 12/31/2021	Additions	Write-offs	Amortization and depletion	Transfers	Adjustment to realizable value	At 03/31/2022
Goodwill	301,312	-	-	-	-	-	301,312
Software licenses	11,702	-	-	(1,308)	8,691	-	19,085
Mining rights	83,987	743	-	(5,943)	8,472	-	87,259
Project development costs	4,277	-	-	(877)	-	-	3,400
Trademarks and patents and others	10,924	-	-	(617)	1,945	-	12,252
Intangible assets in progress	939	5,093	-	-	(541)	-	5,491
Concession-related assets	62,468	-	-	(782)	-	-	61,686
	475,609	5,836	-	(9,527)	18,567	-	490,485

	Consolidated						
	Movement in 2021						
	At 12/31/2020	Additions	Write-offs	Amortization and depletion	Transfers	Adjustment to realizable value	At 03/31/2021
Goodwill	301,312	-	-	-	-	-	301,312
Software licenses	8,568	-	-	(1,389)	2,988	2	10,169
Mining rights	98,105	2,446	-	(9,630)	2,896	468	94,285
Project development costs	12,573	-	-	(1,048)	-	8	11,533
Trademarks and patents and others	10,977	-	-	(416)	897	87	11,545
Intangible assets in progress	443	27	-	-	-	-	470
Concession-related assets	11,890	-	-	(185)	-	-	11,705
	443,868	2,473	-	(12,668)	6,781	565	441,019

- (a) These refer mainly to expenses with mining rights, licensing and expenses related to the preparation and development of mines. The useful life was disclosed in Note 3 (iii) to the financial statements at December 31, 2021.
- (b) These refer to goodwill paid on the acquisition of these entities, which have already been merged into the Company. Goodwill was amortized at the rate of 10% p.a. until December 31, 2008. As of January 1, 2009, goodwill is no longer amortized for accounting purposes and started to be assessed based on its expected realization, in accordance with Technical Pronouncement CPC 01 - Impairment of Assets.
- (c) These refer to the portion of goodwill arising on the merger of Cimpor Cimentos Brasil S.A. Goodwill was paid on the acquisition of these entities by Cimpor Cimentos do Brasil S.A. and these entities were merged into the Company. Goodwill was amortized at the rate of 10% p.a. until December 31, 2008. As of January 1, 2009, goodwill is no longer amortized for accounting purposes and started to be assessed based on its expected realization, in accordance with Technical Pronouncement CPC 01 - Impairment of Assets.

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

13. Leases

(a) Right-of-use Assets

Parent						
03/31/2022						
Category	At 12/31/2021	Additions and contract updates (a)	Write-offs (b)	Amortization	Provision for losses	At 03/31/2022
Properties	11,352	-	-	(642)	-	10,710
IT equipment	1,342	-	-	(209)	-	1,133
Machinery and equipment	111,336	378	(4,083)	(20,928)	-	86,703
Vehicles	7,170	-	-	(448)	-	6,722
Total	131,200	378	(4,083)	(22,227)	-	105,268

Parent						
03/31/2021						
Category	At 12/31/2020	Additions and contract updates (a)	Write-offs (b)	Amortization	Provision for losses (c)	At 03/31/2021
Properties	7,903	-	-	(445)	43	7,501
IT equipment	451	-	-	(150)	-	301
Machinery and equipment	207,255	10,676	(126)	(27,782)	243	190,266
Vehicles	9,054	-	-	(452)	-	8,602
Total	224,663	10,676	(126)	(28,829)	286	206,670

Consolidated						
03/31/2022						
Category	At 12/31/2021	Additions and contract updates (a)	Write-offs (b)	Amortization	Provision for losses	At 03/31/2022
Properties	11,372	-	-	(642)	-	10,730
IT equipment	1,342	-	-	(209)	-	1,133
Machinery and equipment	116,971	5,325	(4,083)	(25,472)	-	92,741
Vehicles	7,219	-	-	(448)	-	6,771
Total	136,904	5,325	(4,083)	(26,771)	-	111,375

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

Consolidated						
03/31/2021						
Category	At 12/31/2020	Additions and contract updates (a)	Write-offs (b)	Amortization	Provision for losses (c)	At 03/31/2021
Properties	7,923	-	-	(445)	43	7,521
IT equipment	451	-	-	(150)	-	301
Machinery and equipment	207,255	10,676	(126)	(27,782)	243	190,266
Vehicles	9,098	-	-	(459)	-	8,639
Total	224,727	10,676	(126)	(28,836)	286	206,727

(b) Breakdown - Lease liabilities

Parent						
03/31/2022						
Category	At 12/31/2021	Additions and contract updates (a)	Write-offs (b)	Payments	Interest	At 03/31/2022
Properties	14,373	-	-	(963)	349	13,759
IT equipment	1,355	-	-	(220)	16	1,151
Machinery and equipment	124,941	378	(4,083)	(24,336)	(249)	96,651
Vehicles	8,091	-	-	(598)	169	7,662
Total	148,760	378	(4,083)	(26,117)	285	119,223

Classified in current 77,479
Classified in non-current 41,744

Parent						
03/31/2021						
Category	At 12/31/2020	Additions and contract updates (a)	Write-offs (b)	Payments	Interest	At 03/31/2021
Properties	10,193	-	-	(592)	214	9,815
IT equipment	456	-	-	(158)	9	307
Machinery and equipment	222,206	10,676	(126)	(31,800)	4,051	205,007
Vehicles	9,804	-	-	(603)	199	9,400
Total	242,659	10,676	(126)	(33,153)	4,473	224,529

Classified in current 114,694
Classified in non-current 109,835

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Notes to the quarterly information--Continued

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Consolidated						
03/31/2022						
Category	At 12/31/2021	Additions and contract updates (a)	Write-offs (b)	Payments	Interest	At 03/31/2022
Properties	14,402	-	-	(963)	349	13,788
IT equipment	1,356	-	-	(220)	16	1,152
Machinery and equipment	131,238	5,325	(4,083)	(29,479)	40	103,041
Vehicles	8,151	-	-	(598)	169	7,722
Total	155,147	5,325	(4,083)	(31,260)	574	125,703

Classified in current 83,939
Classified in non-current 41,764

Consolidated						
03/31/2021						
Category	At 12/31/2020	Additions and contract updates (a)	Write-offs (b)	Payments	Interest	At 03/31/2021
Properties	10,222	-	-	(599)	214	9,837
IT equipment	457	-	-	(158)	9	308
Machinery and equipment	222,180	10,676	(126)	(31,800)	4,051	204,981
Vehicles	9,864	-	-	(603)	199	9,460
Total	242,723	10,676	(126)	(33,160)	4,473	224,586

Classified in current 114,719
Classified in non-current 109,867

- (a) These balances include additions of new contracts. The updates of indexes due to the lease liabilities are recorded in accordance with each contract, causing impacts of adjustment to present value of lease liabilities and right-of-use assets. Additionally, on the anniversary dates of the contracts, these balances include the remeasurement of assets and liabilities of the variable payments considered as in-substance fixed payments. These updates, when they occur, do not impact profit or loss, only the statement of financial position figures.
- (b) Contracts terminated in advance. The difference between the carrying amount allocated to the portion derecognized and the consideration paid generated a result of R\$ 2,548 recorded under Interest on lease liabilities.
- (c) These balances refer to provisions for lease asset contracts related to the storage and handling of raw material (raw slag). Considering that these assets do not generate future economic benefit and are accrued as mentioned in Note 8.a, the Company evaluated and recognized a provision for the right-of-use assets related to the lease of property and equipment.

(c) Maturity schedule of lease liabilities

At March 31, 2022, the maturity schedule of lease liabilities in the consolidated recognized in non-current liabilities is as follows:

Year	Gross flow	Embedded interest	Lease liabilities
2023	27,815	(2,687)	25,128
2024	6,838	(1,370)	5,468
2025	4,922	(913)	4,009
2026 onwards	8,669	(1,510)	7,159
Total	48,244	(6,480)	41,764

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Notes to the quarterly information--Continued

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(d) Potential right to PIS and COFINS recoverable

The Company has the potential right to PIS and COFINS recoverable embedded in the lease consideration. In the measurement of the cash flows of leases, the tax credits were not specified, with potential effects of PIS and COFINS on the gross contractual flow at March 31, 2022, of R\$ 12,256 in Parent and R\$ 12,884 in Consolidated (R\$ 15,224 in Parent and R\$ 15,880 in Consolidated at December 31, 2021).

(e) Information on liabilities without inflation accounted for, and estimate of inflated balances

In compliance with Circular Letter 02/2019 (Ofício Circular/CVM/SNC/SEP/02/2019), the Company has comparative balances of lease liabilities and embedded interest, considering the effect of projected future inflation on lease contracts (based on the expected average inflation of 6.06% p.a. or 0.49% p.m. using the IPCA and DI rates at March 31, 2022), discounted at the nominal rate.

	Consolidated		Parent	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Actual flow				
Lease liabilities	139,292	171,675	132,500	164,585
Embedded interest	(13,589)	(16,528)	(13,277)	(15,825)
	125,703	155,147	119,223	148,760

	Consolidated		Parent	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Inflated flow				
Lease liabilities	150,201	183,445	143,317	175,869
Embedded interest	(16,264)	(19,252)	(15,942)	(18,434)
	133,937	164,193	127,375	157,435

14. Trade payables

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Local	337,266	334,053	325,461	322,680
Domestic - Suppliers financing (a)	205,483	260,804	205,483	260,804
Foreign	51,649	1,618	51,649	1,618
	594,398	596,475	582,593	585,102

- (a) The interest rates charged by banks from suppliers range from 1.03% to 1.47% p.m. at March 31, 2022 (0.66% to 1.21% p.m. at December 31, 2021).

InterCement Brasil S.A. and Subsidiaries

Notes to the quarterly information--Continued

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15. Borrowings and financing

The balances shown refer to parent and consolidated.

Type/Financial institution	Charges	Maturity	03/31/2022	12/31/2021
Local currency:				
Banco do Brasil S.A. (a)	2.94% p.a.	December 2024	24,365	26,580
FINAME (b)	2.50% to 10% p.a.	November 2023	2,361	2,816
Itaú BBA - Fomentar (c)	Fixed installment	December 2022	13,659	12,841
Total			40,385	42,237
Classified in current - interest (presented as "Interest payable")			62	67
Classified in current - principal			23,821	23,457
Classified in non-current - principal			16,502	18,713

(a) Credit facility for plant expansion in the city of Cezarina, State of Goiás. This borrowing requires the Company to maintain the balance of trade receivables equivalent to at least 20% of the updated debt amount.

(b) Financing for the purchase of property, plant and equipment is guaranteed by the financed equipment, according to Note 11(a).

(c) On December 28, 2006, according to a credit assignment agreement entered into between the Company and Banco Itaú BBA S.A., the title to the credits related to the acquisition of the Fomentar tax incentive from Cimpor Brasil Participações Ltda. was transferred to Banco Itaú BBA S.A., for R\$ 18,000, the nominal and fixed rate debt corresponded to R\$ 57,772, with a discount of R\$ 39,772, which will be settled by the Company without monetary adjustment. The Company's debt was discounted to present value in accordance with technical pronouncement CPC 12 - Adjustment to Present Value, considering the opportunity rate of 15.34% p.a., to be settled in annual and successive installments until 2022.

(a) Movement

	Parent and Consolidated
At December 31, 2020	54,677
Payments	(3,416)
Interest	846
At March 31, 2021	52,107
At December 31, 2021	42,237
Payments	(2,870)
Interest	1,018
At March 31, 2022	40,385

(b) Maturity schedule

At March 31, 2022, the non-current installments (principal) have the following maturity schedule:

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March 31, 2022 and 2021

(In thousands of reais - R\$, unless otherwise stated)

Year	Parent and Consolidated
2023	9,793
2024	6,709
Total	16,502

16. Debentures

		Parent and Consolidated			
		Annual charges	Final maturity	03/31/2022	12/31/2021
Debentures (a)	100% of DI rate +3.75% p.a.		June 2027	2,814,148	2,722,761
Costs to be recognized			June 2027	(7,985)	(8,619)
Total				2,806,163	2,714,142
Classified in current - interest (presented as "Interest payable")				113,987	22,600
Classified in non-current - principal				2,700,161	2,700,161
Classified in non-current - costs to be recognized				(7,985)	(8,619)

(a) Covenants

The contracts require compliance with certain covenants in which the financial ratios are calculated based on the consolidated annual financial statements of InterCement Participações S.A., always on December 31 of each year, and the funding is guaranteed by a surety.

For debentures issued in 2020, the Company, together with the group's holding company InterCement Participações S.A., entered into an agreement with the debenture holders to comply with a gross debt limit of € 1,800,000 thousand. In the following years, the financial covenant changes from the gross debt limit to the net leverage, to be measured through the Net Debt/Adjusted EBITDA ratio, also according to the consolidated financial statements of the holding company. In 2022, the limit is 5.35X; increasing to 4.85X in 2023; 3.85X in 2024 and 3.35X from 2025 to 2027.

In addition, the debentures issued in 2021 have ICB financial covenants that will be measured according to the financial statements of the Company and with the covenants mentioned above.

The financial ratios are calculated based on the annual financial statements of InterCement Brasil S.A.. (ICB). The financial covenant is calculated based on the net leverage, to be measured through the Net Debt /Adjusted EBITDA ratio. In 2022, the limit is 3.00X; changing to 2.75X in 2023; 2.50X in 2024 and 2.00X from 2025 to 2027.

For the purpose of determining adjusted EBITDA, the Company uses the following metrics: profit for the year plus (i) finance income (expenses), (ii) income taxes and costs and expenses with

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depreciation and amortization (iii) plus or less loss and reversal due to impairment, plus or less non-recurring expenses.

At December 31, 2021, the Company was compliant with the covenants of the debentures.

(b) Movement

The movement of debentures in parent and consolidated is as follows:

	Parent and Consolidated
At December 31, 2020	1,706,177
Interest	23,586
At March 31, 2021	<u>1,729,763</u>
At December 31, 2021	2,714,142
Costs incurred	633
Interest	91,388
At March 31, 2022	<u>2,806,163</u>

(c) Maturity schedule

At March 31, 2022, long-term installments (principal) have the following maturity schedule:

Year	Parent and Consolidated
2023	479,999
2024	550,675
2025	667,794
2026	667,794
2027	333,899
Total	<u>2,700,161</u>

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17. Taxes and obligations payable

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
State VAT (ICMS)	34,751	30,156	35,293	30,413
PIS/COFINS	4,960	3,386	5,652	4,561
IRRF	1,663	3,605	1,664	3,613
IRPJ / CSLL	-	-	2,046	2,075
Service Tax (ISS)	1,251	1,430	1,361	1,525
Taxes in installments (a)	72,533	78,297	72,533	78,297
Legal obligation (b)	20,912	20,330	20,912	20,330
Others	5,354	7,814	5,712	8,097
	141,424	145,018	145,173	148,911
Classified in current	104,667	103,333	108,416	107,226
Classified in non-current	36,757	41,685	36,757	41,685

(a) Refer to ICMS (state VAT) entered into with several states, in up to 60 monthly installments ending in November 2025 in the amount of R\$ 54,115 at March 31, 2022 (R\$ 58,285 in December 2021). The Company has also entered into installment payment plans for federal taxes and contributions, namely IRPJ (income tax) CSLL (social contribution), PIS and COFINS (taxes on revenue), with the Federal Revenue of Brazil - RFB related to previous years, with final installment in November 2024, in the amount of R\$ 18,418 at March 31, 2022 (R\$ 20,012 at December 31, 2021).

(b) This balance refers mainly to the legal obligation of federal income taxes (IRPJ and CSLL) in which the Company has a Judicial Injunction 0012852-21.2010.403.6100, which assures the non-payment of IRPJ and CSLL on late payment interest, arising from the fulfillment of obligations assumed with third parties. Considering that the injunction is not a final decision, and therefore, it presents uncertainties about the tax treatment of these taxes (interpretation ICPC 22), the Company maintains this provisioned amount.

18. Provision for civil, labor, and tax contingencies

The Company and its subsidiaries are subject to tax, civil, labor, social security and other risks. On a periodic basis, Management reviews the known risks, assess the chances of probable losses and adjust the provisions, considering the opinion of its legal counsel and other data available at the end of each year. With regard to the uncertainties over income tax treatments (ICPC22/IFRIC23), provisions are established when it is more likely ("more likely than not") that the tax treatments will not be accepted by the tax authorities, and the other tax uncertainties over the profit are disclosed.

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The provision for risks is as follows:

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Labor and social security (a)	22,586	25,307	22,685	25,405
Tax (b)	5,226	5,004	5,232	5,010
Civil and others (c)	6,347	7,268	7,414	8,290
	34,159	37,579	35,331	38,705
Judicial deposits (d)	(9,422)	(10,863)	(9,422)	(10,863)
Total	24,737	26,716	25,909	27,842

(a) These balances refer to lawsuits involving mainly several indemnity claims, arising from the termination of employment contracts.

(b) Refer substantially to legal and administrative proceedings related to: (i) CFEM: Non-payment; (ii) IRPJ/CSLL: Non-compliance with ancillary obligation; (iii) IRPJ - Monetary adjustment; (iv) PIS/COFINS: Freight between industry and distributor.

(c) These balances refer to lawsuits involving several indemnity claims, arising from contract termination, traffic accidents, work accidents, access easement of cable car and environmental compensation.

(d) The Company and its subsidiaries have judicial deposits linked to the provision for civil, labor, and tax contingencies, as follows:

	Parent and Consolidated	
	03/31/2022	12/31/2021
Labor and social security	4,604	5,373
Tax	4,161	4,255
Civil and others	657	1,235
Total	9,422	10,863

Deposits not linked to the provision for risks

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Judicial deposits - labor and social security	13,229	12,898	13,231	12,900
Judicial deposits - tax	59,573	56,612	59,617	56,612
Judicial deposits - civil	165	177	179	191
Total	72,967	69,687	73,027	69,703

(a) **Lawsuits classified as possible likelihood of loss and supplementary disclosures related to uncertainties over income tax treatments**

At March 31, 2022, the Company and its subsidiaries have an exposure of R\$ 6,017,622 (R\$ 5,989,545 at December 31, 2021), of which R\$ 77,846 refer to labor contingencies (R\$ 75,163 at December 31, 2021), R\$ 4,867,148 to tax contingencies, including uncertain tax position in accordance with the assessment of ICPC 22/IFRIC 23 (R\$ 4,871,430 at December 31, 2021), R\$ 1,072,031 to civil contingencies (R\$ 1,042,374 at December 31, 2021) and R\$ 597 to

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administrative proceedings of other nature (R\$ 578 at December 31, 2021), according to the opinion of the legal counsel.

The main lawsuits classified as possible likelihood of loss are as follows:

Tax

These refer substantially to legal and administrative proceedings related to (i) PIS/COFINS - omission of revenue; (ii) PIS/COFINS - undue credit arising from freight charges on transfers of goods between industrial establishments and distributors; (iii) PIS/COFINS - non-approved offset as a result of insufficient credits; (iv) PIS/COFINS - alleged non-payment; (v) ICMS - use of credit; (vi) ICMS - rate differential; (vii) ICMS - electricity; (viii) ICMS - freight; (ix) ICMS - import; (x) ICMS - alleged non-payment; (xi) ICMS - tax substitution; (xii) IPTU - difference in the calculation basis; (xiii) IPTU - unenforceability; (xiv) ISS - withholding at source; (xv) ISS - reduction of the calculation basis; (xvi) ISS - non-payment; (xvii) CFEM - non-payment; (xviii) CFEM - difference in payment; and (xix) social security contribution - improper use of credit.

The tax contingencies for which the Company's legal counsel considers the risk of success to be more likely than the risk of loss ("more likely than not"), assessed based on ICPC22/IFRIC 23, are: (i) IRPJ/CSLL - disallowance of credits for allegedly undue deduction from the calculation basis, as goodwill amortization arising from the acquisition of other companies; (ii) IRPJ/CSLL - payment of taxes on profits earned abroad by subsidiaries and associates; (iii) IRPJ/CSLL - non-submission to taxation of income from interest on capital; (iv) IRPJ/CSLL - non-approved offset of credit arising from the determination of a lower negative tax balance; and (v) IRPJ/CSLL - undue deduction of expenses.

Civil

The main civil lawsuits refer to (i) remediation of damages as a result of breach of contract; and (ii) infraction against the economic order, as described below:

The Company and other companies from the industry were parties to administrative proceedings related to antitrust regulation in progress at the Administrative Council for Economic Defense ("CADE"). In July 2015, the CADE Court ruled on the administrative appeal filed by the Company in the process initiated by the antitrust authorities in 2007 (as well as for the other companies involved), maintaining the decision to condemn the formation of a cartel and the application of a monetary fine, in addition to other ancillary penalties. The fine imposed on the Company corresponds, on March 31, 2022, to R\$ 864,961 (considering InterCement and Cimpor), the Company is required to dispose of 20% of its installed capacity of the concrete assets in the relevant Brazilian markets in which it operates, among others ancillary penalties. With this decision becoming final at the CADE administrative level, the Company appealed in court, having obtained, on October 22, 2015, upon the presentation of real guarantees (two plants in Brazil), interlocutory relief required to suspend all penalties imposed by CADE until the merits of the case

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are judged. Against such decision, CADE filed an interlocutory appeal, whose request for interlocutory relief was dismissed. The lawsuit is in the evidentiary stage, with the presentation of the report by the appointed judicial expert, currently being challenged by the parties. Considering the opinion of its legal counsel that the likelihood of loss at the judicial level is classified as possible, no provision for this contingent liability was recognized at March 31, 2022 and December 31, 2021.

(b) Movement

	Parent				
	Labor and social security	Tax	Civil and others	Judicial deposits	Total
At December 31, 2020	36,519	26,029	13,489	(9,869)	66,168
Additions/(reversals)	4,265	35	(3,379)	(1,899)	(978)
Payment	(4,170)	-	(3,000)	3,988	(3,182)
At March 31, 2021	36,614	26,064	7,110	(7,780)	62,008
At December 31, 2021	25,307	5,004	7,268	(10,863)	26,716
Additions/(reversals)	875	841	496	(270)	1,942
Payment	(3,596)	(619)	(1,417)	1,711	(3,921)
At March 31, 2022	22,586	5,226	6,347	(9,422)	24,737

	Consolidated				
	Labor and social security	Tax	Civil and others	Judicial deposits	Total
At December 31, 2020	36,612	26,029	14,126	(9,869)	66,898
Additions/(reversals)	4,268	41	(3,328)	(1,899)	(918)
Payment	(4,171)	-	(3,000)	3,988	(3,183)
At March 31, 2021	36,709	26,070	7,798	(7,780)	62,797
At December 31, 2021	25,405	5,010	8,290	(10,863)	27,842
Additions/(reversals)	876	841	541	(270)	1,988
Payment	(3,596)	(619)	(1,417)	1,711	(3,921)
At March 31, 2022	22,685	5,232	7,414	(9,422)	25,909

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19. Provision for asset retirement obligations

At March 31, 2022, a provision is maintained for expenses related to asset retirement obligations of areas in the process of exploration for which the Company is responsible. The movement in the provision is as follows:

	Parent and Consolidated
At December 31, 2020	23,677
Recognition	1,045
Monetary adjustment	502
At March 31, 2021	25,224
At December 31, 2021	28,110
Recognition	744
Uses	(85)
Monetary adjustment	900
At March 31, 2022	29,669

20. Employee benefits

20.1. Private pension plan

The Company provides employees with a private pension plan, in the form of a defined contribution plan, the costs of which are predictable and subject to control and management, to which the Company and its employees contribute at the same parity up to the limit of 4% of the nominal salary. For contributions above the established limit, there is no contribution by the Company. During the quarter ended March 31, 2022, the Company contributed R\$ 322 (R\$ 254 at March 31, 2021).

20.2. Other employee benefits

Other benefits are also granted to employees, such as healthcare plan, meal allowance, group life insurance, work accident assistance, subsidized transportation, training and others. The amount related to these benefits at March 31, 2022 is R\$ 14,854 in parent and in consolidated (R\$ 11,691 at March 31, 2021).

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21. Related parties

Related party transactions refer to advances, intercompany loans, sales and purchases of products and services.

The balances at March 31, 2022 and December 31, 2021 are as follows:

03/31/2022					
Current assets		Non-current assets	Current liabilities		Non-current liabilities
Other receivables (related parties)	Dividends receivable	Other receivables (related parties)	Trade payables	Advances from customers and other obligations	Other payables
Entities under common control of the Group:					
Loma Negra (a)	-	4,478	-	-	-
Construções e Comércio Camargo Corrêa S.A. (a)	1,075	975	979	26	-
Camargo Corrêa Desenvolvimento Imobiliário S.A (f)	9,072	-	-	4	-
HM Engenharia e Construção S.A. (c)	-	26,708	-	-	-
InterCement Participações S.A. (a) and (g)	34,507	-	-	7,826	-
Others (h)	3,118	-	696	54	-
Concessionária de Rodovia Sul-Matogrossense S.A.	-	-	-	38	-
Subsidiaries:					
Barra Grande Participações S.A. (e)	-	2,182	6,106	-	-
Companhia de Mineração Candiota (d)	-	-	3,547	-	-
Estreito Participações S.A. (e)	-	3,688	3,096	-	4,090
Machadinho Participações S.A. (e)	-	-	5,047	-	798
Parent:					
Intercement Trading e Inversiones S.A. (b)	145,273	-	67	-	-
Total at March 31, 2022	193,045	5,870	32,161	19,538	7,948
					4,888

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	Parent				
	12/31/2021				
	Current assets	Non-current assets	Current liabilities		Non-current liabilities
	Other receivables (related parties)	Other receivables (related parties)	Trade payables	Advances from customers and other obligations	Other payables
Entities under common control of the Group:					
Loma Negra (a)	-	5,384	-	-	-
Construções e Comércio Camargo Corrêa S.A. (a)	1,000	1,300	979	26	-
Camargo Corrêa Desenvolvimento Imobiliário S.A (f)	9,072	-	-	4	-
HM Engenharia e Construção S.A. (c)	-	25,880	-	-	-
InterCement Participações S.A. (a)	771	-	-	3,102	-
Others	-	-	595	54	-
Concessionária de Rodovia Sul-Matogrossense S.A.	-	-	-	38	-
Subsidiaries:					
Barra Grande Participações S.A. (e)	5	-	6,100	-	-
Companhia de Mineração Candiota (d)	196	-	1,575	10	-
Estreito Participações S.A. (e)	5	-	7,662	-	4,090
Machadinho Participações S.A. (e)	5	-	4,585	-	798
Parent:					
Intercement Trading e Inversiones S.A. (b)	139,896	-	67	-	-
Total at December 31, 2021	150,950	32,564	21,563	3,234	4,888

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Entities under common control of the Group:

Loma Negra (a) - 4,478
 Construções e Comércio Camargo Corrêa S.A. (a) 1,075 975
 Camargo Corrêa Desenvolvimento Imobiliário S.A (f) 9,072 -
 HM Engenharia e Construção S.A. (c) - 26,708
 InterCement Participações S.A. (a) and (g) 34,507 -
 Others (h) 3,118 100
 Concessionária de Rodovia Sul-Matogrossense S.A. - -

Parent:

Intercement Trading e Inversiones S.A. (b) 145,273 - 67 -

Total at March 31, 2022

Consolidated			
03/31/2022			
Current assets	Non-current assets	Current liabilities	
Other receivables (related parties)	Other receivables (related parties)	Trade payables	Advances from customers and other obligations
-	4,478	-	0
1,075	975	979	26
9,072	-	-	4
-	26,708	-	-
34,507	-	-	7,826
3,118	100	696	54
-	-	-	38
145,273	-	67	-
193,045	32,261	1,742	7,948

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Consolidated				
12/31/2021				
Current assets	Non-current assets	Current liabilities		
Other receivables (related parties)	Other receivables (related parties)	Trade payables	Advances from customers and other obligations	
Entities under common control of the Group:				
Loma Negra (a)	-	5,384	-	-
Construções e Comércio Camargo Corrêa S.A. (a)	1,000	1,300	979	26
Camargo Corrêa Desenvolvimento Imobiliário S.A. (f)	9,072	-	-	4
HM Engenharia e Construção S.A. (c)	-	25,880	-	-
InterCement Participações S.A. (a)	771	-	-	3,102
Others	15	100	595	54
Concessionária de Rodovia Sul-Matogrossense S.A.	-	-	-	38
Parent:				
Intercement Trading e Inversiones S.A. (b)	139,896	-	67	-
Total at December 31, 2021	150,754	32,664	1,641	3,224

- (a) Receivables from sale of property, plant and equipment and provision of backoffice services. Refers mainly to the sale of a property to Construções e Comércio Camargo Corrêa S.A. with maturities through December 2023 and amounts of provision of services shared with Loma Negra (trade receivables) and Intercement Participações (other payables).
- (b) Intercompany loan in the amount of R\$ 1,000.000 signed on September 30, 2021, with interest of 100% of the DI rate, plus 3.85% per year. In December 2021, a substantial part of the intercompany loan was settled in the amount of R\$ 884,547 (principal and interest), remaining a residual balance at March 31, 2022 of R\$ 145,186 due on July 3, 2022.
- (c) Sale of property of InterCement Brasil to HM Engenharia e Construção S.A., with maturities up to 2024, adjusted monthly based on the IPCA.
- (d) Acquisition of raw material used in the cement manufacture (limestone) at the Candiota unit. The amount of the transaction is defined according to the conditions established in each purchase order (spot transaction).
- (e) Energy purchase and sale agreements with the subsidiaries Barra Grande Participações S.A., Estreito Participações S.A. and Machadinho Participações S.A., effective until March 2041, February 2043 and July 2032, respectively, with annual tariff update based on the IPCA.
- (f) Sale of property of InterCement Brasil to Camargo Corrêa Desenvolvimento Imobiliário S.A., which will be paid after the property's indenture is registered, with maturities in the second half of 2022 and without interest levied thereon.
- (g) Intercompany loan in the amount of R\$ 30,000 signed on March 15, 2022, with interest of 100% of the DI rate, plus 3.85% per year, with maturity on March 15, 2023.
- (h) The balance refers mainly to receivables from InterCement Atividades Imobiliárias S.A. for the transfer of administrative expenses of spun-off properties in September 2021.

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Breakdown - profit or loss

The transactions carried out in the periods ended March 31, 2022 and 2021 are as follows:

Parent				
03/31/2022				
	Selling expenses	Cost of sales and services	Selling and administrative income (expenses)	Income (expenses) from financial charges
Entities under common control of the Group:	-	-	-	-
Vexia Administradora Ltda.(a)	-	-	(249)	-
HM Engenharia e Construção S.A (g)	-	-	-	828
InterCement Participações S.A. (a) and (f)	-	-	(3,718)	342
Loma Negra	-	-	-	(906)
Others (h)	-	(84)	2,279	-
Subsidiary:				
Barra Grande Participações S.A. (c)	-	(17,727)	-	-
Companhia de Mineração Candiota (b)	-	(8,957)	662	-
Estreito Participações S.A. (c)	-	(4,980)	-	-
Machadinho Participações S.A. (c)	-	(14,657)	-	-
Parent:				
Intercement Trading e Inversiones S.A. (a) and (e)	-	-	276	4,904
Total at March 31, 2022	-	(46,405)	(750)	5,168

Parent				
03/31/2021				
	Selling expenses	Cost of sales and services	Selling and administrative income (expenses)	Income (expenses) from financial charges
Entities under common control of the Group:				
Construções e Comércio Camargo Corrêa S.A. (a)	4	-	(851)	-
InterCement Participações S.A. (a)	-	-	9,917	-
Mover Participações S.A. (a)	-	-	(45)	-
Others	-	-	(1,436)	-
Loma Negra	-	-	-	267
Subsidiary:				
Barra Grande Participações S.A. (c)	-	(19,022)	-	-
Companhia de Mineração Candiota (b)	-	(4,612)	-	-
Estreito Participações S.A. (c)	-	(13,105)	-	-
Machadinho Participações S.A. (c)	-	(13,266)	-	-
Parent:				
Intercement Trading e Inversiones S.A. (a) and (d)	-	(53,238)	-	(1,886)
Total at March 31, 2021	4	(103,243)	7,585	(1,619)

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Consolidated				
03/31/2022				
	Selling expenses	Cost of sales and services	Selling and administrative income (expenses)	Income (expenses) of financial charges
Entities under common control of the Group:				
Vexia Administradora Ltda (a)	-	-	(249)	-
HM Engenharia e Construção S.A. (g)	-	-	-	828
InterCement Participações S.A. (a) and (f)	-	-	(3,718)	342
Others (h)	-	(84)	2,279	-
Loma Negra	-	-	-	(906)
Parent:				
Intercement Trading e Inversiones S.A. (a) and (e)	-	-	276	4,904
Total at March 31, 2022	-	(84)	(1,412)	5,168

Consolidated				
03/31/2021				
	Selling expenses	Cost of sales and services	Selling and administrative income (expenses)	Income (expenses) of financial charges
Entities under common control of the Group:				
Construções e Comércio Camargo Corrêa S.A. (a)	4	-	(851)	-
Mover Participações S.A. (a)	-	-	(45)	-
InterCement Participações S.A. (a)	-	-	9,917	-
Others	-	-	(1,436)	-
Loma Negra	-	-	-	267
Parent:				
Intercement Trading e Inversiones S.A. (a) and (d)	-	(53,237)	-	(1,886)
Total at March 31, 2021	4	(53,237)	7,585	(1,619)

- (a) This balance refers essentially to the purchase of fuels and apportionment of certain expenses with the parent Intercement Trading e Inversiones S.A. and the contracting of backoffice services from Construções e Comércio Camargo Corrêa S.A., Vexia Administradora Ltda. Mover Participações S.A. and Intercement Participações.
- (b) Acquisition of raw material used in the cement manufacture (limestone) at the Candiota unit. The amount of the transaction is defined according to the conditions established in each purchase order (spot transaction).
- (c) Energy purchase and sale agreements with the subsidiaries Barra Grande Participações S.A., Estreito Participações S.A. and Machadinho Participações S.A., effective until March 2041, February 2043 and July 2032, respectively, with annual tariff update based on the IPCA.
- (d) Intercompany loan in the amount of € 10 million euros, equivalent to R\$ 67,877 million, subject to Euribor plus interest of 3.22% p.a., with principal and interest maturing on February 17, 2022. In February 2021, the Company settled in advance the intercompany loan.
- (e) Intercompany loan in the amount of R\$ 1,000.000 signed on September 30, 2021, with interest of 100% of the DI rate, plus 3.85% p.a.. In December 2021, a substantial part of the intercompany loan was settled in the amount of R\$ 884,547 (principal and interest), remaining a residual balance at March 31, 2022 of R\$ 145,186 due on July 3, 2022.
- (f) Intercompany loan in the amount of R\$ 30,000 signed on March 15, 2022, with interest of 100% of the DI rate, plus 3.85% per year, with maturity on March 15, 2023.

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- (g) Monetary adjustment referring to the sale of a property from InterCement Brasil to HM Engenharia e Construção S.A., with maturities until 2024.
- (h) The balance refers mainly to the transfer of administrative expenses of spun-off properties in September 2021 to InterCement Atividades Imobiliárias S.A.

Compensation of key management personnel

Parent

The amounts related to the compensation expense of the Board of Directors and Statutory Officers for the periods ended March 31, 2022 and 2021 are as follows:

Compensation of key management personnel

Parent and consolidated

	2022	2021
Short term:		
Payroll, fixed compensation and other benefits (a)	2,214	900
Long-term incentive (b)	3,163	-
Private pension plan	54	48
Total compensation (not including payroll charges)	5,491	948
Payroll charges	378	324
Total compensation (including payroll charges)	5,809	1,272

- (a) In 2022, the increase in the compensation of key management personnel refers to the compensation of the Board of Directors, which began in June 2021
- (b) A long-term incentive plan for the Company's Senior Management was approved. This plan has a grace period of 4 years and the benefit is determined mainly based on financial and operational performance indicators, and on the retention of Senior Management. At March 31, 2022, the amount of the plan and expenses incurred in the period are R\$ 3,163 (R\$ 0 in 2021).

22. Equity

(a) Capital

The capital at March 31, 2022 and December 31, 2021 is R\$ 592,274, comprising registered common shares with no par value. The shareholding structure is as follows:

Shareholders	Common shares	
	Common shares	%
Intercement Trading e Inversiones	411,597,545	100.00
	411,597,545	100.00

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(b) Transactions with shareholders

At March 31, 2022, a loss on the change in equity interest without change of control of subsidiary Companhia de Mineração Candiota was recorded, as mentioned in Note 10, in accordance with ICPC 09 (R2) and IFRS 10/CPC 36. This effect was recognized as transactions between shareholders and recorded directly in equity in the amount of R\$ 35.

(c) Transactions with non-controlling interests

Minimum mandatory dividends related to 2021 in the amount of R\$19,792 were proposed to non-controlling interests, these amounts were paid on April 26, 2022.

23. Income tax and social contribution

(a) Reconciliation of Income Tax ("IRPJ") and Social Contribution ("CSLL") expenses

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Profit (loss) before income tax and social contribution	(74,452)	95,463	(55,504)	117,682
Rates (15% for income tax plus a 10% surtax and 9% for social contribution)	34%	34%	34%	34%
(Expense) credit of income tax and social contribution at statutory rates	25,314	(32,457)	18,871	(40,012)
Adjustments for effective income tax and social contribution:				
Equity pickup in investees	719	828	2	-
Tax incentive (FAI/Prodesin/Desenvolve)	4,024	2,098	4,024	2,098
Permanent exclusions/(additions), net	3,126	(838)	3,287	(807)
Deferred income tax and social contribution – (unrecorded)/used	-	32,276	(860)	31,613
Rate difference (a)	-	-	5,790	7,997
Preliminary injunction - exclusion of late payment interest and monetary adjustment (b)	-	(271)	-	(271)
Income tax and social contribution expenses	33,183	1,636	31,114	618
Current	(174)	(271)	(2,361)	(1,789)
Deferred	33,357	1,907	33,475	2,407

(a) Refers to income tax and social contribution calculated under the presumed profit regime of subsidiaries Barra Grande, Machadinho and Estreito.

(b) Refers to judicial injunction No. 0012852- 21.2010.403.6100, which assures the Company the right not to pay IRPJ and CSLL on late payment interest, arising from the fulfillment of obligations assumed with third parties.

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Notes to the quarterly information--Continued

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(b) Deferred income tax and social contribution

Deferred income tax and social contribution were recognized on the balances of tax losses and temporary differences, up to the limit considered to be realizable.

Deferred income tax and social contribution are comprised as follows:

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets:				
Allowance for expected credit losses	2,941	2,530	2,941	2,530
Provision for profit sharing	14,173	10,799	14,173	10,799
Provision for realization (inventories)	48,692	48,727	48,692	48,727
Provision for civil, labor, and tax contingencies	11,614	12,777	11,614	12,777
Provision for asset retirement obligations	25,150	24,374	25,150	24,374
Adjustment to recoverable amount (PP&E, intangible assets and right of use)	233,624	231,977	233,624	231,977
Other temporary differences - assets	46,974	46,647	47,271	46,647
Tax losses	491,697	468,646	491,697	468,646
Total assets	874,865	846,477	875,162	846,477
Liabilities:				
Amortization of goodwill for expected future profitability	(107,458)	(107,458)	(107,458)	(107,458)
Measurement of the useful life of PP&E (a)	(80,217)	(84,248)	(80,217)	(84,248)
Adjustment to present value - debt Banco Itaú - Fomentar	(506)	(663)	(506)	(663)
Capitalization of interest	(7,833)	(7,833)	(7,833)	(7,833)
Other temporary differences - liabilities	(4,930)	(5,711)	(13,133)	(13,735)
Total liabilities	(200,944)	(205,913)	(209,147)	(213,937)
Total net classified in non-current assets	673,921	640,564	673,921	640,564
Total net classified in non-current liabilities	-	-	(7,906)	(8,024)

- (a) As mentioned in note 3 to the financial statements at December 31, 2021, the Company reviewed the estimated useful lives of property, plant and equipment and intangible assets, generating a divergence between the accounting and tax depreciation rates. For tax purposes, these rates will continue to follow the provisions of tax legislation.

24. Net revenue

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Sale of products	991,431	884,776	996,524	885,034
Services rendered	41,529	38,725	41,529	38,725
Taxes on sales (a)	(238,963)	(221,843)	(243,220)	(225,174)
Rebates/discounts	(10,538)	(4,539)	(10,539)	(4,539)
Total	783,459	697,119	784,294	694,046

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- (a) (a) In parent and consolidated, sales taxes comprise federal, state and municipal taxes, such as Federal VAT (IPI), State VAT (ICMS), Social Integration Program (PIS), Contribution to Social Security Financing (COFINS) and Service tax (ISS).

25. Information on the nature of costs and expenses

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Depreciation and amortization	(65,189)	(59,550)	(72,602)	(66,238)
Amortization of right-of-use assets	(22,227)	(28,834)	(26,771)	(28,836)
Salaries and employee benefits	(89,143)	(67,139)	(89,437)	(67,312)
Raw materials and consumables	(145,497)	(129,508)	(135,944)	(124,922)
Third party services	(48,200)	(26,690)	(54,058)	(29,797)
Freight expenses	(88,809)	(61,554)	(88,824)	(61,563)
Maintenance expenses	(48,123)	(33,266)	(48,261)	(33,333)
Fuel expenses	(172,172)	(106,991)	(173,374)	(107,644)
Electricity expenses (a)	(71,984)	(61,667)	(40,484)	(24,265)
Reversal (recognition) of provision for risks	(3,913)	2,475	(3,951)	2,418
Gain on sale of property, plant and equipment and intangible assets (a)	547	5,255	547	5,255
Loss on sale of property, plant and equipment	-	-	-	(108)
Adjustment to recoverable amount (c)	(4,150)	6,789	(4,150)	6,789
Provision for inventory losses (Note 8)	(909)	(1,354)	(909)	(1,354)
Recovery of taxes	5,898	3,047	5,898	3,047
Allowance for expected credit losses (Note 7)	(1,504)	842	(1,504)	842
Other expenses	(13,335)	(12,891)	(14,716)	(13,787)
Total	(768,710)	(571,036)	(748,540)	(540,808)
Cost of sales and services	(702,916)	(542,005)	(680,949)	(510,052)
Selling and administrative expenses	(70,952)	(49,594)	(72,696)	(51,157)
Other operating income (expenses)	5,158	20,563	5,105	20,401
Total	(768,710)	(571,036)	(748,540)	(540,808)

Information on the nature of expenses is as follows:

- (a) In parent, this balance includes the purchase of electricity from its subsidiaries, Barra Grande Participações, Estreito Participações and Machadinho Participações. In consolidated, it includes the electricity costs of InterCement Brasil (eliminating the electricity acquired from the subsidiaries mentioned above), the subsidiary Comican and the joint venture BAESA.
- (b) In 2022, this balance refers mainly to the gain on the sale of properties and equipment of the concrete plant of the Praia Grande unit, which occurred in March 2022 after the approval of the appropriate body. In 2021, this balance refers mainly to the gain on the sale of land, which were not being used in the operation of the business.
- (c) This balance refers to adjustment to recoverable amount of property, plant and equipment, intangible assets and lease liabilities, as mentioned in notes 11, 12 and 13.

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26. Finance income (expenses)

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Foreign exchange differences:				
Foreign exchange income (a)	3,612	2,203	3,612	310
Foreign exchange expense (a)	(9,414)	(4,347)	(9,414)	(2,454)
	(5,802)	(2,144)	(5,802)	(2,144)
Finance income:				
Monetary adjustment (b)	14,270	418	14,280	419
Finance income	4,105	1,399	6,613	1,828
Interest income (c)	5,818	902	5,990	902
Derivative financial instruments (d)	-	920	-	920
Taxes on revenue (PIS and COFINS)	(667)	(126)	(766)	(142)
Other income	405	342	405	342
Total	23,931	3,855	26,522	4,269
Finance expenses:				
Monetary adjustment	(8,755)	(3,077)	(10,921)	(5,934)
Interest on lease liabilities (Note 13)	(285)	(4,473)	(574)	(4,473)
Interest expense and charges (e)	(92,624)	(24,789)	(92,624)	(24,789)
Expense with fines	(1,180)	(479)	(1,212)	(500)
Bank expenses	(651)	(545)	(672)	(567)
Derivative financial instruments (d)	(2,297)	-	(2,297)	-
Performance bond	(1,140)	(1,314)	(1,140)	(1,314)
Tax on financial transactions (IOF)	(1,872)	(31)	(1,872)	(31)
Other expenses	(640)	(58)	(672)	(73)
Total	(109,444)	(34,766)	(111,984)	(37,681)

- (a) In 2022, this balance refers mainly to exchange rate fluctuations linked to the bank operation abroad (balance in current account. In 2021, this balance refers mainly to exchange rate fluctuations of foreign currency loan with its parent InterCement Trading e Inversões S.A.
- (b) In March 2022, the Company recognized income from monetary variation of R\$ 5,474 as a result of the final and unappealable court decision regarding the non-inclusion of freight on CIF and insurance operations in the IPI calculation basis, referring to periods from 2004 to 2009 (see details described in Note 9 (a)).
- (c) In 2022, this balance refers mainly to interest incurred on the loan with related parties in the amount of R\$ 5,246 (R\$ 0 in March 31, 2021);
- (d) Gains and losses recognized on derivative financial instruments mentioned in note 4.(b).
- (e) This balance refers mainly to interest on borrowings, financing and debentures, in the amount of R\$ 92,406 (R\$ 24,434 in 2021).

27. Commitments

a) Purchase agreements

The Company has contract for the purchase of electricity until 2024 and "Take or Pay" contracts for rail transportation services until 2023, logistics services for storage, transportation and handling until 2029, sale of clinker according to the minimum stipulated in the contract until 2022, acquisition of cement with the minimum stipulated in the contract until

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2022, acquisition of limestone with the minimum stipulated in the contract until 2023, acquisition of plaster with the minimum stipulated in the contract until 2023, and acquisition of fuel with the minimum stipulated in the contract until 2024, whose estimated total disbursements, in nominal values, are as follows:

	03/31/2022		
	Electricity	Take or pay	Total
2022	103,687	315,925	419,612
2023	138,249	200,464	338,713
2024	85,601	21,206	106,807
After 2024	-	32,466	32,466
Total	327,537	570,061	897,598

28. Earnings (loss) per share

As a result of the aforementioned reverse split in 2021, mentioned in note 29 to the financial statements at December 31, 2021, the earnings per share originally presented in the financial information at March 31, 2021, approved for issuance on May 15, 2021, were restated in the comparative information at March 31, 2022.

	Parent and Consolidated	
	03/31/2022	03/31/2021
Basic and diluted numerator-		(restated)
Allocation of profit (loss) for the year to shareholders	(41,269)	97,099
Basic and diluted denominator-		
Weighted average number of shares	411,597,545	411,597,545
Basic/diluted earnings (loss) per common share (in Reais)	(0.10)	0.24

29. Insurance

The Company and its subsidiaries maintain a policy of contracting insurance coverage on a global basis, for property, plant and equipment subject to fire, theft, property damages, civil works, engineering risks and loss of profits, according to the Management's assessment. The main insurance coverages are:

Type	2022
Civil liability	R\$ 95,559
Operational Responsibility - Property damages	R\$ 900,196
Operational Responsibility - Loss of profits	R\$ 47,434

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30. Endorsements and sureties

The Company is the guarantor for the following borrowings taken out by its parents and subsidiaries:

- To investors, on July 17, 2014, as a result of the issuance of Senior Notes 2024 by a company of the InterCement Group, InterCement Financial Operations BV, in the amount of US\$ 750 million, equivalent to R\$ 1,680,225, intended for prepayment of debts and general corporate uses. At March 31, 2022, the principal amount of the debt is US\$ 551 million, equivalent to R\$ 2,610,528.
- To Banco Bilbao Vizcaya Argentaria, S.A. BBVA, on October 31, 2018, as a result of the borrowing contract signed between the parent InterCement Trading e Inversiones S.A. and BBVA, whose object was the granting of credit in the amount of €22 million, equivalent to R\$ 99,671, intended for general corporate uses. At March 31, 2022, the principal amount of the debt is €16.5 million, equivalent to R\$ 86,726.
- To the Debenture Holders, on June 8, 2020, as a result of the 1st Issuance of Debentures by the parent InterCement Participações S.A., in the amount of R\$ 2,976,666 for prepayment of debts. At March 31, 2022, the principal amount of the debt is R\$ 1,976,666.
- To investors, on March 23, 2022, as a result of the 3rd Issuance of Promissory Notes by the parent InterCement Participações S.A., in the amount of R\$ 70,000 for the partial payment of the 2nd Issuance of Promissory Notes by InterCement Participações S.A. At March 31, 2022, the principal amount of the debt is R\$ 70,000.

31. Segment information

Operating segments are defined as components of a business for which financial information is available and are assessed by the Chief Operating Decision Maker in deciding how to allocate resources to an individual segment and in evaluating the segment's performance. Considering that all decisions are made based on consolidated reports and that all decisions related to strategic planning, finance, purchases, CAPEX and investment of resources are made on a consolidated basis, the Company concluded that it operates a single operating segment called Cement.

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32. Supplemental cash flows information

Non-cash investing and financing transactions

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Purchase of PP&E without cash effect (reclassification between PP&E and inventories)	-	796	-	796
Purchase of PP&E without cash effect	8,576	-	10,824	-
PP&E sales receivable in the future	10,000	5,255	10,000	5,255

33. Authorization for conclusion of the individual and consolidated quarterly information

On May 6, 2022, the Company's Management authorized the conclusion of this quarterly information, approving its disclosure.