PRESS RELEASE

Consolidated Financial Report

2nd QUARTER 2020

InterCement

Building sustainable partnerships

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Hit by COVID, volumes were down 10% YoY in 2Q20, Adj. EBITDA[1] dropped 30%

June already showed recovery, with rising figures (volumes +12% vs Jun19)

1. 2Q20 Performance

- The company had its operations materially affected by COVID, given that Argentina and South Africa have been through total lockdown periods. As consequence volumes sold in April were severely hit, down 31% YoY, but since May operations have been moving towards a normalization level and June already posted a 12% YoY expansion. In the 2Q20 total volumes fell 10% YoY, while Brazil showed robust demand, posting an expansion of 9% vs 2Q19.
- Total Sales registered 263 million US dollars, a 33.5% YoY decline in 2Q20, as result of the decrease in volumes due to COVID impact, but also materially affected by significant depreciation on emerging countries' currencies in the period – mostly the Brazilian Real and Argentinian Peso. Excluding forex impact, sales would have declined 8.4%.
- Adjusted EBITDA reached US$ 57 million, a decrease of 29.5% when compared to 2Q19, as consequence of weaker top line. Brazilian operation posted strong recovery, expanding by 54% from 2Q19 to reach US$ 21 million, helped by operational turnaround, while ARG&PAR fell 46% YoY – affected by COVID impact on volumes along with currency devaluation. On top of that, consolidated Adjusted EBITDA margin raised to 21.6% in 2Q20, a 1.2 p.p. expansion from 20.4% in 2Q19.
- Free Cash Flow to the Company significantly improved to +US$ 47 million, better than 2Q19 by US$ 93 million, mostly led by company's greater focus on working capital management and lower Capex disbursement, due to rationalization of investments and due to L'Amali project moving towards its conclusion.
- Net Debt[2] totaled US$ 1,555 million, a decrease of 1.0% compared to Dec'19, due the cash flow generation in the period and FX variation over debt in Brazilian Reais and Argentinian Pesos. Meanwhile, cash position was at US$ 203 million and the gross debt decreased 8.6% compared to Dec'19, due to the Company's focus on reducing indebtness and consequently strengthening its capital structure, besides positive impact of BRL devaluation in the period,

Note: The review of this report is not part of the scope review of the independent auditors, thus, this report was not reviewed by the independent auditors

1 – Adjusted EBITDA: it is non-accounting metric and was not audited by independent auditors.

2 – Net Debt: gross debt (excluding interest payables), less cash and cash equivalents and securities

KEY FIGURES

(mn US$, unless otherwise expressed)	2Q20	2Q19	Var. %	1H20	1H19	Var. %
Cement and Clinker Sales ('000 ton)	**4.340**	4.831	(10,1%)	**8.642**	9.646	(10,4%)
Sales	**263**	395	(33,5%)	**592**	784	(24,5%)
EBITDA	**47**	70	(33,1%)	**113**	125	(9,5%)
Adjusted EBITDA[1]	**57**	80	(29,5%)	**131**	149	(12,2%)
CAPEX	**-30**	-87	(65,7%)	**-106**	-145	(27,0%)
Net Debt[2]	**1.555**	1.631	(4,7%)	**1.555**	1.631	(4,7%)
Net Debt (31 Dec)	**-**	1.571	(1,0%)	**-**	1.571	(1,0%)
FCF	**47**	-46	201,3%	**-133**	290	(145,8%)

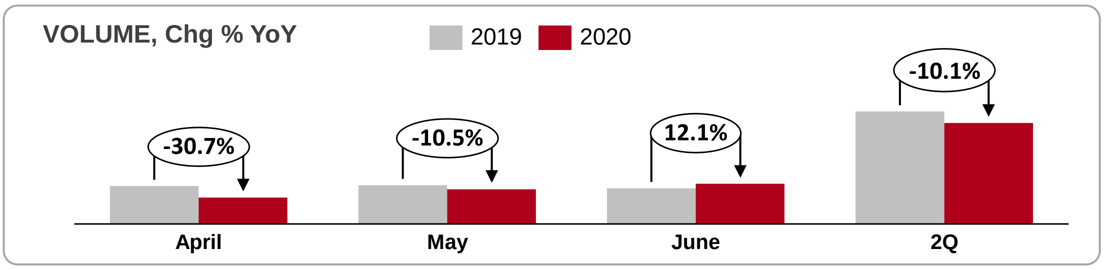
2. Profit and Loss

INCOME STATEMENT

(US$ million)	2Q20	2Q19	Var. %	1H20	1H19	Var. %
Sales	**263**	**395**	**(33%)**	**592**	**784**	**(24%)**
Net Operational Cash Costs	(216)	(326)	34%	(479)	(659)	27%
Operational Cash Flow (EBITDA)	**47**	**70**	**(33%)**	**113**	**125**	**(9%)**
Deprec. Amort. and Impairments	(37)	(44)	16%	(86)	(91)	6%
Operating Income (EBIT)	**10**	**26**	**(62%)**	**27**	**33**	**(20%)**
Financial Results	(19)	(17)	(13%)	(37)	(65)	42%
Pre-tax Income	**(9)**	**9**	**(197%)**	**(11)**	**(31)**	**66%**
Income Tax	5	(15)	133%	(11)	(18)	38%
Net Inc. from continuing Operations	(4)	(6)	29%	(22)	(50)	56%
Net Inc. from discontinuing Operations	-	(7)	100%	-	349	(100%)
Net Income	**(4)**	**(13)**	**68%**	**(22)**	**300**	**(107%)**
Attributable to:						
Shareholders	(10)	(28)	65%	(37)	265	(114%)
Minority Interests	6	15	(63%)	15	35	(57%)

Volumes Sold declined 10.1% YoY in the quarter, mainly affected by COVID, given that both South Africa and Argentina were under total lockdown period, leading consolidated volumes to drop 30.7% YoY during the month of April. In addition, Egypt market remained in an oversupply environment within a context of economic retraction, on which volumes decreased 27% YoY during 2Q20. On the positive side, Brazil showed strong demand in the period (+9.0% YoY), benefitted by strong pace of growth in housing sector that is backed by historical lowest interest rates in Brazil, and boosted by auto-construction (people that decided to improve/reform its house or its commerce).

Sales totaled 263 million US dollars during 2Q20, a drop of a 33.5% YoY, affected by a retraction on volumes and more important from a material depreciation on our main operational currencies (i.e. Brazilian Real and Argentinian Peso) – the latter depreciated 27% in the period, while the former devaluated 47%.



2 - Net Debt: gross debt (which excludes interest payable), less cash and cash equivalents and securities

Brazil continued on a strong recovery trend, posting an Adjusted EBITDA of 21.3 million US dollars, a rise of 54.2% YoY, while our operations in Argentina and South Africa posted declining Adjusted EBITDA, mostly affected by a weaker top line due to COVID impact. As result, consolidated **Adjusted EBITDA** reached 56.7 million US dollar, a 29.5% drop vs. 2Q19. Adjusted EBITDA margin came at 21.6%, an expansion of 1.2 p.p. YoY, benefitted by Brazil performance, which had margins expanded by 10.0 p.p. to 22.1%, boosted by improved operational efficiency. Meanwhile, we saw margin compression in South Africa and Argentina. Non-recurring items totalled US$ 10.1 million, mostly explained by: (i) non-recurring costs due to COVID-19, mostly in Argentina; (ii) taxes on financial transactions in Argentina, reclassified from financial expense to operational expense; (iii) cost on restructuring projects; (iv) downsizing expenses, mainly in Egypt; and (v) costs and fees related to the debt refinancing.

ADJ. EBITDA - RECONCILIATION ITENS

(US$ million)	2Q20	2Q19	Var. %	1H20	1H19	Var. %
EBITDA	**47**	**70**	**(33%)**	**113**	**125**	**(9%)**
Reconciliation Itens to Adjusted EBITDA	**10**	**11**	**(6%)**	**18**	**24**	**(26%)**
Costs due to COVID-19	1	-	s.s	5	-	s.s
Taxes on bank debits and credits - Argentina	1	2	(57%)	3	5	(54%)
Reestructuring projects	2	3	(53%)	3	8	(59%)
Layoff related to reestructuring	4	6	(31%)	5	11	(53%)
Refinancing debt - cost & fees	2	-		2	-	
Others non-recurring	1	-	s.s	1	-	s.s
ADJ. EBITDA	**57**	**80**	**(30%)**	**131**	**149**	**(12%)**

Depreciation and Amortizations decreased 16% YoY, totalling for 37 million US dollars, mostly explained by currency variation in the period.

Financial Results increased 13% YoY vs 2Q19, to US$ 19 million expense (from US$ 17 million expense in 2Q19). This was mainly result of: (i) foreign exchange gain of US$ 33 million in the quarter, driven by exchange currency gains in intercompany loans due to the depreciation of Brazilian Reais; (ii) a decrease in interests expenses by US$ 6 million due to the ongoing execution of InterCement Deleveraging and Liability Management Plan combined with the Brazilian Interest Rate (CDI) decline in the period to its lowest historical level; and (iii) non-recurring expenses of US$ 13.8 million related with bank commissions incurred as part of the new debentures issued by InterCement Participações and InterCement Brazil.

Income taxes was US$ 5 million negative in 2Q20, a change of US$ 20 million vs 2Q19, led by a variation on both deferred taxes (from +US$ 9.4 million in 2Q19 to -US$ 3.8 million) and current taxes (from +US$ 9.5 million in 2Q19 to +US$2.0 million) in the period, mostly on Argentina and Mozambique.

Net Income registered a loss of 4 million US dollars, compared to 13 million US dollars loss in 2Q19, mainly as result of income taxes.

3. Free Cash Flow

In this quarter company reached positive generate **Cash Flow from Operations**, reaching +US$ 110 million, compared to +US$ 51 million one year ago. The improvement was result of company's greater focus on working capital management, led by several initiatives during COVID in order to preserve cash, which should be permanent, such as optimization of inventories, better management of receivables and closer relationship with suppliers.

Interests paid in the period totalled US$ 32 million, a decline of 16% in comparison to US$ 38 million paid in 2Q19. The decrease is consequence of a lower total debt reduction and lower interest rates, especially in Brazil (Interbank Rate), since the refinancing impact in interest will be seen only in the next semester.

FREE CASH FLOW GENERATION MAP

(US$ million)	2Q20	2Q19	1H20	1H19
Adjusted EBITDA	57	80	131	149
Fluctuation in Operational Assets/Liabilities	67	(21)	(38)	(182)
Others	(14)	(9)	(32)	(19)
Operating Activities	**110**	**51**	**61**	**(52)**
Interests Paid & Derivative Unwinding	(32)	(38)	(83)	(75)
Income taxes Paid	(2)	(15)	(7)	(16)
Cash Flow before investments	**76**	**(2)**	**(29)**	**(142)**
CAPEX	(30)	(87)	(106)	(145)
Assets Sales / Others[1]	0	42	2	578
Free Cash Flow to the company	**47**	**(46)**	**(133)**	**290**
Borrowings, financing and debentures	988	72	1.119	102
Repayment of borrowings, financ. and debent.	(1.001)	(143)	(1.084)	(388)
Capital Increases/Decreases	-	(75)	-	(75)
Dividends	(3)	-	(3)	(53)
Other investment activities	(5)	(3)	(10)	(11)
Changes in cash, equivalents & securities	27	(195)	(111)	(135)
Exchange differences	(10)	3	(38)	(13)
Cash, equivalents and securities, End of the Period	203	313	203	313

CAPEX disbursement during 2Q20 amounted by US 30 million dollars, 66% lower than in 2Q19, mostly as result of lower level of investments requirements in L'Amali project as it moves towards its conclusion – its commissioning is expect towards the first semester of 2021. Moreover, in spite of keeping environment and safety investments as top priority, other investments were under a rationalization policy due the COVID context of preserving cash.

In June, we completed our refinancing through debentures issuance at InterCement Participações and InterCement Brasil, in an aggregate principal amount of BRL 4.7 billion (equivalent to around US$ 910 million), addressing our bilateral loans and the first and second issuance of debentures, scheduled to mature from 2020 until 2024.

Total Cash Flow reached +US$ 27 million, a material US$ 222 million change from 2Q19 when we saw a deficit of US$ 195 million in 2Q20, led by better Operational Cash Flow, lower interest payments and lower CAPEX disbursements.

Cash and Cash Equivalents, including financial instruments such as securities, totalled US 203 million dollars at June 2020, a decrease of US 110 million dollars when compared to 2Q19 (at US 313 million dollars).

4. Balance Sheet

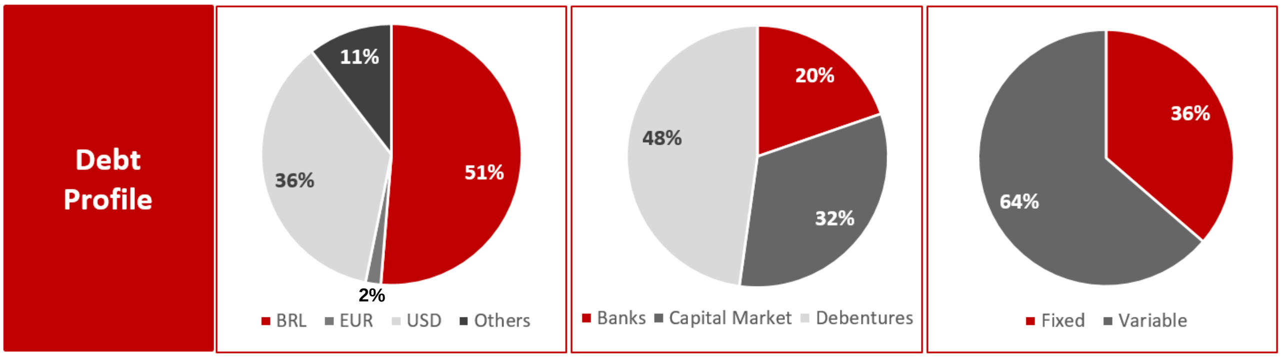
Total Assets amounted to 3,214 million dollars at June 2020, a reduction of 763 million dollars when compared to December 2019, mostly as result of FX devaluation in emerging countries' currencies during the semester – especially Brazilian Real, South African Rand, Argentinian Peso and Mozambican Metical.

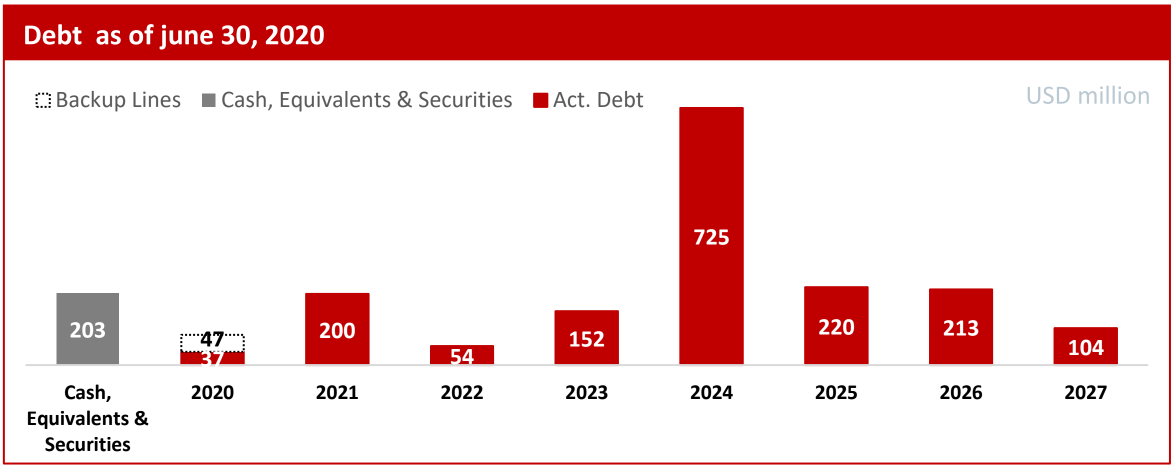
Gross Debt, registered 1,765 million dollars, and net debt of 1,555 million dollars, representing a decrease of 15 million dollars when compared to Dec'19, when net debt registered 1,571 million dollars, mostly due to the FX variation over the debt in Brazilian Real. Meanwhile, the gross debt had a reduction of 8.6% in the period, mostly due to Brazilian Reais and Argentinian Peso depreciation.

CONSOLIDATED BALANCE SHEET SUMMARY

(US$ million)	30 jun 2020	31 dec 2019	Var. %
Assets			
Non-current Assets	2.586	3.166	(18,3%)
Derivatives	7	7	(4,5%)
Current Assets			
Cash and Equivalents	203	353	(42,6%)
Derivatives	-	-	0,0%
Other Current Assets	418	451	(7,2%)
Assets classified as held for sale	-	-	0,0%
Total Assets	**3.214**	**3.977**	**(19,2%)**
Shareholders' Equity attributable to:			
Equity Holders	374	790	(52,6%)
Minority Interests	312	338	(7,8%)
Total Shareholders' Equity	**686**	**1.128**	**(39,2%)**
Current Liabilities			
Loans & Obligations	210	399	(47,3%)
IFRS 16	18	31	(42,8%)
Other Current Liabilities	384	471	(18,5%)
Non-Current Liabilities			
Loans & Obligations under finance leases	1.555	1.532	1,5%
IFRS 16	34	40	(15,0%)
Provisions & Employee benefits	75	80	(6,6%)
Other Liabilities	253	296	(14,6%)
Liabilities assoc. w/ assets classified as held for sale	-	-	0,0%
Total Liabilities	**2.528**	**2.849**	**(11,3%)**
Total Liabilities and Shareholders' Equity	**3.214**	**3.977**	**(19,2%)**

The profile of Debt as of June 30, 2020 was as follows:





On June 8, 2020 we completed another step in our refinancing plan through debentures issuance at InterCement Participações and InterCement Brasil, in an aggregate principal amount of BRL 4.7 billion (equivalent to US$ 910 million), addressing the outstanding bilateral loans and the first issuance and the second class of the second issuance of debentures, scheduled to mature from 2020 until 2024.

These two new debentures strengthen our balance sheet, by allowing the Group to lengthen its scheduled debt amortization, with principal payments commencing in 2023 and final maturity in May 2027.

The new debentures are linked to the Brazilian base interest rate (CDI) plus a spread of 3.75% per annum and enable the Group to match its expected cash flow generation with its debt currency profile. As a result of the new issuance, the debt profile has 51% issued in BRL, and 36% in USD.

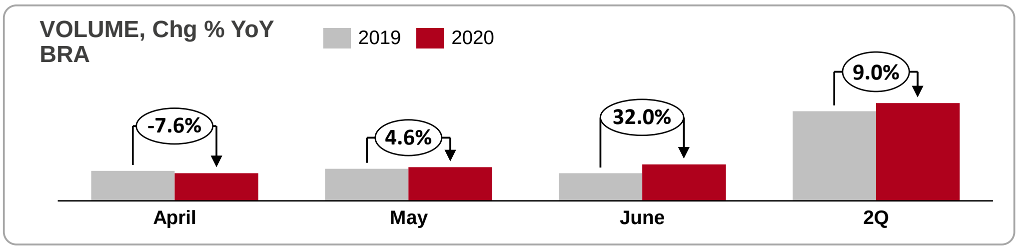
The debentures are redeemable in May 2024, if the Group is unable to refinance its existing outstanding notes due 2024 (until May 2023). The new Debentures are guaranteed by Loma Negra CIASA shares owned by the Group, not convertible into equity

5. Operations in-depth look – 2Q20

Brazil

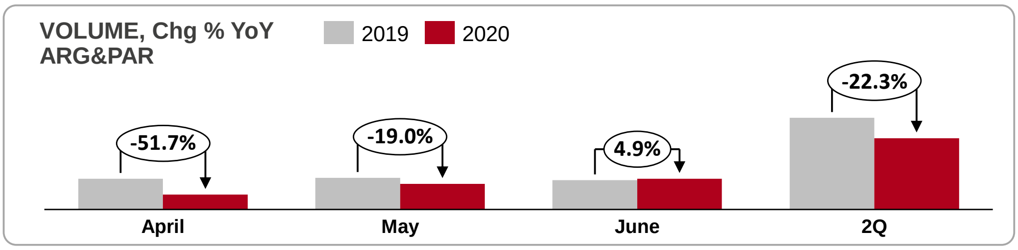
Brazil operation was under COVID restrictions from mid-March to mid-April, leading volumes to fell 8% in April vs Apr'19. After the government classification of the real estate as an essential sector, sales started to show significant recovery, helped by a strong pace of growth in housing sector, potentially backed by the historical lowest level of interest rates in Brazil. In addition, sales were also driven by the self-construction. As result May volumes were up 5% YoY and surged robust 32% in June vs Jun'19. Pricing trend in local terms continue positive, rising low-double digit in May and June when compared to same period of last year – however, in US$ terms it dropped 21% YoY in 2Q20 due to material Brazilian Real depreciation in the period.

EBITDA in 2Q20 totalled US$ 20.3 million, an expansion of 48.3% YoY, driven by stronger volume and lower cash costs, leading margins to reach 21.1% (+9.1 p.p. YoY). Excluding non-recurrent expenses, adjusted EBITDA increased to US$ 21.3 million, up 54.2%, with margins rising to 22.1% from 12.1% in 2Q19.



Argentina & Paraguay

Argentina and Paraguay business unit recorded a 22.3% YoY decline in volumes, harmed by COVID effects, especially in April and part of May. After the classification by the Argentinean government of real estate as an essential sector, sales started to resume. In June volume was back to a normalized level of sales, reaching figures even above pre-COVID level.



Top line was also hurt by material currency depreciation in the region, adding pressure to prices in US$ terms. Therefore, Adjusted EBITDA fell 45.7% YoY to US$ 28.7 million, which was partially offset by better expenses management and lower costs (part being US$ denominated), leading margins to decrease by 1.7 p.p. to 26.7%

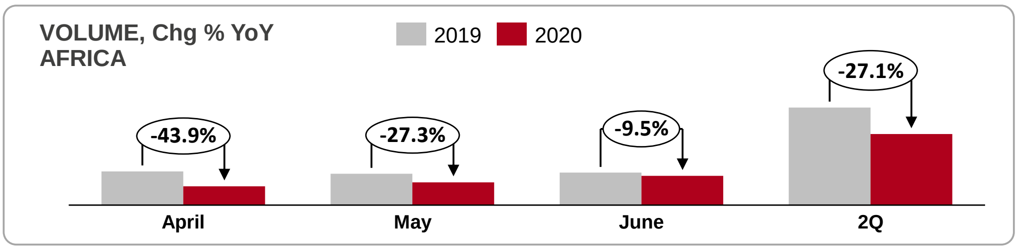
Besides COVID impact, cement and clinker sales in Argentina were also affected by a challenging macroeconomic scenario, driving volumes to decline 24.5% YoY in 2Q20 – most of the decrease was in April (~50% down YoY), while June registered rising YoY volumes. Furthermore, declining prices in US$ terms further weakened top line, leading Adj. EBITDA to fall 51.7% YoY and margins to retract 3.0 p.p.

In Paraguay, after a severe drop on cement and clinker sales during April (declined 50% YoY), demand reacted positively in May and June backed by the resume of infrastructure projects, leading volumes to run above 20%

YoY growth for those two months. Adjusted EBITDA was up 1.9% in 2Q20 vs. 2Q19, with an increase of 1.0 p.p. in margins.

Africa

African operations were severely hit by COVID, mainly due to total lockdown in South Africa during April, leading volumes to drop 43.9% YoY in that month. Volumes started to normalize in May and registered for the quarter a 27.1% YoY decline. Adjusted EBITDA for the region was down 25.8% YoY basically affected by South African COVID impact, given that Mozambique and Egypt posted Adjusted EBITDA YoY expansion in the period.



South Africa was under a total lockdown from March 27th to April 29th, driving April sales to near zero. In May plants were allowed to start operating at 50% capacity and sales to retail were allowed, but still 35% down YoY. Then in June plants began to operate at full capacity and sales for construction sector were also allowed, leading sales back to normal levels. Adjusted EBITDA dropped 61.2% YoY affected by the halt on sales but also due to currency depreciation that led to weaker prices in US$ terms.

In Mozambique, cement volumes were affected as sales were down in April and May due to the postponement of infrastructure projects, driven by the COVID outbreak. Thus, leading 2Q20 volumes to decrease 6.3% YoY in the period. Prices were up in local terms, but moved downwards in US$ terms due to currency depreciation in the period. However, better management costs led Adjusted EBITDA to raise 12.2% YoY in the period, pushing margins up to 18.1%, from 14.1% in 2Q19.

Cement volumes sold in Egypt declined 27.1% YoY, affected by economic retraction and by the effect of an extended Ramadan holiday, declared by the government in order to contribute to social isolating. Prices were down, affected by an oversupply market environment.

CEMENT AND CLINKER VOLUMES SOLD

	2Q20	2Q19	Var. %	1H20	1H19	Var. %
BRA	2.265	2.079	9,0%	4.234	4.036	4,9%
ARG & PAR	1.131	1.456	(22,3%)	2.265	2.978	(24,0%)
AFRICA	945	1.296	(27,1%)	2.143	2.632	(18,6%)
Consolidated Total	**4.340**	**4.831**	**(10,1%)**	**8.642**	**9.646**	**(10,4%)**

NET REVENUES						
(US$ million)	2Q20	2Q19	YoY	1H20	1H19	YoY
BRA	97	114	(15,5%)	199	226	(12,0%)
ARG & PAR	108	186	(42,2%)	247	364	(32,1%)
AFRICA	61	96	(36,3%)	146	187	(22,2%)
Others	5	55	(90,7%)	8	61	(87,1%)
Sub-Total	**270**	**451**	**(40,0%)**	**600**	**839**	**(28,5%)**
Intra-Group Eliminations	(7)	(55)	87,0%	(8)	(55)	85,3%
Consolidated Total	**263**	**395**	**(33,5%)**	**592**	**784**	**(24,5%)**

ADJ. EBITDA - BU OPENING						
(US$ million)	2Q20	2Q19	Var. %	1H20	1H19	Var. %
BRA	21	14	54,2%	33,8	21,3	58,8%
ARG & PAR	29	53	(45,7%)	80,8	109,2	(26,0%)
AFRICA	12	16	(25,8%)	24,7	23,5	5,0%
Others	(5)	(2)	154,1%	-8,6	-5,2	65,9%
Consolidated Total	**57**	**80**	**(29,5%)**	**130,7**	**148,9**	**(12,2%)**
EBITDA Margin	**21,6%**	**20,4%**	**1,2 p.p.**	**22,1%**	**19,0%**	**3,1 p.p.**

6. Corporate and subsequent events

Exchange Offer

On June 24, 2020 InterCement Financial Operations B.V., a wholly-owned subsidiary of InterCement Participações S.A. announced a private exchange offer to any and all of its 5.750% Senior Notes due 2024. On July 22, 2020, as the conditions to the Exchange Offer were not satisfied, the Exchange Offer were not consummated.

Prior the expiration of the Exchange Offer and the Consent Solicitation, the Company had engaged in a dialogue with certain holders in an effort to be constructive and work toward exchange offer terms that would be mutually agreeable to all parties involved. The Company is, and has always been, ready to engage constructively to achieve a resolution in which all parties would contribute in an equitable manner as part of our strategy to improve our capital structure and liquidity position.

Debentures Amortization

On July 15, 2020, InterCement Brasil, a wholly-owned subsidiary of InterCement Participações S.A, paid the amortization amount of US$9,822 (R$53,785) related to the 2nd issuance of debentures, as previously agreed with the debenture holders.

Tax Credit Sale

On July 16, 2020, InterCement Brasil, a wholly-owned subsidiary of InterCement Participações S.A, concluded the sale of PIS and COFINS tax credits for the amount of R$ 136 million (equivalent to US$ 24.8 million). The proceeds of the transaction were used to strength the cash position of InterCement Brasil.

Senior Note interest payment

On July 16, 2020, InterCement Financial Operations B.V., a wholly-owned subsidiary of InterCement Participações S.A, paid the semiannual coupon of its 2024 senior notes in the amount of US$ 15.9 million.

Divesture in Paraguay Business

On August 21, 2020, the Company, through its Argentinian subsidiary Loma Negra C.I.A.S.A. sold its total stake in the Paraguayan company Yguazú Cementos S.A., represented by 51.0017% of the capital of Yguazú. The sale was made to the local partner of Yguazú.

After starting the operations in Paraguay in 2000, building and operating the 0.8 million ton per year capacity cement plant since 2013, Yguazú reached high standards of production and profitability.

With an attractive valuation multiple, the asset sale positively contributes to InterCement Group liability management. The proceeds of this transaction will be applied primarily to repay existing debt.

Mozambique Local New Debt

On August 14, 2020, Mozambique business unit, Cimentos de Moçambique S.A., entered on an unsecured loan agreement in the total amount of US$ 22 million (MZN 1,550 million), with quarterly amortizations and final payment on September 2025. The loan interest rate is based on the Mozambique prime rate minus a margin of 2% per year.

Disclaimer:
This announcement contains forward-looking statements within the meaning of federal securities law that are subject to risks and uncertainties. These statements are only predictions based upon our current expectations and projections about possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," "predict," "potential," "seek," "forecast," or the negative of these terms or other similar expressions.
The forward-looking statements are based on the information currently available to us. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including, among others things: changes in general economic, political, governmental and business conditions globally, changes in inflation rates, fluctuations in the exchange rate of the peso, the level of construction generally, changes in cement demand and prices, changes in raw material and energy prices, changes in business strategy and various other factors.
You should not rely upon forward-looking statements as predictions of future events. Although we believe in good faith that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this release to conform these statements to actual results or to changes in our expectation.
It is also important to bear in mind that independent auditors have not audited non-financial data and non-accounting metrics, such as EBITDA and Adjusted EBITDA.