



# *Financial Statements*

**Votorantim Cimentos International S.A.**  
Condensed consolidated interim financial statements and  
review report as of March 31, 2022

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## **Report on Review of Condensed Interim Financial Statements**

To the Management board of  
**Votorantim Cimentos International S.A.**

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We have reviewed the accompanying condensed interim consolidated financial statements of Votorantim Cimentos International S.A and its subsidiaries (together referred as the "Group"), which comprise the condensed consolidated interim balance sheet as at 31 March 2022, and the condensed consolidated interim statement of income, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information.

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### **Management board's responsibility for the condensed consolidated interim financial statements**

The Management Board is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

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### **Responsibility of the "Réviseur d'entreprises agréé"**

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.



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**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

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**Restriction on Distribution and Use**

This report, including the conclusion, has been prepared for and only for the Management Board in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 6 May 2022

Fabrice Goffin

**Votorantim Cimentos International S.A.**
**Condensed consolidated interim balance sheet**

All amounts in thousands of US Dollars, unless otherwise stated

Assets	Note	3/31/2022	12/31/2021	Liabilities and stockholders' equity	Note	3/31/2022	12/31/2021
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	10	377,704	505,593	Borrowing	19	40,725	37,471
Financial investments	11	12,719	17,102	Derivative financial instruments		116	116
Derivative financial instruments		596	496	Lease liabilities	18	34,124	33,276
Trade receivables	12	151,665	144,356	Confirming payables	20	239,250	219,647
Inventory	13	310,010	290,112	Trade payables		311,083	349,011
Taxes recoverable		76,767	75,796	Salaries and payroll charges		46,397	63,189
Royalties		1,411	1,449	Taxes payable		25,089	35,046
Other assets		33,552	30,168	Advances from customers		1,981	2,899
		964,424	1,065,072	Dividends payable	14	240	251
				Other liabilities		68,230	87,444
						767,235	828,350
<b>Assets classified as held for sale</b>			1	<b>Liabilities related to assets held for sale</b>			244
		964,424	1,065,073			767,235	828,594
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Taxes recoverable		2,486	3,976	Borrowing	19	1,469,632	1,442,705
Deferred tax assets	21	164,801	154,943	Lease liabilities	18	191,715	195,515
Securitization of receivables	12	60,569	37,741	Deferred tax liabilities	21	211,691	220,867
Royalties		6,501	5,847	Provision	22	67,477	67,749
Pension plan		38,395	38,206	Pension plan		72,101	71,531
Other assets		21,332	21,222	Securitization of receivables	12	14,944	16,820
		294,084	261,935	Other liabilities		25,159	27,228
						2,052,719	2,042,415
				<b>Total liabilities</b>		2,819,954	2,871,009
<b>Investments in associates and joint ventures</b>	15	232,363	216,190	<b>Shareholders' equity</b>	23		
Property, plant and equipment	16	1,940,993	1,966,355	Share capital		99,915	99,915
Intangible assets	17	1,497,698	1,500,000	Share premium		1,333,477	1,314,041
Right-of-use assets	18	217,567	226,372	Consolidated reserves		1,333,606	1,389,683
		3,888,621	3,908,917	Other comprehensive income		(837,061)	(842,277)
				<b>Total equity attributable to the Company owners</b>		1,929,937	1,961,362
				<b>Non-controlling interests</b>		397,238	403,554
				<b>Total shareholders' equity</b>		2,327,175	2,364,916
<b>Total assets</b>		5,147,129	5,235,925	<b>Total liabilities and shareholders' equity</b>		5,147,129	5,235,925

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

**Votorantim Cimentos International S.A.**
**Condensed consolidated interim statement of income**  
**For the three and three-month periods ended March 31**  
 All amounts in thousands of US Dollars, unless otherwise stated

	Note	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
<b>Continuing operations</b>			
Net revenue from goods sold and services rendered		439,952	339,428
Cost of goods sold and services rendered	24	(454,046)	(303,449)
<b>Gross profit (loss)</b>		<b>(14,094)</b>	<b>35,979</b>
<b>Operating income (expenses)</b>			
Selling expenses	24	(13,088)	(10,173)
General and administrative expenses	24	(27,314)	(22,146)
Other operating income, net	26	4,572	14,707
		<b>(35,830)</b>	<b>(17,612)</b>
<b>Operating profit (loss) before equity interest and financial results</b>		<b>(49,924)</b>	<b>18,367</b>
<b>Results of investees</b>			
Share of net profit of associates and joint ventures	15	8,439	6,618
<b>Financial income (expenses)</b>	27		
Financial income		13,456	6,319
Financial expenses		(40,145)	(26,301)
Exchange variations, net		(4,003)	(652)
		<b>(30,692)</b>	<b>(20,634)</b>
<b>Profit (loss) before income tax</b>		<b>(72,177)</b>	<b>4,351</b>
<b>Income tax</b>	21	<b>6,893</b>	<b>1,815</b>
<b>Profit (loss) for the quarter</b>		<b>(65,284)</b>	<b>6,166</b>
<b>Profit (loss) for the quarter</b>		<b>(65,284)</b>	<b>6,166</b>
Attributable to the			
Company owners		(56,077)	(1,765)
Non-controlling interests		(9,207)	7,931
<b>Profit (loss) for the quarter</b>		<b>(65,284)</b>	<b>6,166</b>

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



**Votorantim Cimentos International S.A.****Condensed consolidated interim statement of comprehensive income****For the three and three-month periods ended March 31**

All amounts in thousands of US Dollars, unless otherwise stated

	Note	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
<b>Profit (loss) for the quarter</b>		(65,284)	6,166
<b>Components of other comprehensive income (expenses) for subsequent reclassification to the statement of income</b>			
<b>Attributable to the owners of the Company</b>			
Currency translation of investments in foreign operations	23 (b)	(21,695)	(47,257)
Currency translation in hedge accounting for net investments in foreign operations	23 (b)	4,143	6,091
Share of other comprehensive income of associates and joint ventures	23 (b)	31	799
Inflation adjustment for hyperinflationary economies	15 (b)	24,084	17,251
Recycling of other components of comprehensive income		(52)	
Other components of comprehensive income		(1,295)	
<b>Attributable to non-controlling shareholders</b>			
Currency translation of investments in foreign operations		2,314	(3,961)
Currency translation in hedge accounting for net investments in foreign operations		848	
Other components of comprehensive income		(257)	(51)
		8,121	(27,128)
<b>Total comprehensive expenses for the quarter</b>		(57,163)	(20,962)
<b>Comprehensive expenses from</b>			
Continuing operations		(57,163)	(20,962)
		(57,163)	(20,962)
<b>Comprehensive income (expenses) attributable to</b>			
Company owners		(50,861)	(24,881)
Non-controlling interests		(6,302)	3,919
		(57,163)	(20,962)

In the condensed consolidated interim statement of other comprehensive income, the items are presented net of tax effects. The tax effects are presented in Note 23(b).

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

## Votorantim Cimentos International S.A.



### Condensed consolidated interim statement of changes in equity

For the three-month period ended March 31

All amounts in thousands of US Dollars, unless otherwise stated

	Attributable to the Company owners					Non-controlling interests	Total stockholder's equity
	Share capital	Share premium	Consolidated reserves	Other comprehensive income	Total		
<b>At January 1, 2021</b>	99,915	1,134,094	1,046,262	(853,069)	1,427,202	145,720	1,572,922
Comprehensive income (loss) for the quarter							
Profit (loss) for the quarter			(1,765)		(1,765)	7,931	6,166
Other comprehensive loss				(23,116)	(23,116)	(4,012)	(27,128)
			(1,765)	(23,116)	(24,881)	3,919	(20,962)
Contributions by and distributions to stockholders							
Transfer of the preference shares from VCSA to VCI		6,036	5,138		11,174	(6,036)	5,138
Allocation of profit for the quarter							
Dividends paid						(227)	(227)
		6,036	5,138		11,174	(6,263)	4,911
<b>At March 31, 2021</b>	99,915	1,140,130	1,049,635	(876,185)	1,413,495	143,376	1,556,871
<b>At January 1, 2022</b>	99,915	1,314,041	1,389,683	(842,277)	1,961,362	403,554	2,364,916
Comprehensive income (loss) for the quarter							
Loss for the quarter			(56,077)		(56,077)	(9,207)	(65,284)
Other comprehensive income				5,216	5,216	2,905	8,121
			(56,077)	5,216	(50,861)	(6,302)	(57,163)
Contributions by stockholders							
Capital increase (Note 3.2)		19,436			19,436		19,436
Allocation of profit for the quarter							
Dividends approved						(14)	(14)
		19,436			19,436	(14)	19,422
<b>At March 31, 2022</b>	99,915	1,333,477	1,333,606	(837,061)	1,929,937	397,238	2,327,175

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



**Votorantim Cimentos International S.A.**
**Condensed consolidated interim statement of cash flow**  
**For the three and three-month periods ended March 31**  
 All amounts in thousands of US dollars, unless otherwise stated

	Note	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
<b>Profit before income tax</b>		(72,177)	4,351
Adjustments of items that do not represent changes in cash and cash equivalents			
Depreciation, amortization and depletion	24	59,982	41,326
Share in the net profit of associates and joint ventures	15 (b)	(8,439)	(6,618)
Gain on the sale of PP&E and intangible assets	26	(3,270)	(13,290)
Allowance (reversal) for doubtful accounts, net	12(b)	371	(215)
Provision (reversal) for obsolete inventories, net	13 (b)	(963)	486
Reversals for legal claims and ARO, net of provisions	22(a)	(394)	(46)
Accrued interest	27	20,483	22,015
Premium on repurchase of bonds	27	6,553	
Other components of net financial results		(1,591)	(2,940)
Other		(536)	5,138
		19	50,207
<b>Cash flow from operating activities</b>			
<b>Decrease (increase) in assets</b>			
Trade and other receivables		(37,251)	(37,088)
Inventory		(18,542)	(15,089)
Taxes recoverable		519	429
Other assets		(4,515)	(15,406)
<b>Increase (decrease) in liabilities</b>			
Trade payables		(37,928)	(64,031)
Confirming payables		19,603	(8,087)
Salaries and social charges		(16,792)	(13,561)
Taxes payable		(13,638)	(6,275)
Other accounts payable and other liabilities		(14,338)	(10,111)
		(122,863)	(119,012)
Interest paid	19(c)	(16,789)	(15,215)
Premium paid on repurchase of bonds	27	(6,553)	
Income tax paid		(10,346)	(8,631)
<b>Net cash used in operating activities</b>		<b>(156,551)</b>	<b>(142,858)</b>
<b>Cash flow from investing activities</b>			
Financial investments		4,383	12,760
Proceeds from disposals of property, plant, equipment and intangible assets		7,854	15,158
Dividends received from associates and joint ventures		2,949	9,607
Acquisitions of property, plant, equipment and intangible assets	16 and 17	(28,720)	(21,914)
Interest received		1,920	6,158
<b>Net cash provided by (used in) investing activities</b>		<b>(11,614)</b>	<b>21,769</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowing	19(c)	57,127	50,596
Payments of borrowing	19(c)	(29,872)	(1,881)
Derivative financial instruments		171	1
Capital increase	3.2	19,436	
Dividends paid to non-controlling interests		(16)	(97)
Lease liability payments	18(b)	(6,570)	(5,650)
<b>Net cash provided by financing activities</b>		<b>40,276</b>	<b>42,969</b>
<b>Decrease in cash and cash equivalents</b>		<b>(127,889)</b>	<b>(78,120)</b>
<b>Effect of exchange rate changes</b>		<b>(2,855)</b>	<b>(6,425)</b>
Cash and cash equivalents at the beginning of the quarter		505,593	427,712
Cash and cash equivalents at the end of the quarter		377,704	349,592

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

**Votorantim Cimentos International S.A.****Notes to the condensed consolidated interim financial statements  
as of March 31, 2022**

All amounts in thousands of US dollars, unless otherwise stated

**1 General information**

Votorantim Cimentos International S.A. (the “Company” or “VCI”) was incorporated on April 9, 2018 and is organized under the laws of Luxembourg as a “Société anonyme” for an unlimited period (R.C.S. Luxembourg: B.224031). The registered office of the Company is established at 35 Avenue J F Kennedy, 1st floor, A2, L-1855 Luxembourg.

The Company, its subsidiaries and equity accounted investees (together referred as “VCI Group” or “Group”) are mainly engaged in the following activities: production and sale of a portfolio of heavy building materials, which includes cement, aggregates, mortar, and others, as well ready-mix concrete services, transportation, and holding investments in other companies. VCI Group operates in North America, South America (excluding Brazil), Europe, Asia and Africa.

The Company is directly and fully controlled by Votorantim Cimentos S.A. (“VCSA”), a privately held company headquartered in the city and State of São Paulo, Brazil, that is the holding company of Votorantim Cimentos Group, which is ultimately family owned.

**2 Approval of the condensed consolidated interim financial statements**

The issue of these condensed consolidated interim financial statements (hereinafter referred to as “interim financial statements”) was authorized by the Management Board on May 6, 2022.

**3 Main events occurred in the first quarter ended on March 31, 2022****3.1 Impacts of Russian invasion of Ukraine and sanctions**

The Company is closely monitoring the current situation in Ukraine and the sanctions being applied to Russia and Belarus, and its implications to the Group’s business as a whole. None of the Group’s subsidiaries conduct any business in Russia, Belarus, or Ukraine and therefore we do not supply to or receive revenues from the conflict-affected areas. However, there are impacts to global markets that indirectly affect our business. In particular, the global inflationary pressure due to the risk of potential supply chain disruptions and raw materials availability is a concern.

The main potential areas of impact identified and monitored by the Company are:

**(a) Supply chain disruptions**

Although none of our direct suppliers are located in Russia, Belarus, or Ukraine, the Group is closely monitoring its key multinational suppliers in order to identify possible disruptions to their supply chain that could impact our business. Up to now we have had manageable impacts in few suppliers that have third tier sources from Russia. For those cases we have been able to find alternative sources with limited impact on cost. Moreover, the Group, together with its legal advisors, is also monitoring the developments of Russian and Belarusian sanctions. As of the date of issuance of these interim financial statements, the United States, Canada, and Spain (through European Union) are the countries where the Group operates that have imposed sanctions to Russia and Belarus. None of those sanctions are directly related to our business, and we are monitoring that products provided by our suppliers do not contravene the current sanctions.

However, the pervasive economic impact of the conflict exposes the Group to global inflationary pressure. We are facing unforeseen price increases in energy and fuels, with direct impact on the Group’s purchases, but also with significant inflationary consequences on our supply base. The conflict is also boldening the already unprecedented global logistics bottleneck, causing delays in certain

**Votorantim Cimentos International S.A.**
**Notes to the condensed consolidated interim financial statements  
as of March 31, 2022**

All amounts in thousands of US dollars, unless otherwise stated

deliveries. Up to now all the delays have been well managed within the Group without any major impacts on our projects or operations, and we are managing inventory levels of imported materials with extra safety levels.

**(b) Financial restrictions**

Different Russian banks have been sanctioned and existing sanctions have been tightened. The prohibitions apply to all entities owned directly or indirectly by the sanctioned banks worldwide. Similar measures are imposed against some of the largest banks in Belarus.

The Group does not maintain any relationship with Russian, Ukrainian or Belarusian financial institutions. As of the date of issuance of these interim financial statements, the financial restrictions have not impacted the Group's business directly. No risks related to the Group's financial arrangements or covenants were identified, and we do not expect any restriction to impact the cash availability and the liquidity of the Group.

**(c) Impairment of financial and non-financial assets**

As mentioned above, the Group does not have any business operation in Russia, Belarus, or Ukraine, and therefore does not have any outstanding receivables from third parties located in the directly implicated countries. Nevertheless, the Group is closely monitoring its key multinational clients in order to identify possible disruptions to their business that could impair their ability to fulfill their agreements. No relevant risks were identified so far.

In the addition to the above, the implications in the worldwide economy creates a pressure in the businesses operating costs, and consequently in the net results and the short term profitability projections. The Group has not identified any impairment indicator to its cash-generating units (CGUs), and therefore the annual impairment assessment and conclusions disclosed in the annual consolidated financial statements for the year-ended in December 31, 2021 remains appropriate.

**3.2 Capital contributions to the Company**

During the three-month period ended on March 31, 2022, the Company received cash contributions from its sole shareholder VCSA amounting to USD 19,436. The full amount was accounted for as an increase in share premium account, with no shares being issued by the Company.

**3.3 Effects of the new coronavirus pandemic (COVID- 19)**

The global pandemic declared by the World Health Organization (WHO) related to the new Coronavirus (COVID-19), which has been affecting countries around the world, has had serious impacts to public health and the global economy. In accordance with its Risk Management Policy approved by the Board of Directors, and through its Corporate Crisis Committee, the Company implemented a plan to mitigate the impacts of the COVID-19 crisis on the health and safety of its employees, their relatives, associates and communities, and to minimize the potential impact on its operating businesses.

Although the impact of COVID-19 may have reduced, the Group continues to monitor the developments caused by this pandemic and new measures will be implemented to address any adverse developments. Moreover, the solid liquidity position of the Group provides a comfortable financial position to help mitigate unexpected impacts.

The analysis disclosed in the annual consolidated financial statements for the year ended December 31, 2021, remains appropriate, as well as the conclusion of no relevant impacts resulting from the COVID-19 crisis being identified during the first quarter of the year 2022.

**Votorantim Cimentos International S.A.**
**Notes to the condensed consolidated interim financial statements  
as of March 31, 2022**

All amounts in thousands of US dollars, unless otherwise stated

## 4 Supplementary information

### 4.1 Information by operating segment

The reportable segments for the three-month period ended in March 31, 2022 are:

	1/1/2022 to 3/31/2022				
	North America	Europe, Asia and Africa	Latin America	Holding and eliminations	Total
Net revenue from goods sold and services rendered	192,955	210,991	36,006		439,952
Cost of goods sold and services rendered	(239,162)	(185,005)	(29,879)		(454,046)
Gross profit (loss)	(46,207)	25,986	6,127		(14,094)
Operating expenses	(19,590)	(11,705)	(3,799)	(736)	(35,830)
Operating profit (loss) before equity interest and financial results	(65,797)	14,281	2,328	(736)	(49,924)
Results of investees					
Share of net profit of associates and joint ventures	(312)	2,845	5,906		8,439
Financial results, net					
Interest payable on borrowing and other	(10,730)	(939)	(1,576)	(10,017)	(23,262)
Financial results, net, except interest payable on borrowing and other	245	1,611	(2,444)	(6,842)	(7,430)
	(10,485)	672	(4,020)	(16,859)	(30,692)
Profit (loss) before income tax	(76,594)	17,798	4,214	(17,595)	(72,177)
Income tax	6,899	1,026	(1,032)		6,893
Profit (loss) for the quarter	(69,695)	18,824	3,182	(17,595)	(65,284)
Depreciation, amortization and depletion	43,055	13,117	3,807	3	59,982
Dividends received	793	68	1,834		2,695
Adjusted ebitda items	793	68	1,834		2,715
Adjusted EBITDA	(21,949)	27,486	7,969	(733)	12,773
PP&E and intangible assets additions	16,088	4,404	8,223	5	28,720
Total assets	2,856,158	1,140,852	559,426	590,693	5,147,129
Total liabilities	1,295,202	765,314	192,236	567,202	2,819,954
Net debts	755,116	(16,562)	78,633	528,106	1,345,293



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	1/1/2021 to 3/31/2021				
	North America	Europe, Asia and Africa	Latin America	Holding and eliminations	Total
Net revenue from goods sold and services rendered	148,975	148,773	41,680		339,428
Cost of goods sold and services rendered	(157,802)	(116,825)	(28,822)		(303,449)
<b>Gross profit (loss)</b>	<b>(8,827)</b>	<b>31,948</b>	<b>12,858</b>		<b>35,979</b>
<b>Operating expenses</b>	<b>(14,517)</b>	<b>1,326</b>	<b>(3,880)</b>	<b>(541)</b>	<b>(17,612)</b>
<b>Operating profit (loss) before equity interest and financial results</b>	<b>(23,344)</b>	<b>33,274</b>	<b>8,978</b>	<b>(541)</b>	<b>18,387</b>
<b>Results of investees</b>					
Share of net profit of associates and joint ventures	(680)	2,854	4,444		6,618
<b>Financial results, net</b>					
Interest payable on borrowing and other	(8,176)	(1,399)	(1,716)	(11,061)	(22,352)
Financial results, net, except interest payable on borrowing and other	3,174	(3,189)	1,700	33	1,718
	(5,002)	(4,588)	(16)	(11,028)	(20,634)
<b>Profit (loss) before income tax</b>	<b>(29,026)</b>	<b>31,540</b>	<b>13,406</b>	<b>(11,569)</b>	<b>4,351</b>
<b>Income tax</b>	<b>7,773</b>	<b>(5,727)</b>	<b>(231)</b>		<b>1,815</b>
<b>Profit (loss) for the quarter</b>	<b>(21,253)</b>	<b>25,813</b>	<b>13,175</b>	<b>(11,569)</b>	<b>6,166</b>
<b>Depreciation, amortization and depletion</b>	<b>25,504</b>	<b>12,086</b>	<b>3,732</b>	<b>4</b>	<b>41,326</b>
Dividends received	5,304		3,899		9,203
<b>Adjusted Ebitda Items</b>	<b>169</b>	<b>89</b>	<b>(231)</b>		<b>27</b>
	5,473	89	3,668		9,230
<b>Adjusted EBITDA</b>	<b>7,633</b>	<b>45,449</b>	<b>16,378</b>	<b>(537)</b>	<b>68,923</b>
<b>PP&amp;E and intangible assets additions</b>	<b>13,926</b>	<b>2,615</b>	<b>5,373</b>		<b>21,914</b>
<b>Total assets</b>	<b>1,795,846</b>	<b>841,661</b>	<b>519,193</b>	<b>676,415</b>	<b>3,833,115</b>
<b>Total liabilities</b>	<b>951,565</b>	<b>502,150</b>	<b>189,488</b>	<b>633,040</b>	<b>2,276,243</b>
<b>Net debts</b>	<b>579,980</b>	<b>78,877</b>	<b>74,314</b>	<b>521,375</b>	<b>1,254,546</b>



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The following table reconciles the adjusted EBITDA:

	1/1/2022 a 3/31/2022	1/1/2021 a 3/31/2021	4/1/2021 a 3/31/2022	1/1/2021 a 12/31/2021
Profit (loss) for the year	(65,284)	6,166	41,386	112,836
<b>Profit (loss) before income tax</b>	<b>(72,177)</b>	<b>4,351</b>	<b>111,582</b>	<b>188,110</b>
Depreciation, amortization and depletion - continuing operations	59,982	41,326	219,313	200,657
Financial result, net	30,692	20,634	182,448	172,390
<b>EBITDA</b>	<b>18,497</b>	<b>66,311</b>	<b>513,343</b>	<b>561,157</b>
Share of net profit of associates and joint ventures	(8,439)	(6,618)	(12,527)	(10,706)
Dividends received	2,695	9,203	24,979	31,487
<b>Adjusted EBITDA items</b>				
Reversal of impairment, net			(6,975)	(6,975)
COVID		318	789	1,107
Business combination	20		(53,285)	(53,305)
Dissolution of the investment			3,079	3,079
Unusual items		(291)	783	492
<b>Adjusted EBITDA</b>	<b>12,773</b>	<b>68,923</b>	<b>470,186</b>	<b>526,336</b>

## 4.2 Capital management

The financial leverage ratio, considering the basis of information of the accumulated profit in the past 12 months, is summarized as follows:

	Note	3/31/2022	12/31/2021
Borrowing	19(a)	1,510,357	1,480,176
Lease liabilities	18(a)	225,839	228,791
Cash and cash equivalents	10	(377,704)	(505,593)
Financial investments	11	(12,719)	(17,102)
Derivative financial instruments		(480)	(380)
<b>Net debt - (A)</b>		<b>1,345,293</b>	<b>1,185,892</b>
Adjusted EBITDA for the last 12 months - (B)	4.1	470,186	526,336
<b>Financial leverage ratio - (A/B)</b>		<b>2.86</b>	<b>2.25</b>

## 5 Changes in accounting policies and disclosures

### 5.1 New and amended accounting standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

### 5.2 New and amendments to accounting standards not yet adopted by the Group

The Company analyzed the amendments to the accounting standards issued by IASB and endorsed by the European Union which are applicable for periods commencing on or after March 1<sup>st</sup>, 2022 and did not identify material impacts to its operations and accounting policies.

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**6 Basis of preparation****6.1 Condensed consolidated interim financial statements**

These interim financial statements were prepared and are being presented in accordance with the international accounting standard IAS 34 – “Interim Financial Reporting”, issued by the International Accounting Standards Board (“IASB”) that is adopted by the European Union (“EU”). These interim financial statements disclose all the applicable significant information related to the interim financial statements and are unaudited.

The interim financial statements as of March 31, 2022, do not contain all the accompanying notes and disclosures required by the accounting standards applicable to the annual consolidated financial statements, since their purpose is to provide an update on significant activities, events and circumstances compared to the annual consolidated financial statements. Therefore, they should be read together with the consolidated financial statements for the year ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB that are adopted by the EU.

The interim financial statements have been prepared in a manner consistent with the accounting policies disclosed in the consolidated financial statements as of December 31, 2021. There are no changes to accounting policies compared to the year ended December 31, 2021.

**6.2 Companies included in the interim financial statements**

In the three-months period ended on March 31, 2022, the main changes in companies included in the interim financial statements, compared to the information disclosed in Note C2.1 (g) to the last annual consolidated financial statements, are disclosed below:

	Percentage of total and voting capital				
	3/31/2022	12/31/2021	Place of operation	Main activity	Functional currency
Votorantim Cimentos International S.A and subsidiaries					
St. Marys e subsidiaries					
McInnis Cement ULC. (I)		83.00	Canada	Cement	CAD
Votorantim Cement EAA Inversiones S.L and subsidiaries					
Votorantim Macau – Investment Company, Limited (II)		100.00	China	Holding	MOP

- (i) Amalgamation of the company McInnis Cement ULC by St. Marys Cement Inc (Canada) (“St. Marys”) in January 2022.
- (ii) Liquidation of the company Votorantim Macau - Investment Company, Limited in February 2022. It was a dormant company and its liquidation resulted only in the recycling of the corresponding currency translation adjustment to the statement of income for an amount of USD 52.

**7 Critical accounting estimates and judgments**

In the first three-months period of 2022 there have been no changes in estimates and assumptions entailing a significant risk, with a probability of causing material adjustments to the carrying amounts of assets and liabilities for the current fiscal year, compared to those detailed in Note C3 to the consolidated financial statements for the year ended December 31, 2021.

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## 8 Financial risk management

### 8.1 Seasonality of cement operations

The demand for cement, ready-mix concrete, aggregates, and other construction materials is seasonal, due to cyclical activity in the construction sector affected by climatic conditions. This has a direct impact in VCI Group's operating performance throughout the year.

The Group's principal markets are located in North America, Europe, Asia and Africa, therefore the operating sales usually suffer a decrease during the first quarter of the year and the month of December as well, reflecting the negative winter effects. The second and third quarters of the year show an increase in sales, reflecting the positive effects of summer season. This seasonality can be particularly visible in severe winter seasons, and its impacts are higher in the North American business.

### 8.2 Environmental risk management

The Company reviews periodically its environmental risk assessment and addresses the risks, either through risk mitigation actions or cost estimation actions to clear the risks identified. These risks are usually recorded as asset retirement obligations.

### 8.3 Market risk

#### 8.3.1 Foreign exchange risk

The balances of assets and liabilities indexed to foreign currency at the end of the reporting period are presented below:

	Note	3/31/2022	12/31/2021
<b>Assets denominated in foreign currency</b>			
Cash and cash equivalents		184,437	241,508
Financial investments		144	544
Derivative financial instruments		596	496
Trade receivables		94,007	97,876
		<u>279,184</u>	<u>340,423</u>
<b>Liabilities denominated in foreign currency</b>			
Borrowing (i)	19(d)	(406,879)	(364,056)
Derivative financial instruments		(116)	(116)
Lease liabilities		(14,320)	(15,924)
Confirming payables		(58,487)	(64,408)
Trade payables		(179,324)	(187,293)
		<u>(659,126)</u>	<u>(631,797)</u>
<b>Net exposure</b>		<u><b>(379,942)</b></u>	<u><b>(291,373)</b></u>

(i) Funding costs are not considered in these amounts.

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**8.3.2 Hedging of net investments in foreign operations**

The subsidiary SMCI designated its debt denominated in US Dollars as a hedging instrument for the investment in its subsidiary VCNA US, Inc..

								1/1/2022 to 3/31/2022
<b>Investor</b>					<b>Hedged item</b>	<b>Instrument</b>		
<b>Entity</b>	<b>Currency</b>	<b>Investment</b>	<b>Currency</b>	<b>Percentage designated</b>	<b>Net designated amount</b>	<b>Currency</b>	<b>Amount in USD</b>	<b>Gain recognized in other comprehensive income</b>
St. Marys	CAD	VCNA US, Inc.	USD	44.96%	500,000	USD	500,000	4,991

								1/1/2021 to 3/31/2021
<b>Investor</b>					<b>Hedged item</b>	<b>Instrument</b>		
<b>Entity</b>	<b>Currency</b>	<b>Investment</b>	<b>Currency</b>	<b>Percentage designated</b>	<b>Net designated amount</b>	<b>Currency</b>	<b>Amount in USD</b>	<b>Gain recognized in other comprehensive income</b>
St. Marys	CAD	VCNA US, Inc.	USD	44.41%	500,000	USD	500,000	6,091

There was no ineffectiveness in the hedge relationships during the three-months period ended on March 31, 2022; therefore, the Company and its subsidiary did not recognize any impacts in the interim statement of income.

The gain shown above is net of tax effects, which are presented in Note 23 (b).

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**8.4 Credit risk**

The following table reflects the credit quality of counterparties for transactions involving trade receivables:

	3/31/2022	12/31/2021
High risk	13,301	5,719
Medium risk	19,061	16,422
Low risk	81,567	80,726
AAA	19,594	20,230
	<b>133,522</b>	<b>123,097</b>

High risk	New customers without historical financial information.
Medium risk	Customers with a history of some delay in payments.
Low risk	Customers with solid commercial and payment history.
Customers AAA	Classification only for wholesale customers, based on individual credit analysis.

The balances above refer to trade receivables which are not overdue and not impaired.

The quality of the credit risk is defined according to internal statistical models of risk scoring, according to the risk standards accepted by the Company.

**8.5 Liquidity risk**

The amounts below represent the contractual undiscounted and future estimated cash flows, which include interest to be incurred and, accordingly, do not reconcile directly with the amounts presented in the balance sheet.

	Note	Less than one year	Between one and two years	Between two and five years	Between five and ten years	Over ten years	Total
<b>At March 31, 2022</b>							
Borrowing		102,125	94,434	1,064,104	216,654	857,793	2,335,110
Derivative financial instruments		116					116
Lease liabilities		38,448	27,724	48,066	117,728	5,611	237,577
Confirming payables	20	239,250					239,250
Trade payables		311,083					311,083
Dividends payable	14	240					240
		<b>691,262</b>	<b>122,158</b>	<b>1,112,170</b>	<b>334,382</b>	<b>863,404</b>	<b>3,123,376</b>
<b>At December 31, 2021</b>							
Borrowing		96,428	95,075	463,079	856,511	965,799	2,476,894
Lease liabilities		41,058	31,218	53,659	132,517	6,438	264,891
Confirming payables	20	219,647					219,647
Trade payables		349,011					349,011
Dividends payable	14	251					251
		<b>706,396</b>	<b>126,293</b>	<b>516,739</b>	<b>989,028</b>	<b>972,237</b>	<b>3,310,693</b>



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**9 Financial instruments by category**
**(a) Analysis**

				3/31/2022
	Note	Amortized cost	Fair value through profit and loss	Total
<b>Assets</b>				
Trade receivables	12(a)	151,665		151,665
Notes and capital related to SPE	12(d)	60,569		60,569
		212,234		212,234
Cash and cash equivalents	10		377,704	377,704
Financial investments	11		12,719	12,719
Derivative financial instruments			596	596
			391,019	391,019
<b>Liabilities</b>				
Borrowing	19(a)	1,510,357		1,510,357
Lease liabilities	18(b)	225,839		225,839
Confirming payables	20	239,250		239,250
Trade payables		311,083		311,083
Salaries and payroll charges		46,397		46,397
		2,332,926		2,332,926
Derivative financial instruments			116	116
			116	116
				12/31/2021
	Note	Amortized cost	Fair value through profit and loss	Total
<b>Assets</b>				
Trade receivables	12(a)	144,356		144,356
Notes and capital related to SPE	12(d)	37,741		37,741
		182,097		182,097
Cash and cash equivalents	10		505,593	505,593
Financial investments	11		17,102	17,102
Derivative financial instruments			496	496
			523,191	523,191
<b>Liabilities</b>				
Borrowing	19(a)	1,480,176		1,480,176
Lease liabilities	18(b)	228,791		228,791
Confirming payables	20	219,647		219,647
Trade payables		349,011		349,011
Salaries and payroll charges		63,189		63,189
		2,340,814		2,340,814
			116	116

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**(b) Fair value of financial instruments**

The fair value measured by levels of the main financial assets and liabilities are described below:

	Note	Fair value measured based on		3/31/2022
		Price quoted in an active market	Valuation technique supported by observable prices	
		Level 1	Level 2	Fair value
<b>Assets</b>				
Cash and cash equivalents	10	344,826	32,878	377,704
Financial investments	11		12,719	12,719
Derivative financial instruments			596	596
		344,826	46,193	391,019
<b>Liabilities</b>				
Borrowing	19(a)		1,614,638	1,614,638
Derivative financial instruments			116	116
			1,614,754	1,614,754

  

	Note	Fair value measured based on		12/31/2021
		Price quoted in an active market	Valuation technique supported by observable prices	
		Level 1	Level 2	Fair value
<b>Assets</b>				
Cash and cash equivalents	10	463,717	41,876	505,593
Financial investments	11		17,102	17,102
Derivative financial instruments			496	496
		463,717	59,474	523,191
<b>Liabilities</b>				
Borrowing	19(a)		1,710,649	1,710,649
Derivative financial instruments			116	116
			1,710,765	1,710,765

All the financial instruments not included in the table above are measured at amortized cost and the Company believes their carrying amount and their fair value are materially the same. The fair value of these financial instruments is determined by observable price (Level 2) in arms-length transactions or equivalent, in the case of intercompany transactions. There was no transfer between the levels during the periods.

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**10 Cash and cash equivalents**

	3/31/2022	12/31/2021
Cash and bank	344,826	463,717
Time deposits (i)	32,878	41,876
	<u>377,704</u>	<u>505,593</u>

- (i) Time deposits classified as cash and cash equivalents are highly liquid and used to maintain the Group's operating activities.

**11 Financial investments**

	3/31/2022	12/31/2021
Time deposits	12,719	17,102

**12 Trade receivables**
**(a) Analysis**

	Note	3/31/2022	12/31/2021
Trade accounts receivables		153,581	141,226
Related parties	14	7,906	12,735
Allowance for doubtful accounts		(9,822)	(9,605)
		<u>151,665</u>	<u>144,356</u>

The fair value of trade receivables approximates their carrying amount, due to their short-term nature.

**(b) Changes in the allowance for doubtful accounts**

	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Balance at the beginning of the quarter	(9,605)	(8,531)
Additions	(518)	(216)
Reversals	147	431
Receivables written off as uncollectible	6	
Exchange rate variations	148	234
Balance at the end of the quarter	<u>(9,822)</u>	<u>(8,082)</u>

The additions and reversals of allowance for doubtful accounts have been included in selling expenses in the interim statement of income. Subsequent recoveries of amounts previously written off are credited against the same line item. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

**(c) Aging of trade receivables**

The aging of the balances below does not consider the allowance for doubtful accounts.

	3/31/2022	12/31/2021
Current	142,573	136,975
Up to 3 months past due	9,623	9,577
From 3 to 6 months past due	1,994	926
Over 6 months past due	7,297	6,483
	<u>161,487</u>	<u>153,961</u>
Allowance for doubtful accounts	(9,822)	(9,605)
	<u>151,665</u>	<u>144,356</u>

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**(d) Securitization of receivable**

The amounts of trade accounts receivables involved in the securitization scheme are presented below:

	3/31/2022	12/31/2021
Notes continuing to be recognized	54,875	29,908
Capital contribution in the SPE	5,694	7,833
Notes and capital related to the SPE	60,569	37,741
Security guarantee	(11,094)	(14,029)
Junior note guarantee losses	(3,850)	(2,791)
Junior subordinated note	(14,944)	(16,820)
Net carrying amount of the continuing involvement	45,625	20,921

**13 Inventory**
**(a) Analysis**

	3/31/2022	12/31/2021
Finished products	21,701	38,527
Semi-finished products	103,695	81,158
Raw materials	47,321	55,898
Fuels	53,164	35,258
Auxiliary materials and consumables	109,622	107,411
Other	5,793	4,502
Provision for losses	(31,286)	(32,642)
	310,010	290,112

**(b) Changes in the provision for inventory losses**

	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Balance at the beginning of the quarter	(32,642)	(27,922)
Addition	(1,066)	(944)
Reversals and write off	2,029	458
Exchange rate variations	393	317
Balance at the end of the quarter	(31,286)	(28,091)



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**14 Related parties**
**(a) Analysis**

	Trade receivables		Trade payables and other liabilities		Dividends payable	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021
<b>Parent company</b>						
Votorantim Cimentos S.A.				30		
<b>Sister companies, associates or joint ventures</b>						
Canteira do Penedo, S.A.	4	4	24	57		
Cementos Avelaneda S.A.	508	508	35	47		
Cementos Granadilla	574	454	465	353		
CEISA Comercial Del Cemento, SL	194	83				
Cementos Especiales de las Islas, S.A.			37	26		
Compania Canaria de Materias Primas S.A.	1	1	232	197		
Hormig. Y Áridos La Barca, S.A.	29	21	167	125		
Midway Group LLC	78	541	100	566		
Votorantim Cimentos N/NE S.A.	6,480	11,087				
Other	38	38				
<b>Total controlling</b>	<b>7,906</b>	<b>12,735</b>	<b>1,060</b>	<b>1,801</b>		
<b>Total non-controlling</b>					<b>240</b>	<b>251</b>
<b>Current</b>	<b>7,906</b>	<b>12,735</b>	<b>1,060</b>	<b>1,801</b>	<b>240</b>	<b>251</b>
<b>Non-current</b>	<b>7,906</b>	<b>12,735</b>	<b>1,060</b>	<b>1,801</b>	<b>240</b>	<b>251</b>

	Sales		Purchases		Other income	
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
<b>Sister companies, associates or joint ventures</b>						
Canteira do Penedo, S.A.	3	3	21	42		
CEISA Comercial Del Cemento, SL	430					608
Cementos Especiales de las Islas, S.A.	1,030	1,025	56	49		1
Cementos Granadilla	1,247	1,133		8		
Compania Canaria de Materias Primas S.A.	1	1	107	130		
Hormig. Y Áridos La Barca, S.A.	16	9	133	37		7
Midway Group LLC	435	685				
Superior Materials Holdings, LLC (i)		4,426				
Votorantim Cimentos N/NE S.A.	14,055	10,534				
Other			2,761	2		
	<b>17,217</b>	<b>17,816</b>	<b>3,078</b>	<b>269</b>		<b>616</b>

(i) Superior Materials became a subsidiary in July 2021, therefore fully consolidated since that date.

**(b) Company and its subsidiaries debts guaranteed by related parties**

<b>Instrument</b>	<b>Guarantor and % of debt guaranteed</b>	<b>3/31/2022</b>	<b>12/31/2021</b>
Committed credit facility	VCSA (100%) / SMCI (100%)	104,097	45,803
Eurobonds - USD (Voto 41)	VSA (100%) / VCSA (100%)	565,997	581,807
Eurobonds - USD (Voto 27)	VCSA (100%) / SMCI (100%)	504,951	512,139
Bilateral loan - VCEAA	VCSA (100%) / VCEAA (100%)	205,933	210,387
		<b>1,380,979</b>	<b>1,350,136</b>

Funding costs are not considered in these amounts.

**(c) Debts issued by related parties guaranteed by the Company's subsidiaries**

<b>Instrument</b>	<b>Debtor</b>	<b>Guarantor</b>	<b>Percentage guaranteed by the Company</b>	<b>Amount guaranteed</b>	
				<b>3/31/2022</b>	<b>12/31/2021</b>
4131 - USD 50 MM	VCNNE	SMCI, VCSA	100%	50,122	50,109
4131 - USD 100 MM	VCSA	SMCI	100%	100,158	100,137
4131 - USD 50 MM	VCSA	SMCI	100%	50,025	50,025
				<b>200,305</b>	<b>200,271</b>



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The amounts above represent the total amount guaranteed by the Company and may differ from the carrying value of the debts in the debtors' interim financial statements due to market value adjustments and credit risks impacts.

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## 15 Investments in associates and joint ventures

### (a) Analysis

		Information as at March 31, 2022			Share of net profit of associates and joint ventures			Balance
	Country	Net equity	Net income (expenses) for the quarter	Percentage of voting and total capital (%)	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	3/31/2022	12/31/2021
Investments accounted for using the equity method								
Associates								
Cementos Especiales de las Islas S.A.	Spain	47,536	5,616	50.00	2,808	2,823	23,768	21,435
Cementos Avellaneda S.A. (I)	Argentina	272,073	15,190	49.00	5,905	4,444	133,316	121,202
Joint ventures								
Superior Materials Holdings, LLC	United States			50.00		(485)		
Hutton Transport Limited	Canada	9,680	168	25.00	42	82	2,420	3,158
Midway Group, LLC	United States	14,410	(786)	50.00	(393)	(290)	7,205	7,597
RMC Leasing LLC	United States	9,250	78	50.00	39	13	4,625	4,586
Other investments					38	31	9,869	10,089
					8,439	6,618	181,203	168,067
Goodwill								
Cementos Avellaneda S.A.	Argentina						48,778	45,785
Hutton Transport Limited	Canada						2,382	2,338
					8,439	6,618	232,363	216,190

- (ii) Dividends received from its associate Avellaneda had financial costs of onlending in the amount of USD 1,538, which were assumed by Votorantim Cimentos Latam, S.L.U ("VC LATAM"), holding entity of Avellaneda and wholly owned subsidiary of VCI. These were accounted for in the interim income statement, under "Share of net profit of associates and joint ventures". This financial cost is also considered in the reconciliation presented in Note 16 (b).
- (iii) Superior Materials became a subsidiary in July 2021, therefore the figures presented above include equity accounting for this entity until its acquisition date.

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**(b) Changes**

	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Balance at the beginning of the quarter	216,190	221,931
Share of net profit of associates and joint ventures	8,439	6,618
Currency translation of investments in foreign operations	(13,563)	(14,577)
Approved dividends	(4,325)	(12,229)
Inflation adjustment in investment - Avellaneda	17,372	15,068
Inflation adjustment in goodwill - Avellaneda	6,712	2,183
Issue costs with dividends Avellaneda	1,538	2,706
Other comprehensive results of the investees		1,551
Balance at the end of the quarter	232,363	223,251

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## 16 Property, plant and equipment

### (a) Analysis and changes

								1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	Land	Buildings	Machinery, equipment and facilities	Leasehold improvements	Vehicles	Furniture and fixtures	Construction in progress	Total	Total
Balance at the beginning of the quarter									
Cost	178,297	1,052,397	3,183,761	136,931	258,686	34,117	149,630	4,993,819	3,472,033
Accumulated depreciation		(560,489)	(2,183,506)	(91,119)	(163,381)	(28,969)		(3,027,464)	(2,171,417)
Net balance	178,297	491,908	1,000,255	45,812	95,305	5,148	149,630	1,966,355	1,300,616
Acquisitions	1	18	292			7	26,223	26,541	21,812
Disposals	(3,059)	(19)	(377)		(1)	(7)		(3,463)	(1,849)
Depreciation		(6,621)	(28,219)	(1,567)	(4,856)	(417)		(41,680)	(30,962)
Exchange variations	(785)	(1,979)	(1,030)	420	437	(90)	1,410	(1,617)	(20,311)
Transfer to the intangible							(5,143)	(5,143)	
Transfers	538	797	17,167	62	3,787	(190)	(22,161)		(2,626)
Balance at the end of the quarter	174,992	484,104	988,088	44,727	94,672	4,451	149,959	1,940,993	1,266,680
Cost	174,992	1,046,001	3,179,030	138,176	262,746	33,273	149,959	4,984,176	3,399,885
Accumulated depreciation		(561,897)	(2,190,942)	(93,449)	(168,073)	(28,822)		(3,043,183)	(2,133,205)
Balance at the end of the quarter	174,992	484,104	988,088	44,727	94,672	4,451	149,959	1,940,993	1,266,680
Average annual depreciation rates - %		3	6	10	15	13			

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**(b) Construction in progress**

	3/31/2022	12/31/2021
Sustaining (i)	77,798	76,563
Industrial modernization (ii)	52,459	50,681
Hardware and software	9,946	11,881
Environment and security	6,418	6,594
Expansion of cement production capacity (iii)	907	235
Other	2,430	3,677
	<b>149,959</b>	<b>149,630</b>

- (i) Investments in sustaining made for the acquisition or replacement of industrial machinery and equipment linked to the operation of factories and mines, with the purpose of guaranteeing the continuity of the plants with the application of the same or new technologies.
- (ii) Investments in industrial modernization, relate mainly for the generation of financial benefits through the use of new technologies or the optimization of equipment and processes leading to reductions in costs and/or the leveraging of revenue.
- (iii) Investments in Expansion are mainly related to the construction, growth or improvement of the Company's assets, aiming the increase of the installed capacity, launch of new products and enter new markets.



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## 17 Intangible assets

### (a) Analysis and changes

								1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	Rights over natural resources	Goodwill	Asset retirement obligation	Customer contracts and agreements	Software	Intangible in progress	Other	Total	Total
Balance at the beginning of the quarter									
Cost	645,983	933,544	84,780	124,400	44,944		45,844	1,879,495	1,611,333
Accumulated depreciation and depletion	(229,350)		(33,424)	(72,599)	(37,573)		(6,549)	(379,495)	(261,294)
Net balance	416,633	933,544	51,356	51,801	7,371		39,295	1,500,000	1,350,039
Acquisitions						2,155	24	2,179	102
Disposals	(1,094)		(27)					(1,121)	(19)
Amortization and depletion	(3,687)		(429)	(2,174)	(1,006)		(26)	(7,322)	(4,582)
Cash flow revaluation			(1,340)					(1,340)	
Exchange variations	7,266	(6,030)	(233)	(37)	(83)		(724)	169	(21,901)
Transfers from property, plant and equipment						5,143		5,143	
Transfers	(1,218)		2,143	(691)	4,842	(5,143)	67		2,626
Balance at the end of the quarter	417,900	927,514	51,470	48,899	11,124	2,155	38,636	1,497,698	1,326,265
Cost	648,846	927,514	85,476	123,645	49,601	2,155	45,672	1,882,909	1,590,606
Accumulated amortization and depletion	(230,946)		(34,006)	(74,746)	(38,477)		(7,036)	(385,211)	(264,341)
Balance at the end of the quarter	417,900	927,514	51,470	48,899	11,124	2,155	38,636	1,497,698	1,326,265
Average annual amortization and depletion rates - %	6		11	7	22		21		

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**(b) Goodwill arising on acquisitions**

	3/31/2022	12/31/2021
North America	582,215	581,250
Europe, Asia and Africa	342,786	349,985
Latin America	2,513	2,309
	<u>927,514</u>	<u>933,544</u>

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**18 Right-of-use assets and lease agreements**
**(a) Analysis and changes of right-of-use assets**

	1/1/2022 to 3/31/2022						1/1/2021 to 3/31/2021	
	Land and improvements	Machinery and equipment	Buildings	Vehicles	IT equipment	Barges	Total	Total
Balance at the beginning of the quarter								
Cost (i)	104,279	20,740	5,489	29,530	197	151,017	231,252	128,481
Accumulated depreciation and depletion	(12,027)	(17,062)	(2,171)	(25,910)	(53)	(47,647)	(104,869)	(45,758)
Net balance	92,252	13,678	3,318	13,620	144	103,370	226,382	82,723
Additions	208	2,447	112	123			2,890	11,238
Amortization	(1,292)	(2,610)	(212)	(1,780)	(9)	(5,106)	(10,980)	(5,782)
Exchange variations	(1,146)	707	(48)	1,174	(3)	(1,269)	(715)	(847)
Balance at the end of the quarter	89,022	14,212	3,179	13,167	132	96,865	217,567	87,665
Cost	101,133	20,887	5,525	26,782	193	122,344	206,894	128,765
Accumulated amortization	(11,111)	(16,665)	(2,346)	(22,815)	(61)	(35,479)	(89,327)	(51,100)
Balance at the end of the quarter	90,022	14,222	3,179	13,167	132	96,865	217,567	87,665
Average annual depreciation rates - %	10	23	14	25	54	9		

The opening balances as at December 31, 2021 have been reclassified as a result of the initial accounting process of the businesses acquired in 2021. However, these reclassifications between classes of assets does not change the total balance of cost or accumulated depreciation and depletion; therefore it does not impact the balance presented in the consolidated balance sheet.

**(b) Analysis and changes of lease agreements**

	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Balance at the beginning of the quarter	228,791	85,666
Additions	2,890	11,238
Payments	(6,570)	(5,650)
Present value adjustment	151	168
Exchange variations	577	(395)
Balance at the end of the quarter	225,839	91,027
Current	34,124	20,216
Non-current	191,715	70,811
	225,839	91,027

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## 19 Borrowing

### (a) Analysis and fair value

Type	Average annual cost	Current		Non-current		Total		Fair value	
		3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Eurobonds - USD	6.54% Fixed USD	22,844	20,689	1,040,612	1,065,433	1,063,456	1,086,122	1,201,276	1,328,461
	LIBOR + 0.96%/CDOR + 0.96%/								
	5.55% Fixed BOB/9.41% Fixed								
	UYU/14.65 Fixed TRY/								
	1.65% Fixed EUR/								
Syndicated loans / Bilateral agreements	EURIBOR + 1.62%	15,329	14,549	348,766	296,463	364,095	311,012	349,804	315,757
Local issuance in Bolivia	5.38% Fixed BOB	1,242	187	78,458	78,349	79,700	78,536	60,507	61,974
Other		1,310	2,046	1,796	2,480	3,106	4,506	3,051	4,457
		40,725	37,471	1,469,632	1,442,705	1,510,357	1,480,176	1,614,638	1,710,649
Accrued interest		27,373	24,407						
Current portion of long-term borrowing (principal)		12,125	10,860						
Short-term borrowing (principal)		1,227	2,204						
		40,725	37,471						

LIBOR – London Interbank Offered Rate  
 CDOR – Canadian Dollar Offered Rate  
 BOB – Bolivianos  
 EUR – Euro  
 TRY – Turkish Lira  
 UYU – Uruguayan pesos  
 USD – United States Dollar.  
 EURIBOR – Euro InterBank Offered Rate.

The fair value of non-current borrowings is based on discounted cash flows using a current market borrowing rate.

### (b) Maturity profile

	2022	2023	2024	2025	2026	2027	2028	2029	2030 onwards	Total
Eurobonds - USD	24,220					500,000			546,729	1,070,949
Syndicated loans/Bilateral agreements	13,295	13,059	115,596	10,446	133,767	82,403	277			368,843
Local issuance in Bolivia	1,242	2,544	6,784	10,707	12,300	21,524	12,300	12,300		79,701
Other	981	1,152	464	509						3,106
	39,738	16,755	122,844	21,662	146,067	603,927	12,577	12,300	546,729	1,522,599
% amortized per year	2.61%	1.10%	8.07%	1.42%	9.59%	39.66%	0.83%	0.81%	35.91%	100.00%

The balances presented in this note do not reconcile with the ones in the Note 19 (a) since it excludes the upfront fees.

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**(c) Changes**

	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Balance at the beginning of the quarter	1,480,176	1,479,598
New borrowing	57,127	50,596
Accrued interest (Note 27)	20,483	22,015
Amortization of borrowing fees, net of additions	607	350
Interest paid	(16,789)	(15,215)
Payments	(29,872)	(1,881)
Exchange variation	(1,375)	(9,825)
Balance at the end of the quarter	1,510,357	1,525,638

The main movements occurred in borrowings during the three-months period ended on March 31, 2022, are described below:

- i) The Company repurchased and cancelled a total amount of USD 25,173 of principal related to its Eurobonds due in 2041.
- ii) During the period the Group executed additional withdrawals from the available committed credit facility, in the amount of USD 57,534, increasing the outstanding balance due as at March 31, 2022 to USD 103,934. A total of USD 186,066 remains available to Group under this facility, that matures in August 2024.

**(d) Analysis by currency**

	Current		Non-current		Total	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021
US Dollar	22,866	20,688	1,080,612	1,095,432	1,103,478	1,116,120
Euro	516	473	200,676	204,797	201,192	205,270
Boliviano	7,314	6,288	106,189	107,510	113,503	113,798
Uruguayan peso	7,143	7,188	15,719	14,442	22,862	21,628
Canadian dollar	1,452	1,285	65,730	19,007	67,182	20,294
Turkish Lira	1,434	1,549	706	1,517	2,140	3,066
	40,725	37,471	1,469,632	1,442,705	1,510,357	1,480,176

**(e) Guarantees**

As of March 31, 2022, USD 1,380,979 (December 31, 2021 – USD 1,350,136) of the borrowings balance of the Company and its subsidiaries was guaranteed by sureties from related parties, as shown in Note 14 (b), while USD 51,100 (December 31, 2021 – USD 49,682) was collateralized by liens on property, plant and equipment items and mortgage, and there are no bank guarantees.

**(f) Credit line**

Credit line	Company	Date of start	Maturity	Credit limit	Withdrawn amount	Remainder amount
Global Revolving Credit Facility	VCSA/ VCI/ VCEAA St. Marys	Set/21	Set/26	250,000		250,000
Committed Credit Facility	VCI/ VCEAA/ St. Marys	Aug/19	Aug/24	290,000	(103,146)	186,854
				540,000	(103,146)	436,854

The withdrawn amount considers the exchange rate as at the withdrawal dates for the amounts in Canadian dollar.



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## 20 Confirming payables

Deadline	3/31/2022	12/31/2021
Up to 180 days	153,786	115,382
Up to 360 days	85,464	104,265
	239,250	219,647

## 21 Current and deferred income taxes

### (a) Reconciliation of income taxes expenses

The income tax amounts presented in the interim statement of income for the periods ended March 31, 2022 are reconciled as follows:

	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Profit (loss) before taxes	(72,177)	4,351
Standard rate	24.94%	24.94%
Income tax at standard rates	18,001	(1,085)
Adjustments for the calculation of income tax at effective rate		
Goodwill temporary difference without creation of deferred tax	492	1,172
Share of net profit of associates and joint ventures	2,105	1,651
Tax incentives	298	2,071
Exempt gain on land sale		1,447
Rate differences of foreign companies	(6,513)	300
Tax losses without creation of deferred tax assets	(11,753)	(5,856)
Other non-taxable incomes	7,995	2,585
Other non-deductible expenses	(3,732)	(470)
Income tax	6,893	1,815
Current	(14,027)	(4,657)
Deferred	20,920	6,472
Income tax in the income statement	6,893	1,815

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**(b) Analysis of deferred tax balances**

	3/31/2022	12/31/2021
Tax credits on tax losses	195,612	167,878
Tax credits on temporary differences		
Provision for CO2	12,115	3,582
Provision for social security obligations	7,537	7,744
Provision for inventory losses	6,951	7,141
Deductions - Moroccan and Spain law (Government benefit)	6,128	6,257
Market value adjustment	5,253	5,484
Provision for employee participation in earnings/ results	2,042	7,106
Allowance for doubtful accounts	1,284	1,209
Asset retirement obligation	891	932
Provision for legal claims	694	1,234
Provision for indemnities	325	1,409
Asset impairment provision	22	22
Provision for taxes under litigation	13	18
Pension plan		573
Other credits	2,163	2,559
Tax debts on temporary differences		
Adjustment to useful life of property, plant and equipment	(214,735)	(203,232)
Fair value uplift on property, plant and equipment	(69,172)	(70,244)
Foreign exchange gains	(3,561)	(2,577)
Other debts	(452)	(3,019)
Net	(46,890)	(65,924)
Net deferred tax assets of the same legal entity	164,801	154,943
Net deferred tax liabilities of the same legal entity	(211,691)	(220,867)

**(c) Effects of deferred income taxes on income statement and other comprehensive income**

	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Balance at the beginning of the quarter	(65,924)	(61,222)
Effect on income	20,920	6,472
Effect on other comprehensive income - hedge accounting	(723)	(874)
Effect of foreign exchange of variations on other components of comprehensive income	(950)	(894)
Other	(213)	252
Balance at the end of the quarter	(46,890)	(56,266)

**22 Provision**
**(a) Analysis and changes**

					1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	ARO (I)	Tax	Civil	Legal claims Labor	Total	Total
Balance at the beginning of the quarter	61,052	5,095	1,538	64	67,749	51,080
Additions		21	3		24	
Reversals	(405)		(13)		(418)	(46)
Settlements	(816)				(816)	(1,203)
Exchange variation	(378)	(101)	(35)		(514)	(1,113)
Cash flow revaluation	(1,340)				(1,340)	
Present value adjustment	2,792				2,792	404
Balance at the end of the quarter	60,905	5,015	1,493	64	67,477	49,122

**(i) Asset Retirement Obligation.**

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**(b) Lawsuits with likelihood of loss considered possible**

The Company is party to lawsuits with expectation of loss classified as less than 51% likelihood, and for which the recognition of a provision is not considered necessary by the Management Board, based on legal advice.

	3/31/2022	12/31/2021
Civil	2,917	5,113
Tax	4,303	9,025
Other	669	587
	<b>7,889</b>	<b>14,725</b>

**23 Shareholders' equity**
**(a) Share capital and share premium**

As of March 31, 2022, the Company's fully subscribed and paid-up capital is USD 99,915 (December 31, 2021 – USD 99,915), consisting of 99,915,432 common shares (December 31, 2021 – 99,915,432 common shares).

As of March 31, 2022, the amount of share premium is USD 1,333,447 (December 31, 2021 – USD 1,314,041), after the share premium increase indicated in the interim statement of changes in equity.

**(b) Other comprehensive income**

	Currency translation of investments in foreign operations	Currency translation hedge accounting of net investments in foreign operations	Inflation adjustment for hyperinflationary economies	Remeasurement of retirement benefits	Other comprehensive income	Total
At January 1, 2021	(1,041,578)	(28,431)	232,462	(3,088)	(4,484)	(853,069)
Currency translation of investments abroad	(47,257)					(47,257)
Hedge accounting of net investment in foreign operations		6,966				6,966
Interest in other comprehensive income of investees					799	799
Inflation adjustment for hyperinflationary economies			17,251			17,251
Deferred taxes (Note 22 (b))		(874)				(874)
At March 31, 2021	(1,088,835)	(20,345)	239,733	(3,088)	(3,685)	(876,180)
At January 1, 2022	(1,104,429)	(21,254)	282,226	4,753	(3,978)	(842,277)
Currency translation of investments abroad	(21,695)					(21,695)
Hedge accounting of net investment in foreign operations		4,806				4,806
Interest in other comprehensive income of investees					31	31
Inflation adjustment for hyperinflationary economies			24,564			24,564
Recycling of other components of comprehensive income (Note 6.2)	(92)					(92)
Other components of comprehensive income					(1,298)	(1,298)
Deferred taxes (Note 22 (b))		(723)				(723)
At March 31, 2022	(1,126,176)	(17,151)	306,312	4,753	(4,838)	(837,061)

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**24 Expenses by nature**

	Note	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Raw materials and consumables used		39,832	72,582
Employee benefit expenses	25	90,828	78,555
Fuel costs (i)		81,721	6,378
Freight costs		58,336	38,997
Depreciation, amortization and depletion	16, 17 and 18	59,982	41,326
Maintenance and upkeep		49,769	26,225
Electric power		29,804	24,111
Services, miscellaneous		21,067	19,828
Taxes, fees and contributions		8,853	5,950
Packaging materials		3,981	3,149
Rents and leases		2,818	1,518
Insurance		2,716	1,727
Technology and communication		3,371	1,479
Other expenses		41,370	13,943
		<u>494,448</u>	<u>335,768</u>
<b>Reconciliation</b>			
Cost of sales and services		454,046	303,449
Selling		13,088	10,173
General and administrative		27,314	22,146
		<u>494,448</u>	<u>335,768</u>

- (i) The cost amount presented under Fuel costs was subject to a reclassification from the line item Raw materials and consumables used and Other expenses, correcting a misrepresentation identified. This is a disclosure change, that has no impact in the expenses recognized in the income statement.

**25 Employee benefit expenses**

	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Direct remuneration	67,183	55,448
Social charges	16,810	15,515
Benefits	6,835	7,592
	<u>90,828</u>	<u>78,555</u>

**26 Other operating income (expenses), net**

	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Gain on sales of PP&E and intangible assets, net	3,270	13,290
Expenses and donations - COVID-19	(382)	(258)
Reversal (liabilities)	1,194	634
Inventory obsolescence	(57)	(572)
Other operating expenses, net	547	1,613
	<u>4,572</u>	<u>14,707</u>



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**27 Financial income (expense)**

	Note	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
<b>Financial income</b>			
A/R securitization fees income		1,316	5,157
Cross guarantee revenue		916	
Income from financial investments		499	441
Derivative financial instruments		353	161
Interest on financial assets		105	32
Discounts obtained			60
Other financial income (i)		10,267	468
		<b>13,456</b>	<b>6,319</b>
<b>Financial expenses</b>			
Interest payable on borrowing	19(c)	(20,483)	(22,015)
Premium paid on repurchase of bonds		(6,553)	
Commissions on financial transactions		(3,595)	(1,560)
Cross guarantee expenses		(2,317)	
A/R Securitizations fees expenses		(5,009)	(1,001)
Amortization of prepaid financial results		(601)	(406)
Present value adjustment		(335)	(368)
Inflation adjustment charges on provision and other liabilities		(236)	(261)
Derivative financial instruments		(82)	
Other financial expenses		(934)	(690)
		<b>(40,145)</b>	<b>(26,301)</b>
<b>Exchange rate variations</b>			
		(4,003)	(652)
		<b>(30,692)</b>	<b>(20,634)</b>

Other financial income relates to a gain generated with the settlement of the short term CO2 emission rights loan, that amounted to USD 44,626 and was settled in January 2022.

**28 Business combinations**

During the year 2021 the Group completed the acquisition of four new businesses: (i) McInnis Cement Inc., a Canadian cement producer, (ii) Superior Materials, a ready-mix concrete company located in Detroit, United States of America ("USA"), and for which the Group already held a stake of 50% as joint venture, (iii) the aggregates business of Valley View Industries located in Chicago, USA, and (iv) Cementos Balboa, a cement producer located in the South of Spain. Details of these business combinations, as well as the provisional fair value balances for the assets and liabilities acquired, were disclosed in Note E21 of the Group's annual consolidated financial statements for the year ended December 31, 2021.

The purchase price allocation exercise for each of the business combinations is still being completed, and so far, the provisional balances previously disclosed have not suffered any adjustments; therefore no impacts were accounted for in these interim financial statements as a result of these business combinations.

**29 Environmental, Social and Governance ESG**

Sustainability is one of the key strategic pillars of the Company and the Group as a whole. Our 2021 Integrated Report was released in March 2022, where it is described the Group's progress in terms of Environmental, Social and Governance ("ESG") matters. This report was prepared on the basis of the guidelines of the International Integrated Reporting Council (IIRC), the GRI Sustainability Reporting Standards – Core option, the Global Cement and Concrete Association (GCCA) and the Sustainability



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Accounting Standards Board (SASB) standards for the Building Materials industry. The report also includes the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD) regarding the disclosure of climate risks and opportunities.

The Group continues its ESG journey, towards the fulfillment of the 2030 sustainability commitments assumed in 2020. These are based in seven pillars: (i) integrity and transparency, (ii) safety, health and well-being; (iii) innovation, (iv) diverse and inclusive environment, (v) reducing the environmental footprint; (vi) promoting circular business environment, and (vii) generating shared value.

Climate change is at the core of our strategy, driving the innovation initiatives and the current and future investments. On August 2021 VCSA's Board of Directors approved the Group's enrolment in the Business Ambition for 1.5 C Call to Action campaign, committing the Group to advance towards a low-carbon economy. In line with our 2030 Strategy and Sustainability Commitments, we intend to align our CO2 emissions reduction targets with the Science Based Targets Initiative (SBTi). In addition, we joined United Nations' Race to Zero campaign, which rallies and encourages companies, governments, and financial and higher education institutions to work for a healthier planet with zero carbon emissions.

Our ability to address environmental, social and governance risks is evaluated by rating agencies specialized in non-financial topics, as well as by Carbon Disclosure Project (CDP), which is an organization that gathers, analyses and publishes information on air emissions, climate and water. For the fourth consecutive year VCSA was rated by CDP as one of the best groups in the Climate Change Program, with a A- score.

Adding to all the above, the Group joined forces with the world's leading cement and concrete manufacturers to accelerate the shift to greener concrete and achieve a neutral carbon concrete by 2050.

### **30 Events after the reporting period**

#### **(a) Capital contributions to the Company**

During April 2022, the Company received cash contributions from its sole shareholder VCSA amounting to USD 43,053. No shares were issued by the Company in exchange of these cash contributions.

## Votorantim Cimentos International S.A.



### Notes to the condensed consolidated interim financial statements as of March 31, 2022

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These interim financial statements were approved for issue by the Management Board on May 6, 2022 and were signed on behalf by:

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*Nuno Alves*

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Nuno Alves

Management Board Member

DocuSigned by:

*Carlos Boggio*

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Carlos Boggio

Management Board Member

