Votorantim Cimentos 1Q22 Results

R$ Million	1Q22	1Q21	1Q22 vs. 1Q21
Cement Sales Volume (m tons)	**8.0**	**7.6**	**5%**
Net Revenues	**4,900**	**4,009**	**22%**
COGS	**(4,512)**	**(3,140)**	**44%**
SG&A	**(476)**	**(404)**	**18%**
Selling Expenses	(191)	(158)	21%
General & Adm. Expenses	(285)	(246)	16%
Other Operating Results	**31**	**77**	**(59%)**
Net Income	**(317)**	**227**	**N.A.**
Depreciation	**(461)**	**(370)**	**24%**
Dividends and usual items	**15**	**58**	**(75%)**
Adjusted EBITDA	**418**	**971**	**(57%)**
EBITDA Margin	**9%**	**24%**	**(15p.p.)**

The global economy has deteriorated, largely because of the impacts of the Russia and Ukraine conflict alongside the economic sanctions imposed to Russia. In addition to the war, frequent and wider-ranging lockdowns in China have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Global growth was revised, and it is expected to decline from 5.9% in 2021 to 3.6% in 2022, according to IMF[1] report. The forecast downgrade largely reflects the war's direct impact on Russia and Ukraine and global spillovers. The economic effects of the war are spreading far and wide, mainly through commodity market, trade, and financial linkages, according to IMF[1]. Even prior to the war, inflation had surged in many economies because of soaring commodity prices and pandemic-induced supply-demand imbalances. War-related supply shortages will greatly amplify those pressures, notably through increases in the price of energy, metals and food.

The Brazilian cement market ended the first quarter of 2022 with a total of 14.9 million tons of cement sold, a retraction of 2.2% compared to the same three months of 2021, according to the Brazilian cement association (SNIC). The rapid rise in production costs in the cement industry and the intense rainy season, combined with rising interest rates and inflation have significantly contributed to the sector's performance in the first months of the year. Self-construction, an important driver of cement consumption, continues to slow down due to the high level of unemployment, the lower income of the

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population, according to *Instituto Brasileiro de Geografia e Estatística* (IBGE) - recorded the lowest value since 2012 - and the growing indebtedness of families, which reached 51.9%, according to *Confederação Nacional do Comércio (CNC)*, the highest value of the entire historical series started in 2005. According to SNIC, the industry's ambition in 2022 is to maintain the sector's sustainability in the face of a terribly pressured environment. Adding to uncertainty scenario that the country was already experiencing, as high inflation, slow recovery of the labor market and high household indebtedness; the uncertainty increased regarding the impacts of the Russia-Ukraine conflict, especially on cost inflation, casting doubts on the continuity of the recovery seen in the past years.

The cement market in North America declined in Q1 2022 when compared to the same period last year, mainly due to more severe winter weather conditions in the early months of the year, following a milder than normal winter in 2021. 2022 US economic growth was revised down from 4.0% to 3.3% in the last IMF[1] report reflecting a faster withdrawal of monetary support versus previous projections, and also reflecting disruption resulting from the war in Ukraine. In Canada and the United States, markets faced the highest inflation levels since the 1980s. The Canadian Central Bank raised its key policy rate by 50 basis points (bps) in April, to 1.0% from 0.5%, and indicated that another 50 bps increase is being considered in order to control inflation. Countries around the world are grappling with high inflation - Canada and United States are not an exception - amid surging demand and supply chain bottlenecks. As it relates to the cement industry, Biden's infrastructure bill continues to move through the approval process although it is not expected to begin to have an impact on the industry until late in 2022, although more likely in 2023. Overall, the economic picture remains stable for the sector as market tightness is expected to continue, even though global events, US midterm elections, a potential tighter monetary policy and price increases are creating an uncertain scenario. For 2022, the Portland Cement Association (PCA) is forecasting cement growth of 1.2% in the US (PCA Spring Forecast Cement Outlook), down from its fall 2021 forecast.

In Spain, cement consumption increased 3.4% in first quarter of 2022, comparing to the same period of 2021, according to the country's cement association, Oficemen (*Agrupación de fabricaciones de cemento de España*). The first two months of 2022 faced a relevant advance in sales and the snowing season was milder compared to the same period of 2021. This result was impacted by the stoppage of transport that the country faced in the second half of March, although, nowadays, the supply chain to and from factories is operating normally. The transport strike made impossible, in some cases, the arrival of raw materials, as well as the subsequent distribution of cement to the concrete plants and to the constructions, according to Oficemen. The country, as well as most countries, continue to face a challenging scenario with the production cost problem due to the inflation in energy costs. Despite the not foreseeable scenario, the country's cement association is still positive in continue to exceed, in absolute values, the barrier of 15 million tons this year.

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In Turkey, and according to Turkish cement manufacturer's association, the cement consumption is in a challenging moment in Turkey, as other sectors. Even with the better market dynamic in cement consumption of last year, the country is still facing a challenging macroeconomic scenario which is adding pressure to the currency devaluation, and a stronger than usual winter season that negatively impacted the cement market in the first quarter 2022. Turkey's annual consumer inflation jumped to a new two-decade high of 61.1% in March, fueled by the commodity crisis of Russia - Ukraine war.

In Morocco, according to *L'Association Professionnelle des Cimentiers* (APC), in the first three months of 2022 market sales were slightly positive with a growth of 1% compared to the same period of 2021. Despite the solid market, the country is also being negatively impacted by commodities price increases, started with the supply bottleneck due to Covid-19 and worsened by Russia and Ukraine war. The economy growth forecast was reviewed from 3% to 1.1% in 2022, according to IMF[1]'s April 2022 report, due to the impact of the recover from the pandemic as well as the consequences of the Russia - Ukraine war on global energy prices.

In Tunisia, cement consumption in 1Q22 decreased 15% YoY, according to *Chambre Nationale des Producteurs de Ciment* (CNPC). Tunisia is facing a challenging outlook with increase in inflation and unemployment, and political instability; the country is in discussion with IMF[1] for a support program. The economy is forecasted to expand 2.2% in 2022, according to IMF[1]'s April 2022 report.

In Bolivia, cement consumption had a positive trend in the beginning of the year in the regions that Votorantim Cimentos operates. The last IMF[1]' report projects GDP increase of 3.8% in 2022.

In Uruguay, according to the country's cement association, *Camara de Industrias del Uruguay* (CIU), sales decreased 6% in 1Q22 comparing to 1Q21 due to heavy rainy season in January. The April report of IMF[1] estimates that GDP of Uruguay should increase by 3.9% in 2022.

In Argentina, cement market dynamics continued positive during the first quarter of 2022, with strong sales volumes. In 1Q22, cement consumption increased 7% comparing to of the same period of 2021, according to Associación de Fabricantes de Cemento Portland (AFCP). The Association maintains its forecast of a stable scenario for the cement consumption in 2022.

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1 Net Revenues

Net Revenues (R$ Million)	1Q22	1Q21	1Q21 vs. 1Q20
VCBR	2,670	2,211	21%
VCNA	1,010	815	24%
VCEAA	697	634	10%
VCLATAM	189	228	(17%)
Others[2]	334	122	173%
Consolidated	**4,900**	**4,009**	**22%**

Consolidated net revenues totaled R$4.9 billion in 1Q22, a 22% increase when compared to 1Q21, mainly explained by favorable price dynamic especially in Brazil, North America and Europe, Asia and Africa, and positive impact of the volumes added by the business acquisitions completed in 2021.

VCBR's net revenues increased by 21%, from R$2.2 billion in 1Q21 to R$2.7 billion in 1Q22, mainly due to increase in volumes and a double-digit growth in prices despite a challenging macroeconomic scenario and a strong comparison base to first quarter of last year.

In VCNA, net revenues reached R$1 billion, a 24% increase YoY, mainly due to the addition of McInnis, Superior and Valley View acquisitions' volumes, as well as from solid market dynamics in Canada and US supporting prices.

In the Europe, Asia and Africa cluster (VCEAA), net revenues increased by 10% YoY in 1Q22 reaching R$697 million due to the increase in organic volumes in almost all countries of the cluster, the addition of Balboa's volumes and better prices in Turkey and Morocco.

VCLatam's net revenues decreased by 17% compared to 1Q21, from R$228 million to R$189 million, mainly due to a worst market dynamic in Uruguay after a new entrant since the 2Q21. However, the negative impact in Uruguayan market is partially offset by Bolivian market that is in a positive trend since last year, with better volumes and prices, despite the macroeconomics challenges.

2 COGS and SG&A

Consolidated COGS increased by 44% in 1Q22 when compared to 1Q21, reaching R$4.5 billion, mostly explained by cost pressure, higher sales volumes and timing in maintenance – especially in VCBR and VCNA. There is a cost pressure due to commodity crises as consequence of Covid-19 pandemic slow down and worsened by

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the Ukraine – Russia war. All our operations are being impacted, particularly in raw material, fuel and power. The increase in COGS was partially mitigated by the FX devaluation in the period.

Consolidated SG&A totaled R$476 million in 1Q22, 18% higher than 1Q21, mostly explained by higher personnel expenses, due to inflation impact and consolidation of the recent acquisitions that wasn't in the base of 1Q21. The result was partially mitigated by the FX devaluation in the period.

3 Adjusted EBITDA

Adj EBITDA (R$ Million)	1Q22	1Q21	1Q22 vs. 1Q21
VCBR	359	595	(40%)
VCNA	(121)	10	N.A.
VCEAA	133	247	(46%)
VCLATAM	34	69	(50%)
Others[2]	13	50	(75%)
Consolidated result	**418**	**971**	**(57%)**

Consolidated adjusted EBITDA reached R$418 million in 1Q22, 57% lower when compared to 1Q21. In a like-for-like basis ad excluding non-recurring items which positively affected 1Q21, the adjusted EBITDA would have decreased 50%. Consolidated adjusted EBITDA decrease is mainly related to the inflation impacts on the cost side, the FX appreciation, and a strong base of comparison in 1Q21.

In 1Q22, VCBR presented an adjusted EBITDA of R$359 million, a 40% decreased explained mostly by the cost pressure faced due to higher commodities prices and local inflation which were partially mitigated by the stable demand and strong prices. Additionally, in 1Q21 there was a one-off gain related to energy recognition which positively impacted the results.

VCNA's adjusted EBITDA was negative R$121 million in 1Q22 versus R$10 million positive in 1Q21. This decrease is due to the impacts of winter weather conditions in the first months of the year versus the same period in 2021 where mild winter conditions contributed to stronger results. Higher volumes were not enough to offset the negative impact of the weather conditions in the cluster.

VCEAA's adjusted EBITDA decreased 46% YoY, amounting to R$133 million. Volumes increased in almost all countries of the cluster and the prices remained solid, however those market dynamics were not able to mitigate the pressure on higher costs

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(mainly in petcoke and power) and the impact of the truck strike in Spain in mid-March. Additionally, in 1Q21 VCEAA' adjusted EBITDA were positively impact by an one-off related to a land sale in Turkey. In a like for like basis, the decrease would be 23%, 1Q22 versus 1Q21.

VCLatam adjusted EBITDA decreased by 50%, from R$69 million to R$34 million, in 1Q22. The market dynamic in Uruguay has worsened with a new entrant in the local market and the BRL appreciation are the main reasons of this lower result. Additionally, the negative impact was partially offset by the positive market dynamic in Bolivia.

4 Net Income/Loss

Net Income/Loss (R$ Million)	1Q22	1Q21	1Q22 vs. 1Q21
Adjusted EBITDA	418	971	(57%)
Depreciation	(461)	(370)	24%
Results from investees	29	36	(19%)
Financial Results, net	(291)	(292)	0%
Income tax and social contribution	3	(60)	N.A.
Other	(15)	(58)	75%
Net Income	**(317)**	**227**	**(230%)**

Net income results were a loss of R$ 317 million in 1Q22, versus a positive result of R$ 227 million in the same period of last year. The result of net income in 1Q22 is mostly explained by the negative impact of the operational result in the quarter.

Depreciation increased 24% compared to 1Q21, reaching the amount of R$ 461 million in 1Q22 explained by the inclusion of the recently acquired businesses, which was partially mitigated by the BRL appreciation in the period.

Financial results totaled a loss of R$ 291 million in 1Q22 compared to R$ -292 million in 1Q21, mainly due to BRL appreciation in the period, partially offset by the higher interest rate expenses in all clusters, and the financial impact of the liability management in the first quarter of 2022.

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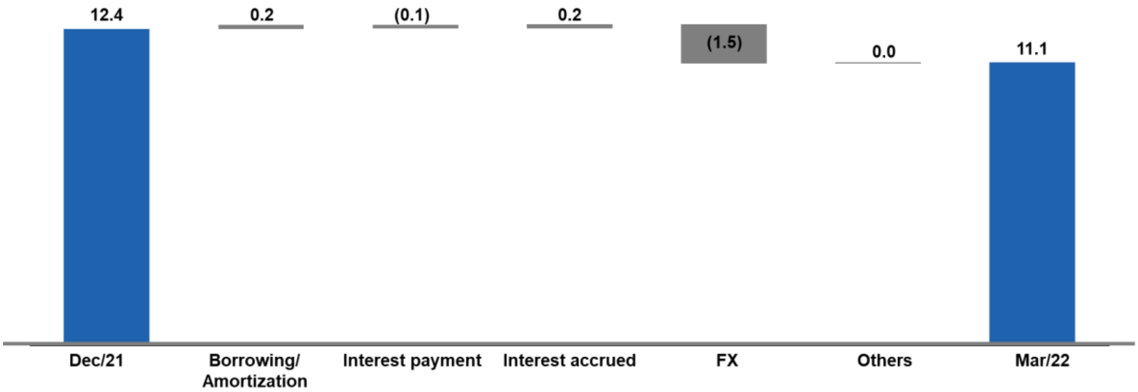
5 Liquidity and Indebtedness

At the end of first quarter of 2022, gross debt amounted to R$11.1 billion[3], 11% lower when compared to 2021 year-end, mainly due to the appreciation of BRL in the period.



Votorantim Cimentos also has two revolving credit facilities. The first credit line in the amount of USD290 million supports the Company with short-term liquidity needs during seasonality period (Committed Credit Facility). At the end of the 1Q22, our Committed Credit Facility was withdrawn in USD 103 million, and the remaining amount provides additional liquidity to cash position. The second line is a strategic one and gives the company more liquidity security during stress scenarios; this revolving credit facility has the amount of USD 250 million with 5 years maturity ("Global Revolving Credit Facility").

At the end of March 2022, the Company maintained a strong liquidity with 40% of cash position in hard currency which mitigates risks of BRL depreciation and enables the Company to comply with its financial obligations for the next 5 years.

At the end of the first quarter 2022, the Company presented a net debt to adjusted EBITDA ratio of 1.84x, an increase of 0.29x comparing to 2021 year-end, complying with the Company's financial policy on a seasonal quarter with macroeconomic instability and cost pressure.

The chart below summarizes the debt amortization schedule[3] considering the subsequent events after March,31, 2022:

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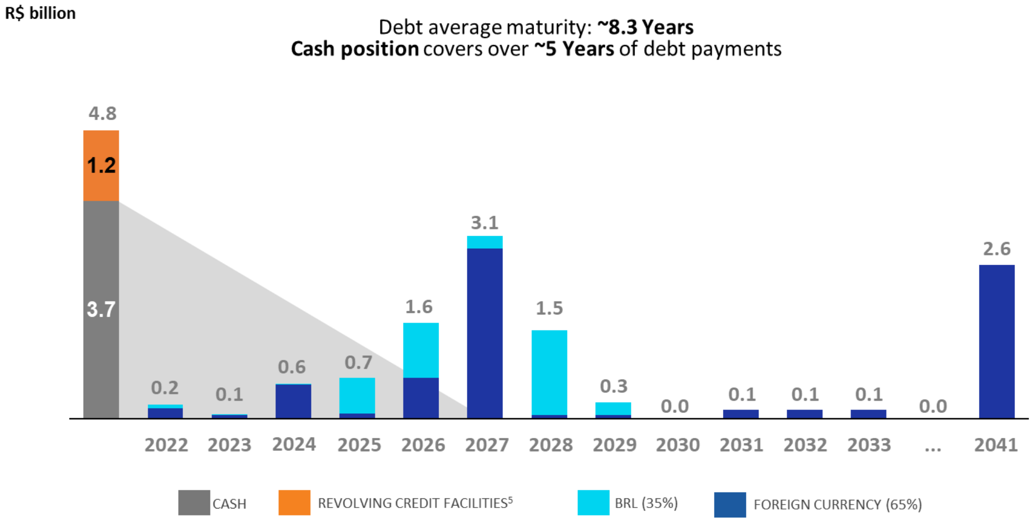
Debt Amortization Profile Proforma



Investments & Divestments

During the first quarter of 2022, Votorantim Cimentos' CAPEX totaled R$255 million, 27% higher when compared to the same period of last year. This is mainly explained by higher spending due to increased asset base, timing in sustaining expenditures, especially in VCNA and the global strategic modernization plan that includes the project in Uruguay which started at the beginning of 2021. This increase was partially offset by the BRL appreciation in the period.

Expansion projects amounted to 3% of total CAPEX with a final investment in Pecém (VCBR). Non-expansion projects amounted to 97% of total CAPEX.

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6 Free Cash Flow

R$ Million	1Q22	1Q21	1Q22 vs. 1Q21
Adjusted EBITDA	418	971	(57%)
Working Capital / Other	(931)	(1,136)	19%
Taxes	(58)	(56)	4%
CAPEX	(255)	(200)	27%
CFfO	**(825)**	**(421)**	**89%**
Investment / Divestment	55	116	(53%)
Financial Results	(164)	(139)	32%
Dividends to non-controlling Shareholders	-	(2)	N.A.
Dividends to Shareholders	(534)	(345)	55%
FX effect on cash	(377)	155	N.A.
FCF	**(1,844)**	**(635)**	**190%**

In 1Q22, Operating Cash Flow (CFfO) was negative in R$ 825 million, R$ 389 million worse than 1Q21. The negative variation is mainly explained by operating results and higher investments in Capex partially offset by lower working capital needs compared to 1Q21.

Financial results expenses increased in 1Q22 mainly due to the impact of higher interest rates over borrowings, as a result of the tighter monetary policy worldwide and LM decisions during the quarter.

The Company continued its dividends payments to the shareholders in 1Q22 in the amount of BRL 534 million, which impacted the FCL figure for this quarter.

The FX effect on cash negatively impacted the Free Cash Flow in 1Q22, mainly due to the appreciation of the BRL against USD in this quarter.

The Free Cash Flow (FCF) was negative in R$ 1.8 billion, R$ 1.2 billion lower than 1Q21, but expected due to the historic seasonality faced by our operation in the beginning of the year. The decrease versus 1Q21 is mainly explained by the worst operational results, higher amount of dividends paid to the shareholder and the FX that negatively impacted the free cash flow in the period.

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7 ESG

The Company continues to innovate in the strategy aligned with the ESG principles. In March of 2022, Votorantim Cimentos launched Motz, a transportation company. This logtech will operate in an independent way and aims to connect the shipping companies and the independent drivers through a digital platform. This innovation combines the solidity of Votorantim Cimentos, its capillarity and its distribution network with the startup spirit of a logtech, lean and agile.

On March, 2022, after fulfilling the conditions precedent set out in the share purchase and sale agreement signed on December 28, 2020 between VCSA and Auren (related parties), the Parent Company concluded the process of acquiring 49% of the total share capital and 98% of the company's voting capital of Ventos de Santo Ângelo Energias Renováveis S.A. (“Ventos de Santo Ângelo”), whose purpose is the equity interest in 3 special purpose companies (“SPEs”) that hold the authorizations to operate wind farms for the generation of electricity (“Wind Farms”).

With the conclusion of the operation, the Company reinforces its investments in the diversification of the renewable energy matrix. The Wind Farms are part of the Ventos do Piauí II complex, located in the State of Piauí, with 55.45 MW of installed capacity, with an expected start of energy supply in 2023, with the Parent Company having signed an energy supply agreement with the SPEs for a period of 10 years.

For more information, please refer the Note 13(a) in VCSA Financial Statement 1Q22.

8 Subsequent Events

Amendment to borrowing agreement in accordance with Law 4,131/1962 by VCSA and VCNNE

On April 25, 2022, the Company renegotiated the contractual conditions of the borrowing under Law 4,131/1962, contracted in January 2020, in the amount of USD 100 million (R$ 493,300 million). The Company extended the maturity from 2025 to 2028 and contracted a new swap (derivative financial instrument) at a cost of CDI + 1.4950%. The prior swap of 107.00% of the CDI was extinguished at the time of the renegotiation of the main borrowing agreement.

On April 25, 2022, the subsidiary VCNNE renegotiated the contractual conditions of the borrowing under Law 4,131/1962, contracted in September 2020, in the amount of USD 50 million (R$ 246,650). The Company extended the maturity from 2025 to 2028 and contracted a new swap (derivative financial instrument) at a cost of CDI + 1.4950%.

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The prior swap of 111.00% of the CDI was extinguished at the time of the renegotiation of the main borrowing agreement.

The swaps linked to the operations were contracted in conjunction with the same financial institution as the borrowing, and are aimed at exchanging exposure from a fixed rate in US dollars to a floating rate CDI, as well as exchanging currency from US dollar to Brazilian real (debt in USD+ swap to BRL in CDI+).

For further information, please refer to VCSA 1Q22 Financial Statements.

INVESTOR RELATIONS CONTACTS

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