



INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Interim
Financial Information for the
nine-months period ended
September 30, 2020



Building sustainable partnerships



São Paulo Corporate Towers
Av. Presidente Juscelino Kubitschek, 1.909
Vila Nova Conceição
04543-011 - São Paulo - SP - Brasil

Tel: +55 11 2573-3000
ey.com.br

Independent auditor's review report on interim financial information

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of InterCement Participações S.A. and subsidiaries (the "Company"), which comprises the condensed consolidated statement of financial position as of September 30, 2020 and the related condensed consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements - ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

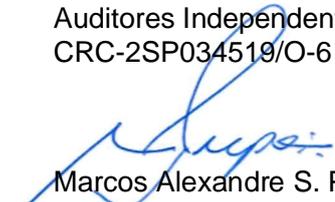


Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information, is not prepared, in all material respects, in accordance with IAS 34 - Interim Financial Reporting.

São Paulo, November 27, 2020.

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



Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Position as of September 30, 2020 and December 31, 2019

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

ASSETS	Notes	09.30.2020	12.31.2019	LIABILITIES AND EQUITY	Notes	09.30.2020	12.31.2019
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	4	242,606	333,869	Trade payables		222,607	295,625
Securities	5	20,012	19,516	Debtentures	11	9,544	178,623
Trade receivables	6	87,415	75,490	Borrowings and financing	10	108,456	220,663
Inventories	7	210,227	279,103	Interest payable	10 and 11	23,579	27,632
Recoverable taxes		41,729	58,658	Obligations under finance leases (FRS 16)	19	16,664	30,644
Other receivables		47,698	37,693	Taxes payable		81,187	54,777
Total current assets		<u>649,687</u>	<u>804,329</u>	Payroll and related taxes		29,184	33,604
				Dividends and interest on capital		15,639	229
				Advances from customers		13,257	10,019
				Other payables		30,239	49,026
				Total current liabilities		<u>550,356</u>	<u>900,842</u>
NONCURRENT ASSETS				NONCURRENT LIABILITIES			
Securities	5	1,068	1,427	Trade payables		1,671	3,033
Trade receivables	6	643	504	Debtentures	11	1,368,275	781,490
Inventories	7	87,508	80,607	Borrowings and financing	10	90,777	750,459
Recoverable taxes		9,428	35,213	Obligations under finance leases (FRS 16)	19	30,836	39,708
Deferred income tax and social contribution		14,658	10,706	Provision for tax, civil and labor risks	12	62,941	58,971
Escrow deposits		11,330	17,607	Provision for environmental recovery		16,884	20,751
Derivatives	22.10	5,931	7,060	Taxes payable		10,292	7,181
Other receivables		25,297	39,621	Deferred income tax and social contribution		211,211	257,006
Property investment		479	1,353	Actuarial liabilities		630	724
Investments		596	493	Other payables		20,117	29,232
Right-of-use assets	19	35,711	60,750	Total noncurrent liabilities		<u>1,813,634</u>	<u>1,948,555</u>
Property, plant and equipment	8	1,333,357	1,690,789	TOTAL LIABILITIES		<u>2,363,990</u>	<u>2,849,397</u>
Intangible assets:				SHAREHOLDER'S EQUITY			
Goodwill	9	790,029	1,076,173	Capital	14	1,440,119	1,440,119
Other intangible assets	9	111,168	150,708	Capital reserves	14	550,676	550,676
Total noncurrent assets		<u>2,427,203</u>	<u>3,173,001</u>	Earnings reserves	14	421,217	421,217
				Accumulated profit		71,998	-
				Other comprehensive loss		(2,073,594)	(1,622,369)
				Equity attributable to the Company's owners		410,416	789,643
				Non-controlling interests	14	302,484	338,290
				Total equity		712,900	1,127,933
TOTAL ASSETS		<u>3,076,890</u>	<u>3,977,330</u>	TOTAL LIABILITIES AND EQUITY		<u>3,076,890</u>	<u>3,977,330</u>

The accompanying notes are an integral part of this condensed consolidated financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations for the nine-months periods ended September 30, 2020 and 2019

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

	Notes	09.30.2020	09.30.2019 (Recasted)
<u>CONTINUING OPERATIONS</u>			
NET REVENUE	16	933,473	1,112,435
COST OF SALES AND SERVICES	17	(762,584)	(955,169)
GROSS PROFIT		170,889	157,266
OPERATING INCOME (EXPENSES)			
Administrative and selling expenses	17	(104,070)	(135,604)
Other income	17	(7,051)	15,970
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		59,768	37,632
FINANCIAL INCOME (EXPENSES)			
Foreign exchange gains/(losses), net	18	140,539	(49,478)
Financial income	18	14,335	38,584
Financial expenses	18	(125,100)	(128,939)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		89,542	(102,201)
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	15	(28,866)	(24,340)
Deferred	15	9,936	(3,373)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		70,612	(129,914)
<u>DISCONTINUED OPERATIONS</u>			
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.3	27,568	351,156
PROFIT FOR THE PERIOD ATTRIBUTABLE TO			
Company's owners		71,998	187,298
Non-controlling interests		26,182	33,944
PROFIT PER SHARE FOR CONTINUING OPERATIONS			
Basic/diluted earnings (loss) per share	21	1.70	(6.69)
PROFIT PER SHARE FOR CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS			
Basic/diluted earnings per share	21	3.17	8.26

The accompanying notes are an integral part of this condensed consolidated financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (loss) for the nine-months periods ended September 30, 2020 and 2019

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

	Notes	09.30.2020	09.30.2019 (Recasted)
<u>CONTINUING OPERATIONS</u>			
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		70,612	(129,914)
Other comprehensive income:			
Items that might be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		(644,972)	(423,648)
Hyperinflationary monetary adjustment	2.2	147,255	130,709
Hedging derivatives financial instruments		2,273	2,469
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(424,832)	(420,384)
<u>DISCONTINUED OPERATIONS</u>			
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.3	27,568	351,156
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS		27,568	351,156
COMPREHENSIVE LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:			
Company's owners		(412,579)	(411,354)
Non-controlling interests		(12,253)	(9,030)
COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO:			
Company's owners		(379,227)	(72,213)
Non-controlling interests		(18,037)	2,985

The accompanying notes are an integral part of this condensed consolidated financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Shareholders' Equity for the nine-months periods ended September 30, 2020 and 2019

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

	Notes	Earnings reserves							Total attributable to the Company's owners	Non-controlling interests	Total equity
		Share capital	Capital Reserves	Legal	Capital Budget	Transactions with noncontrolling interests	Other comprehensive income (loss)	Accumulated profit / (loss) s			
BALANCE AS OF DECEMBER 31, 2018		1,440,119	625,418	-	-	581,421	(1,410,308)	(229,120)	1,007,530	322,390	1,329,920
Capital decrease	14	-	(74,742)	-	-	-	-	-	(74,742)	-	(74,742)
Profit for the period		-	-	-	-	-	-	187,298	187,298	33,944	221,242
Dividends to ordinary and preferred shares - paid	14	-	-	-	-	(53,497)	-	-	(53,497)	-	(53,497)
Other comprehensive loss		-	-	-	-	-	-	(322,112)	(322,112)	(99,067)	(421,179)
Hyperinflationary monetary adjustment	2.2	-	-	-	-	-	-	62,601	62,601	68,108	130,709
BALANCE AS OF SEPTEMBER 30, 2019 (Recasted)		1,440,119	550,676	-	-	527,924	(1,669,819)	(41,822)	807,078	325,375	1,132,453
BALANCE AS OF DECEMBER 31, 2019		1,440,119	550,676	6,107	116,039	299,071	(1,622,369)	-	789,643	338,290	1,127,933
Profit for the period		-	-	-	-	-	-	71,998	71,998	26,182	98,180
Capital increase by Loma Negra C.I.A.S.A. in Ferrosur Roca S.A		-	-	-	-	-	-	-	-	5,237	5,237
Dividends declared and partially paid to noncontrolling interests	14	-	-	-	-	-	-	-	-	(23,006)	(23,006)
Other comprehensive loss		-	-	-	-	-	-	(522,322)	(522,322)	(120,377)	(642,699)
Hyperinflationary monetary adjustment	2.2	-	-	-	-	-	-	71,097	71,097	76,158	147,255
BALANCE AS OF SEPTEMBER 30, 2020		1,440,119	550,676	6,107	116,039	299,071	(2,073,594)	71,998	410,416	302,484	712,900

The accompanying notes are an integral part of this consolidated financial statements.

**INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES****Condensed Consolidated Statements of Cash Flows for the nine-months periods ended September 30, 2020 and 2019**

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

	Notes	09.30.2020	09.30.2019 (Recasted)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax and social contribution from continuing and discontinued operations		135,145	249,907
Adjustments to reconcile income before income tax and social contribution with net cash generated by (used in) operating activities:			
Depreciation, amortization and impairment losses		142,991	137,718
Reversal of allowance for probable losses, net		(1,267)	(3,542)
Interest, accrued charges, and exchange differences		(27,801)	143,741
Gain on sale of long-lived assets		(1,254)	(2,786)
Gain on sale of discontinued operations	2.3	(38,542)	(341,665)
Other noncash operating losses (gains)		5,701	10,150
Decrease (increase) in operating assets:			
Related parties		(39)	-
Trade receivables		(40,147)	(77,269)
Inventories		(9,612)	(31,491)
Recoverable taxes		1,325	3,226
Other receivables		-	(51)
Increase (decrease) in operating liabilities:			
Related parties		645	-
Trade payables		46,123	(36,270)
Payroll and vacation payable		1,514	3,365
Other payables		43,247	15,503
Taxes payable		4,238	(1,393)
Cash generated by operating activities		262,267	69,143
Income tax and social contribution paid		(14,728)	(28,155)
Interest paid		(118,049)	(139,385)
Net cash generated by (used in) operating activities		<u>129,490</u>	<u>(98,397)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Redemption of (Investments in) securities		143	(307)
Purchase of property, plant and equipment		(131,734)	(202,919)
Increase in intangible assets		(6,678)	(667)
Cash received from discontinued operations, net o cash balance carved-out	2.3	92,757	730,160
Intersegment payments to carved-out companies	2.3	-	(133,675)
Cash received from sale of property, plant and equipment		4,643	5,944
Other		(721)	(773)
Net cash generated by (used in) investing activities		<u>(41,590)</u>	<u>397,763</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings, financing and debentures	10 and 11	1,130,056	147,475
Capital decrease	14	-	(74,742)
Repayment of borrowings, financing and debentures	10 and 11	(1,244,991)	(432,473)
Dividends paid	14	(7,571)	(53,497)
Payment of principal portion of lease liabilities	19	(15,258)	(17,543)
Other instruments		819	(9,494)
Net cash used in financing activities		<u>(136,945)</u>	<u>(440,274)</u>
DECREASE IN CASH AND CASH EQUIVALENTS		<u>(49,045)</u>	<u>(140,908)</u>
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		(42,218)	(34,879)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	333,869	441,062
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	<u>242,606</u>	<u>265,275</u>

The accompanying notes are an integral part of this condensed consolidated financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Notes to the Consolidated Interim Condensed Financial Information for the nine-months period ended September 30, 2020

(Amounts in thousands of U.S. Dollars - US\$, unless otherwise stated)

1. General Information

InterCement Participações, S.A. (“Company” or “ICP”) is a privately-held company headquartered in the City of São Paulo, State of São Paulo, Brazil, engaged in holding equity interests and investments abroad, leading a business group operating in 5 countries (“ICP Group” or “Group”). Its ultimate parent company is Mover Participações S.A.. The Group is primarily engaged in the manufacture and sale of cement and cement by-products, in addition to the extraction of the minerals used to manufacture these products.

The Company owns 34 cement plants, 44 concrete plants, and 6 aggregates plants (located in Brazil, Argentina, Egypt, Mozambique and South Africa). Additionally, in Brazil it holds participation in hydroelectric power generation equity interests and assets.

Refinancing of debts

On June 8, 2020, the Company concluded a debenture issuance by InterCement Participações S.A. and InterCement Brasil S.A. in an aggregate principal amount of R\$4,676,827 thousands (equivalent to approximately US\$910,490 considering the exchange currency rate at the date of the transaction). The proceeding was fully addressed to prepay existing debts. See note 10 and 11 for further information.

Such transaction released from the current portion of borrowing and financing and debentures US\$260,633 (considering the exchange currency rate at the date of the transaction), which was sufficient to equilibrate the working capital to a sustainable level.

Divestiture in Paraguay Business

As mentioned in note 2.3, on August 21, 2020, the Company, through its Argentinian subsidiary Loma Negra C.I.A.S.A. (“Loma Negra”), sold its total interests in Yguazú Cementos S.A. (“Yguazú”), represented by 51,0017% of the entity’s capital stock. The sale was made to the local shareholders of Yguazú.

The goal of the Company is to seek and execute high potential projects, for this reason, after having started marketing operations in Paraguay in 2000, built and operated the factory since 2013, and currently reaching high standards of production and profitability, Management have finally decided to sell its Paraguayan operations.

The Company considers that the result obtained from this operation is very beneficial and is in line with Group intention of maximizing value for the shareholders. The divestiture resulted in a gain before income taxes of US\$38,542 (including the reversal of negative accumulated exchange differences of US\$7,220).

The transaction sales price was US\$107,000. The amount of US\$100,000 was collected at the transaction date and the remaining balance will be collected in 7 consecutive and equal instalments



commencing in November 2020. Loma Negra applied the proceedings received to anticipate the liquidation of some of the existing debts (see note 10 below) and to distribute dividends to its shareholders (see note 14 below).

Effects of the Coronavirus pandemic (COVID-19)

In the first quarter of 2020, a new virus (Corona Virus) spread out across the globe and to contain the dissemination several actions were taken by authorities from different countries. Among others, the action taken restricted travels and any kind of agglomeration.

The global market was severely impacted, resulting in volatility and uncertainties in several perspectives and also about Global Gross Domestic Product ("GDP") in 2020 and upcoming years.

Management quickly responded to the situation and created committees to respond to the situation with the purpose to prevent labour contamination and implement measures to mitigate or reduce the impact in Company's business, clients, suppliers, credits and community.

The committees have constantly been in communication with Company's board and current and future impacts in economy and society are closely monitored by this multi-task team and decisions are being taken as deemed necessary.

Since May 2020, all plants returned to operation. South Africa and Argentina were the two segments mostly impacted due to the complete lockdown mainly in April 2020.

Besides South Africa, the cement industry was considered to be an essential segment of product and services, therefore, the business impacts to date were less severe than initially expected by Management.

As part of the preparation of the condensed consolidated interim financial information as of and for the three-months period ended March 31, 2020, when the business impacts were still unclear, management analysed the relevant estimates and critical accounting judgments, as well as any other balances that could have a potential impact in terms of recoverability of net realizable values. The conclusion reached did not result in impairments of monetary and non-monetary assets (including goodwill). Refer to the aforementioned condensed interim financial information for further detail of the main analysis performed and conclusions reached at that date.

As of and for the nine-months period ended September 30, 2020, Management reassessed the main assumptions of the relevant estimates, the critical accounting judgements and the evaluation of net realizable values of long lived assets, including volumes and prices practiced on each business segments, founding no additional evidences that could negatively impact the business compared to the assessment performed in the preparation of March 31, 2020 condensed consolidated interim financial information, with the exception of some property, plant and equipments in Argentina business segments (see note 8 below). Specifically to Egypt segment were the Company recorded impairment losses in 2019, sales volumes performed above the budget in approximately 23% to date, which significantly minimizes any risk of additional impairment.

2. Basis of Preparation and Significant Accounting Policies

2.1. Basis of preparation

The condensed consolidated interim financial information as of and for the nine-months period ended September 30, 2020 has been prepared based on the International Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), which allows the entities to present selected notes to the financial statements, in cases of redundant information already disclosed in the Annual Financial Statements. Accordingly, this Interim Financial Information should be read together with Company's consolidated financial statements for the year ended December 31, 2019.

All relevant information in the financial statements is being evidenced and corresponds to that used by the management in the conduction of the Company.

2.2. Significant accounting policies

The accounting policies adopted are consistent with those considered in the consolidated financial statements for the year ended as of December 31, 2019 and disclosed in the corresponding notes.

Reference also to the application of hyperinflation accounting for our Argentinean subsidiaries. As described in the consolidated financial statements as of and for the year ended December 31, 2019, note 2.1, applying IAS 29 rules requires that the financial statements recorded in a hyperinflationary currency are adjusted by applying a general price index and expressed in the measuring unit (the hyperinflationary currency) current at the end of the reporting period prior to conversion to the Company's functional currency.

As a result of the above, our condensed consolidated interim financial information for the nine-months period ended September 30, 2020, reflects an equity increase of US\$147,255 (US\$130,709 for the same period ended September, 30, 2019), with reference to the opening balance, reported in other comprehensive loss, and also the monetary adjustment for the nine-months period ended September 30, 2020, presented in financial income, in the amount of US\$4,622 (US\$16,429 for the period ended September 30, 2019) (see Note 18).

2.3. Discontinued Operations

Paraguay divestiture in 2020

As mentioned in note 1 above, on August 21, 2020, the Company, through its Argentinian subsidiary Loma Negra C.I.A.S.A. ("Loma Negra"), sold its total interests in Yguazú Cementos S.A. ("Yguazú"), represented by 51,0017% of the entity's capital stock. The sale was made to the local shareholders of Yguazú.

Management has agreed not to operate in the territory of Paraguay for five years from August 2020 and to provide certain assistance in the transition to the new board of Yguazú Cementos for a period of 36 months.

As required by International Financial Reporting Standard 5 ("IFRS 5") – Non-Current Assets Held for Sale and Discontinued Operating Units, the financial information recorded for the Paraguayan operating segment were presented as Discontinued Operations in the Condensed Consolidated Statements of Operations and Statements of Comprehensive Income (loss) for the nine-months period ended September 30, 2020 and 2019.

The net assets for the Paraguayan segment as of December 31, 2019 and the cash flow generated by the segment for the nine-months period ended September 30, 2020 are presented as continued operations. The effects of the discontinued operations in the cash flows in the presented periods are demonstrated in the below tables as required per IFRS 5.

The net assets as of the transaction date (August 21, 2020) and the net assets as of December 31, 2019 are demonstrated below:

ASSETS	08/21/2020	12/31/2019
CURRENT ASSETS		
Cash and cash equivalents	6,543	20,967
Trade receivables	5,987	5,799
Inventories	10,073	9,490
Recoverable taxes	252	840
Other receivables	1,103	597
Total current assets	23,958	37,693
NONCURRENT ASSETS		
Trade receivables	-	38
Inventories	1,256	1,191
Other receivables	96	97
Right-of-use assets	4	12
Property, plant and equipment	81,934	91,672
Intangible assets:		
Other intangible assets	24	37
Total noncurrent assets	83,314	93,047
Total assets	107,272	130,740

LIABILITIES		
CURRENT LIABILITIES		
Trade payables	3,650	5,467
Borrowings and financing	25,284	5,230
Interest payable	168	1,710
Obligations under finance leases (IFRS 16)	6	10
Taxes payable	511	533
Payroll and related taxes	429	288
Advances from customers	81	41
Other payables	1,206	-
Total current liabilities	31,335	13,279
NONCURRENT LIABILITIES		
Borrowings and financing	-	43,137
Obligations under finance leases (IFRS 16)	-	4
Provision for environmental recovery	139	148
Deferred income tax and social contribution	820	787
Total noncurrent liabilities	959	44,076
Total liabilities	32,294	57,355
Net assets	74,978	73,385

Portugal and Cape Verde divesture in 2019

As described in the consolidated financial statements as of and for the year ended December 31, 2019, Note 1, on January 17, 2019 the final closing agreement was signed to sell the business operations in Portugal and Cape Verde to “Ordu Yardimlasma Kurumu” (OYAK Group) of Turkey. The final selling price was US\$806,181.



The results recorded for the Portugal and Cape Verde divesture were presented as discontinued operations for the nine-months period ended September 30, 2019.

The cash flow generated by the segment for the nine-months period ended September 30, 2019 is presented as investing activities.

Discontinued operations results (Paraguay, Portugal & Cape Verde)

The impacts in condensed consolidated interim financial information as of September 30, 2020 and 2019 for the transactions mentioned above are the following:

	09.30.2020	09.30.2019 (Recasted)		
	Paraguay	Paraguay	Portugal & Cape Verde	Total
<u>DISCONTINUED OPERATIONS</u>				
NET REVENUE	36,651	50,374	-	50,374
COST OF SALES AND SERVICES	(26,520)	(34,457)	-	(34,457)
GROSS PROFIT	10,131	15,917	-	15,917
OPERATING INCOME (EXPENSES)				
Administrative and selling expenses	(1,145)	(1,426)	-	(1,426)
Other income/(expenses), net	49	(140)	-	(140)
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION	9,035	14,351	-	14,351
FINANCIAL INCOME (EXPENSES)				
Foreign exchange gains/(losses), net	371	44	-	44
Financial income	92	144	-	144
Financial expenses	(2,437)	(4,096)	-	(4,096)
Gain on the sale	31,322	-	150,253	150,253
Reversal of accumulated exchange differences	7,220	-	191,412	191,412
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	45,603	10,443	341,665	352,108
INCOME TAX AND SOCIAL CONTRIBUTION				
Current	(17,949)	(765)	-	(765)
Deferred	(86)	(187)	-	(187)
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	27,568	9,491	341,665	351,156
PROFIT FOR THE PERIOD ATTRIBUTABLE TO				
Company's owners	33,352	2,343	336,798	339,141
Non-controlling interests	(5,784)	7,148	4,867	12,015

The impacts in the cash flow had we segregated the impacts of the continued and discontinued operations for the nine-months period ended September 30, 2020 and 2019 are as follows:

	09.30.2020	09.30.2019 (Recasted)
Net cash used in operating activities	8,278	13,728
Net cash used in investing activities	(7,524)	(624)
Net cash used in financing activities	(21,721)	(15,350)
Decrease in cash and cash equivalents	(20,967)	(2,246)
Cash and cash equivalents at the beginning of the period	20,967	15,182
Cash and cash equivalents at the end of the period	-	12,936

The reconciliation of the referred selling price to the cash received and the amounts presented in the cash flow statements for the nine-month period ended September 30, 2019 is demonstrated below and relates to the Portugal and Cabe Verde divesture:

	09.30.2019 (Recasted)
Cash received as of September 30, 2019	797,407
Cash balance carved-out	<u>(67,247)</u>
	730,160
Intersegment payments to carved-out companies	<u>(133,675)</u>
Cash received, net (as of September 30, 2019)	<u><u>596,485</u></u>
Final sales price	806,181
Intercompany working capital adjustment	<u>3,588</u>
Outstanding amount to be received as of September 30, 2019	<u><u>12,362</u></u>

The Portugal and Cape Verde sales were fully collected in 2019.

The reconciliation of the referred selling price to the cash received and the amounts presented in the cash flow statements for the nine-month period ended September 30, 2020 is demonstrated below and relates to the Paraguay segment divesture:

	09.30.2020
Cash received as of September 30, 2020	100,000
Cash balance carved-out	<u>(6,543)</u>
	93,457
Expenses to sell the business	<u>(700)</u>
Cash received, net (as of September 30, 2020)	<u><u>92,757</u></u>
Final sales price	107,000
Outstanding amount to be received as of September 30, 2020	<u><u>7,000</u></u>

The outstanding balance is due in seven consecutive and equals instalments commencing in November 2020.

2.4. Functional, reporting and presentation currencies

The Company's functional currency is the Brazilian real (R\$). As prescribed by IAS 21, paragraph 38 - The Effects of Changes in Foreign Exchange Rates, the Company may present its financial statements in any currency. As such, considering (i) the fact the Brazilian Real presents certain challenges for benchmarking certain business operations; (ii) that world trade reference prices for clinker and cement are in U.S. Dollars, and; (iii) the ongoing negotiations with Company's creditors and the rising interests from our stakeholders on financial information to be presented in U.S. Dollars, which currency is a benchmark that trades against other major currencies (including Euro, Japanese yen, and British pound), the Company decided to change the presentation currency of the consolidated financial statements from Euro to U.S. Dollars starting in December 31, 2019. Due to the fact that the change in the presentation currency represents a change in accounting policies, the comparative interim financial information for the nine-months period ended September 30, 2019, previously prepared in Euro and

released on November 29, 2019, are now being presented in U.S. Dollars following requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The comparative interim financial information is identified as “Recasted”.

For the translation into the presentation currency, changes in equity were translated from functional currency considering the historical exchange rates of each transaction. The financial position was translated from functional currency considering the closing exchange rates of the reporting period, which the operations and cash flows were translated considering the average exchange rates of the reporting period. Furthermore, certain financial information in local currencies were modified compared to figures used in the translation of the original financial statements aforementioned primarily due to changes in accounting policies and errors as mentioned in the consolidated financial statements as of and for the year ended December 31, 2019 issued on March 25, 2020 and due to the presentation of the discontinued operations upon the divestiture in Paraguay mentioned in note 2.3.

The main exchange rates used to translate the financial information were as follows:

Currency	Closing exchange rate (R\$)			Average exchange rate (R\$)	
	09.30.2020	12.31.2019	09.30.2019	09.30.2020	09.30.2019
USD US Dollar	5.64070	4.03070	4.16440	5.12756	3.89521
EUR Euro	6.61320	4.53050	4.54250	5.82754	4.37599
MZN Mozambique Metical	0.07900	0.06592	0.06782	0.07484	0.06347
EGP Egyptian Pound	0.35860	0.25190	0.25660	0.31829	0.23152
ZAR South African Rand	0.33780	0.28760	0.27480	0.31084	0.27098
ARS Argentinian Peso (*)	0.07404	0.06730	0.07231	0.07404	0.07231
PYG Paraguayan Guaraní (**)	0.00081	0.00062	0.00065	0.00075	0.00063

(*) As a result of the application of IAS 29, non-monetary assets and liabilities, shareholders' equity and income statement of subsidiaries operating in highly inflationary economies shall be expressed in terms of the unit of measurement current at the balance sheet date and translated at the period-end exchange rate (rather than the average rate), thus resulting in year-to-date effects on the income statement of both inflation and currency conversion.

(**) The closing exchange rate refers to August 21, 2020 and the average exchange rate to the period from January 01, 2020 through August 21, 2020. See note 2.3 for further consideration in the Paraguayan divestiture.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainties

Estimates and judgments are continually evaluated and are based on historical experience and on other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no changes in relation to what was presented in Note 2.3 to the Company's consolidated Financial Statements as of December 31, 2019.

Our COVID-19 analysis is stated in Note 1 above.

4. Cash and Cash Equivalents

	09.30.2020	12.31.2019
Cash and bank accounts	80,923	174,602
Short-term investments	161,683	138,300
Total cash and cash equivalents	242,606	312,902
Cash and cash equivalents from discontinued operations (Note 2.3)	-	20,967
	242,606	333,869

Short-term investments were as follows:

	09.30.2020	12.31.2019
Certificate of Bank Deposit (CDBs)	86,723	26,465
Short Term Investment in Brazilian Reais (a)	250	62,341
Fixed-income funds in Brazilian Reais (b)	207	18,648
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean pesos (c)	16,785	15,549
Short-term investments in US dollars (d)	40,748	1,475
Short-term investments in euro	-	15
Short-term investments in Egyptian pounds (e)	1,345	1,134
Short-term investments in South African rand (f)	15,546	12,673
Short-term investments in Mozambique metical (g)	79	-
Total short-term investments	161,683	138,300

- a) Short-term investments in Brazilian Reais have a yield between 99.5% and 105% of the Interbank Deposit Certificate (CDI) (70% and 98.75% as of December 31, 2019).
- b) Fixed income funds in Brazilian Reais have a yield of 104.6% of the Interbank Deposit Certificate (CDI), (100% as of December 31, 2019).
- c) Represents short-term investments in Argentinean pesos with interest from 20.95% to 27.27% per annum (49.7% per annum as of December 31, 2019).
- d) Short-term investments in US Dollars with yields of 0.0% per annum (0.1% to 0.61% per annum as of December 31, 2019).
- e) Deposit in Egyptian pounds yielded interest from 5% to 8.50% per year (7% to 8.50% as of December 31, 2019).
- f) Deposit in Rands yielded interest from 3.30% to 3.55% per year (6.30% to 6.55% as of December 31, 2019).
- g) Deposit in Meticals yielded interest of 1.5% per year as of September 30, 2020.

Short-term investments are available for immediate withdraws, without significant risks of changes in value.

5. Securities

Securities are classified as financial assets, as follows:

	09.30.2020	12.31.2019
Market investments	1,068	1,676
Investment funds	20,012	19,267
Total	<u>21,080</u>	<u>20,943</u>
Total - current	20,012	19,516
Total - noncurrent	1,068	1,427

“Market investments” are held by the Brazilian subsidiaries, which are composed mainly by escrow accounts that do not bear interests.

“Investment funds” consist in a portfolio of investment funds held by InterCement Reinsurance, which is presented at fair value as of September 30, 2020 and December 31, 2019. The funds resulted in an unrealized gain of US\$0,402 for the nine-months period ended September 30, 2020 (US\$1,839 unrealized gain for the year ended December 31, 2019).

6. Trade Receivables

	09.30.2020	12.31.2019
<u>Current</u>		
Domestic and foreign customers	105,554	99,051
(-) Allowance for doubtful accounts	<u>(18,139)</u>	<u>(23,561)</u>
Trade receivables	<u>87,415</u>	<u>75,490</u>
<u>Noncurrent</u>		
Domestic and foreign customers	1,183	1,285
(-) Allowance for doubtful accounts	<u>(540)</u>	<u>(781)</u>
Trade receivables	<u>643</u>	<u>504</u>

As of December 27, 2019, the Company derecognized receivables in the amount of US\$22,537 at a marginal discount, due to corresponding securitization with a financial institution (true sale). No similar financial transaction was performed during the nine-months period ended September 30, 2020.



7. Inventories

	09.30.2020	12.31.2019
Current:		
Finished products	13,423	24,224
Work in process	43,451	81,144
Raw material	58,519	51,979
Fuel	28,453	32,529
Spare parts	71,271	100,385
Advances to suppliers	2,769	1,198
Packaging and other	2,939	4,507
Allowance for losses	(10,598)	(16,863)
Total	210,227	279,103
Noncurrent:		
Raw material	52,633	41,649
Spare parts	35,651	39,434
Packaging and other	-	30
Allowance for losses	(776)	(506)
Total	87,508	80,607

8. Property, Plant and Equipment

	09.30.2020			12.31.2019
	Cost	Depreciation & Impairment	Net book value	Net book value
Land	91,531	(36,306)	55,225	70,402
Buildings	582,305	(357,655)	224,650	277,791
Machinery and equipment	1,477,237	(899,006)	578,231	814,498
Vehicles	101,782	(85,280)	16,502	30,442
Furniture and fixtures	29,230	(27,248)	1,982	2,340
Mines and ore reserves	154,897	(109,218)	45,679	46,513
Reservoirs, dams and feeders	49,780	(18,977)	30,803	45,044
Spare parts	3,581	(1,256)	2,325	3,237
Other	14,303	(8,964)	5,339	7,342
Advances to suppliers	18,997	-	18,997	24,870
Construction in progress	464,251	(110,627)	353,624	368,310
Total	2,987,894	(1,654,537)	1,333,357	1,690,789



Construction in progress includes (i) the construction of the new L'Amalí II cement plant in the city of Olavarría, province of Buenos Aires, in Argentina and Paraguay business segment, with a total investment of US\$296,229 (ARS 22,566,741) as of September 30, 2020. The conclusion is expected to occur during the 1st quarter of 2021, (ii) improvement in facilities and equipment of the cement plants and (iii) impairment losses in Brazil business segment of US\$110,627 (US\$154,804 as of December 31, 2019) due to expansion projects production lines that were ceased for an undetermined period due to current demand. Such impairment losses might be reversed once the expansion projects are finalized and the expected future cash flows are sufficient to cover their respective costs.

As of September 30, 2020, there are assets in Brazil business segment given as collateral for loans obtained for their own acquisition in the amount of approximately US\$2,779 (as of December 31, 2019 in the Argentina and Paraguay business segment and Brazil business segment, the assets given as collateral totalled approximately US\$50,365 and US\$4,603, respectively).

In addition, in Brazil business segment, two cement plants were given as guarantee in the “CADE” process, as referred in Note 12.

During the nine-months period ended September 30, 2020, the Company capitalized interest expenses amounting to US\$3,177, related to loans granted to finance eligible assets.

Changes in property, plant and equipment were as follows:

	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Mines and ore reserves	Reservoirs, dams and feeders	Spare parts	Other	Construction in progress	Advances to suppliers	Total
Balance as of December 31, 2018	41,461	282,655	860,586	36,685	4,054	78,000	49,522	4,848	4,191	160,152	24,295	1,546,449
Effects of IAS 29 (Note 2.2)	2,185	35,693	43,299	8,494	257	11,923	-	-	189	22,930	-	124,970
Additions	-	1,117	13,333	69	175	-	21	-	239	253,721	271	268,946
Disposals	(1,048)	(108)	(62)	(26)	(6)	-	-	-	-	-	(322)	(1,572)
Depreciation	(6,113)	(15,686)	(70,504)	(6,244)	(676)	(12,225)	(2,007)	-	(1,135)	-	-	(114,590)
Impairment provision	-	-	-	-	-	-	-	-	(686)	-	-	(686)
Effect of changes in exchange rates	(1,993)	(56,453)	(82,915)	(11,654)	(362)	(17,329)	(3,316)	(456)	(521)	(45,177)	(1,130)	(221,306)
Transfers	36,052	10,574	23,209	1,210	(1,050)	(8,424)	-	1,828	2,869	(66,813)	297	(248)
Balance as of September 30, 2019 (Recasted)	70,544	257,792	786,946	28,534	2,392	51,945	44,220	6,220	5,146	324,813	23,411	1,601,963
Balance as of December 31, 2019	70,402	277,791	814,498	30,442	2,340	46,513	45,044	3,237	7,342	368,310	24,870	1,690,789
Effects of IAS 29 (Note 2.2)	1,606	24,754	31,313	5,341	148	9,507	-	-	131	54,326	-	127,126
Additions	-	1,363	10,118	7	89	-	-	1,148	924	51,244	56	64,949
Disposals	(510)	(318)	(443)	(1,208)	(162)	-	-	-	(779)	-	(121)	(3,541)
Depreciation	(153)	(15,498)	(60,761)	(10,442)	(589)	(9,092)	(1,527)	(181)	(327)	-	-	(98,570)
Impairment provision	(91)	(6,860)	(1,519)	(3,669)	(88)	-	-	-	(22)	(474)	-	(12,723)
Effect of changes in exchange rates	(15,509)	(65,926)	(153,230)	(5,930)	(324)	(10,666)	(12,718)	(925)	(1,917)	(80,343)	(5,657)	(353,145)
Transfers	(179)	9,344	11,346	2,000	658	9,417	4	(954)	(13)	(31,125)	(92)	406
Discontinued operations (Note 2.3)	(341)	-	(73,091)	(39)	(90)	-	-	-	-	(8,314)	(59)	(81,934)
Balance as of September 30, 2020	55,225	224,650	578,231	16,502	1,982	45,679	30,803	2,325	5,339	353,624	18,997	1,333,357



Additions

During the nine-months period ended September 30, 2020 there were additions in the amount of US\$64,949 (US\$268,946 for the period ended September 30, 2019), from which US\$28,166 refers to Argentina business segment (US\$197,499 for the period ended September 30, 2019), primarily due to the increase of the installed capacity on its L'Amali plant, amounting to US\$19,207 (US\$159,190 for the period ended September 30, 2019), US\$7,595 related to quarry recovery (US\$12,582 for the period ended September 30, 2019).

Impairment

The Group performs its property, plant and equipment impairment test annually in December, or when the circumstances indicate that the carrying amount may be impaired.

The Group's impairment test for property, plant and equipment is based on estimates of the recoverable amount per cash-generating unit, as the higher of fair value less cost to sell and value in use. To estimate the value in use, the estimated future cash flows are discounted using a discount rate that reflects market appreciations at the end of the period regarding the time value of money considering the risks specific to the assets involved.

The Group has considered various factors when reviewing the impairment indicators, such as market capitalization, participation in each of the segments in which it operates, unused installed capacity, trends in industry, among other factors.

As of September 30, 2020, considering the particular impacts of the pandemic of the COVID-19 and the uncertainty of the Argentine economic situation, among other micro and macroeconomic factors, the Company has estimated a decrease in the demand for railway logistics services provided by the Group and the demand for the stone of the aggregates in such cash-generating unit.

As a result of the previously described scenario, the Group performed an impairment test as of September 30, 2020 for the different Argentine cash generating units, determining that the book value of the railroad cash-generating units and aggregates exceeded the value in use of the assets involved. As a result of the analysis carried out, the Group recognized a loss due to impairment of property, plant and equipment that amounted to US\$12,282 (ARS 850,605,407).

9. Other intangible assets and goodwill

	09.30.2020	12.31.2019
Other intangible assets:		
Software licenses	4,434	5,595
Concession-related assets	76,573	112,389
Mining rights	10,257	12,488
Project development costs	3,415	3,608
Trademarks, patents and others	16,489	16,628
	<u>111,168</u>	<u>150,708</u>

Goodwill per operating segments:	09.30.2020	12.31.2019
Brazil	487,287	681,927
Argentina	171,591	239,983
Egypt	5,377	5,285
Mozambique	36,970	43,171
South Africa	88,804	105,807
	<u>790,029</u>	<u>1,076,173</u>

Goodwill is subject to impairment tests annually and whenever there are indications of possible impairment, which is prepared based on the recoverable amounts of each of the corresponding business segments. As of September 30, 2020, even considering the impacts of COVID-19 in our projections, management found no need to register additional impairment loss provisions (refer to Note 1 above).

Changes in intangible assets for the nine-months periods ended September 30, 2020 and 2019 were as follows:

	Software licenses	Concession-related assets	Mining rights	Project development costs	Trademarks, patents and others	Goodwill	Total
Balance as of December 31, 2018	6,244	125,394	20,174	4,640	20,969	1,128,142	1,305,563
Effects of IAS 29 (Note 2.2)	517	-	-	-	904	101	1,522
Additions	716	1,887	-	274	-	-	2,877
Disposals	-	(8,751)	-	-	(2,603)	-	(11,354)
Amortization	(1,823)	(8,708)	(278)	(1,047)	(190)	-	(12,046)
Effect of changes in exchange rates	(735)	(7,554)	(1,130)	(196)	(131)	(69,947)	(79,693)
Balance as of September 30, 2019 (Recasted)	<u>4,919</u>	<u>102,268</u>	<u>18,766</u>	<u>3,671</u>	<u>18,949</u>	<u>1,058,296</u>	<u>1,206,869</u>
Balance as of December 31, 2019	5,595	112,389	12,488	3,608	16,628	1,076,173	1,226,881
Effects of IAS 29 (Note 2.2)	405	-	-	-	-	82	487
Additions	1,501	3,834	-	6,327	1,218	-	12,880
Disposals	-	(1,389)	-	-	-	-	(1,389)
Amortization	(1,838)	(6,924)	(242)	(5,523)	(847)	-	(15,374)
Effect of changes in exchange rates	(1,205)	(31,337)	(1,989)	(997)	(510)	(286,226)	(322,264)
Discontinued operations (Note 2.3)	(24)	-	-	-	-	-	(24)
Balance as of September 30, 2020	<u>4,434</u>	<u>76,573</u>	<u>10,257</u>	<u>3,415</u>	<u>16,489</u>	<u>790,029</u>	<u>901,197</u>

10. Borrowings and Financing

Business unit	Type of financing	Currency	Annual Interest rates	Maturity		09.30.2020		12.31.2019	
						Current	Noncurrent	Current	Noncurrent
Holdings and Financial Vehicles (*)	Bilateral (**)	USD	US Libor + 3.10% - 4.40%	Jan/21-Jan/22	a)	7,000	14,000	50,782	173,547
Holdings and Financial Vehicles (*)	Bilateral	USD	US Libor + 3.95%	Feb-24	a)	-	-	-	159,452
Holdings and Financial Vehicles (*)	Bilateral	EUR	Euribor + 3.60%	Feb-24	a)	-	-	-	220,587
Holdings and Financial Vehicles (*)	Bilateral	EUR	2.55%	Jun-20		-	-	5,620	-
Holdings and Financial Vehicles (*)	Bilateral	EUR	3.20%	Oct-21		2,613	18,300	3,091	18,546
Holdings and Financial Vehicles (*)	Commercial paper	EUR	2.80%	Mar-20		-	-	39,340	-
Holdings and Financial Vehicles (*)	Promissory note (**)	BRL	3% + 100% CDI	Mar-21		20,388	-	-	-
U.N. Argentina	Bilateral	USD	US Libor + (4.25% to 7.38%)	Several		41,533	25,342	36,074	42,555
U.N. Argentina	Bilateral	ARS	Badlar + 9,25%	Jan-22	c)	-	-	11,505	-
U.N. Argentina	Bilateral	EUR	4.00%	Apr-Sep/21		9,561	3,196	-	9,047
U.N. Argentina	Bilateral	PYG	8.5% - 9.00%	Aug-25	b)	-	-	5,260	43,385
U.N. Argentina	Bilateral	ARS	8.00% + Badlar	Jan-22	c)	-	-	-	16,697
U.N. Argentina	Working capital	ARS	21.70% - 70%	Jul-20	c)	-	-	34,845	-
U.N. Mozambique	Bilateral	MZN	Prime Rate + 2%	Jan/24-Aug/25		1,099	16,716	-	-
U.N. Brazil	Bilateral	BRL	126% CDI	Apr-23	a)	-	-	-	49,297
U.N. Brazil	Subsidised loan	BRL	2.50% - 5.00%	Dec-24		1,930	5,735	2,886	9,988
U.N. Brazil	Bilateral	BRL	15.34%	Dec-22		419	2,572	551	3,207
U.N. Egypt	Bilateral	EGP	Corridor + 1.50%	Apr-24		605	4,916	671	4,152
U.N. Egypt	Working capital	EGP	15.50% - 17.00%	Apr-21		23,308	-	30,038	-
						108,456	90,777	220,663	750,459

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

(**) The borrowings contain certain restrictive financial covenants, which are described below.

- (a) On June 08, 2020, the following bilateral were prepaid with the proceedings from the new debenture issuances indicated in Note 11:
- Caue Austria Holding prepaid US\$420,050, (which US\$197,356 were denominated in US\$ and the remaining portion denominated in Euros);
 - InterCement Financial Operations B.V. prepaid US\$159,452; and
 - InterCement Brasil prepaid US\$38,949 (equivalent to R\$200,062 thousands).
- (b) As mentioned in note 2.3, Paraguayan operating segment was sold and, therefore, respective borrowings and financings were transferred to purchaser.
- (c) Management decided to apply a substantial part of the cash collected from the sales of Paraguayan operations segment (see note 2.3 above) to liquidate working capital borrowings and to anticipate payment of some others borrowings and financing with future maturity dates.

As of September 30, 2020, and December 31, 2019, the incurred interest related to those financing agreements classified in current liabilities and presented as 'Interest payable' amount to US\$1,561 and US\$19,298 respectively.

Changes in Borrowings and Financing in the nine-months periods ended September 30, 2020 and 2019 were as follows:

	Borrowings and financing
Balance as of December 31, 2018	1,190,789
New borrowings and financing	147,475
Payments	(375,548)
Effect of changes in exchange rates	(19,436)
Balance as of September 30, 2019 (Recasted)	943,281
Balance as of December 31, 2019	971,122
New borrowings and financing	219,565
Payments	(942,460)
Discontinued operations (Note 2.3)	(25,284)
Effect of changes in exchange rates	(23,710)
Balance as of September 30, 2020	199,233

Maturity schedule

As of September 30, 2020, the noncurrent portion of the borrowings and financing mature as follows:

Period	09.30.2020
2021	35,602
2022	23,071
2023	20,987
2024	6,714
2025	4,403
	90,777

Covenants

The loans and financing agreements contain certain annual restrictive covenants, including change of control clauses and those requiring the maintenance of certain financial ratios.

The Company and its subsidiaries monitor these ratios systematically and constantly to make sure the requirements are met. Such measurements are performed annually, which depends on conditions agreed upon on each contract entered into with the financial institutions. As of December 31, 2019, the all covenants conditions were met.

The outstanding bilateral in the amount of US\$21,000 is subject to restrictive covenants and is required to maintain the same financial ratios of the debentures issued in 2020 (see Note 11 below).

The promissory note in the amount of US\$20,388 requires that Net Debt / Adjusted EBITDA ratio to be no higher than 5.0x as of December 31, 2020.

The Mozambique bilateral in the amount of US\$17,815 requires the following ratios at stand-alone figures and in a twelve month basis range at the end of each fiscal year (December 31): (a) Senior Debt /EBIDTA to be no higher than 1,5x; (b) EBITDA / Total Accrued Interest to be no lower than 4x; and (c) Free Cash Flow / Debt Service to be no lower than 1,2x. Initial measurement will be based on December 31, 2020 figures.

11. Debentures

Functional Currency	Business unit	Instrument	Currency	Annual interest rate	Final maturity	09.30.2020		12.31.2019		
						Current	Noncurrent	Current	Noncurrent	
BRL	Holdings and Financial Vehicles (*)	Debenture	BRL	CDI + 3.75%	June-27	a)	-	526,736	-	-
BRL	Brazil	Debenture	BRL	CDI + 3.75%	June-27	a)	-	301,410	-	-
BRL	Brazil	Debenture	BRL	115% - CDI	Apr-22	b)	9,544	9,539	54,655	109,363
BRL	Brazil	Debenture	BRL	115% - CDI	Aug-22	b)	-	-	123,968	124,010
EUR	Holdings and Financial Vehicles (*)	Senior Notes	USD	5.75%	Jul-24	c)	-	530,590	-	548,117
							9,544	1,368,275	178,623	781,490

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

(a) As mentioned in note 1 above, on June 8, 2020, the Company issued two Debentures, one by InterCement Participações S.A. of US\$579,502 (R\$2,976,666 thousands) and another by InterCement Brasil S.A. of US\$330,989 (R\$1,700,161 thousands). The fluctuation to the balances as of September 30, 2020 refers to exchange variation only as interest expenses are presented separately in the statements of financial position.

The instrument is guaranteed by Loma Negra shares held by the Company. The debentures will be mandatorily redeemable on May 2024 if the Group is unable to refinance its existing senior notes due in 2024.

(b) On June 08, 2020, InterCement Brasil S.A. ("InterCement Brasil") partially prepaid the amount of US\$292,040 (R\$1,500,100 thousands) of its debentures issued in 2012 with the proceedings from the issuance of new debentures, as mentioned in item (a) above. As mentioned in note 24, during October and November of 2020, InterCement Brasil repurchases and subsequently cancelled 100% of these debentures.

(c) In July 2014, the Senior Notes ("Notes") were issued by InterCement Financial Operations, B.V., with a payment maturity of 10 years. The notes were launched with coupon of 5.75% per annum and are listed at the Singapore Stock Exchange. As of September 30, 2020 and December 31, 2019, the Group holds bonds at the face value of US\$198,812. On June 24, 2020 InterCement Financial Operations B.V., 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.

As of September 30, 2020 and December 31, 2019, the incurred interest expenses classified in current liabilities and presented as 'Interest payable' amounts to US\$22,018 and US\$8,334, respectively.

Changes in Debentures in the nine-months periods ended September 30, 2020 and 2019 were as follows:

	Debentures
Balance as of December 31, 2018	1,029,588
Payments	(56,925)
Effect of changes in Exchange rates, commissions and other	(28,762)
Balance as of September 30, 2019 (Recasted)	943,900
Balance as of December 31, 2019	960,113
New debentures	910,491
Payments	(302,531)
Effect of changes in Exchange rates, commissions and other	(190,254)
Balance as of September 30, 2020	1,377,819

Maturity schedule

As of September 30, 2020, the non-current portion of debentures mature as follows:

Period	09.30.2020
2022	9,539
2023	145,095
2024	695,439
2025	207,280
Following years	310,922
	1,368,275

Covenants

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

Debentures issued in 2012:

Covenants conditions were met for the year ended December 31, 2019. Next measuring is based on financial figures as of December 31, 2020 and Net Debt over adjusted EBITDA is limited to 5.00X.

Debentures issued in 2020:

Company agreed with debentures holders compliance with a gross debt cap of €1,800,000 thousands (equivalent to US\$2,110,320 as of September 30, 2020) to be measured as of December 31, 2020. In the following years, the financial covenant changes from gross debt cap to net leverage, measured by the Net Debt over Adjusted EBITDA. In 2021, the limit is 5.85X, and for the following years 5.35X in 2022; 4.85X in 2023; 3.85X in 2024 and 3.35 from 2025 until 2027.

Senior notes

The non-compliance with covenant (ratio of 4.5) foresees that the Company operates with certain restrictions, being the principal ones:

- i) Limitation in US\$500,000 for new debts, provided it is not used to refinance the existing debt;
- ii) Restrictions on certain payments, such as dividends to shareholders above the statutory minimum legal required amount;
- iii) Dividends limitation of US\$25,000 per year, on a cumulative basis, for preferred shareholders after the Senior Notes issuance (July/2014).

As of September 30, 2020, Company is in compliance with the restrictions imposed. Such restrictions are maintained until the next measurement period that will be based on the financial figures for the year to be ended December 31, 2020.

12. Provisions and contingent assets and liabilities

Provisions

The Group is subject to tax, civil, labor and other risks. Management periodically reviews known contingencies, assesses the likelihood of losses and recognizes corresponding provision based on its legal counsel's opinion and other available data at the date of the reporting period.

The provision for risks is demonstrated as follows:

	09.30.2020	12.31.2019
Labor and social security	6,238	6,963
Tax (a)	19,532	17,013
Civil and other (b)	38,745	37,835
	64,515	61,811
Escrow deposit (c)	(1,574)	(2,840)
Total	62,941	58,971

- (a) Brazil: Refer to tax assessment notices and lawsuits amounting to US\$4,261 (US\$2,294 as of December 31, 2019) mainly related to discussions on: i) absence of Value Added Tax ("ICMS") collection and improper credits taken in a variety of operations, including import of goods carried out through trading companies; (ii) improper compensation of income tax and social contribution; (iii) absence of services tax (ISS) collection in a variety of services provided; and (iv) IPTU – increase in the calculation base.

InterCement Portugal: Refers basically to the provisions for tax risks related to income tax, amounting to US\$6,631 as of September 30, 2020 (US\$6,351 as of December 31, 2019), which are being challenged in courts.

Egypt: Refers basically to tax provisions related to income tax matters between the calendar years 2004 and 2016, in the amount of US\$4,404 (US\$7,574 in December 31, 2019), which are being challenged at court.

- (b) Egypt: Includes mainly a provision related to a dispute about the requirement of an industrial license and corresponding interest and monetary accretion totalling US\$34,416 (US\$33,831 on December 31, 2019).
- (c) The Group have escrow deposits related to the provision for tax, civil and labor risks as follows:

	09.30.2020	12.31.2019
Labor and social security	850	2,079
Tax	538	745
Civil and other	186	16
Total	1,574	2,840

Changes in the provision for risks for the nine-months periods ended September 30, 2020 and 2019 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
Balance as of December 31, 2018	9,966	19,736	35,114	(3,087)	61,729
Effects of IAS 29 (Note 2.2)	383	201	270	-	854
Recognition/deposit	1,239	1,681	(208)	(835)	1,877
Payment	(1,913)	(1,445)	(381)	1,066	(2,673)
Reversal	(950)	(1,192)	(618)	-	(2,760)
Transfers	-	-	-	-	-
Exchange differences	(987)	(385)	3,522	199	2,349
Balance as of September 30, 2019 (Recasted)	7,738	18,596	37,699	(2,657)	61,376
Balance as of December 31, 2019	6,963	17,013	37,835	(2,840)	58,971
Effects of IAS 29 (Note 2.2)	293	170	94	-	557
Recognition/deposit	2,261	3,563	1,245	(605)	6,464
Payment	(661)	(136)	(346)	1,106	(37)
Reversal	(778)	(427)	(216)	-	(1,421)
Exchange differences	(1,840)	(651)	133	765	(1,593)
Balance as of September 30, 2020	6,238	19,532	38,745	(1,574)	62,941

Contingent liabilities

In the normal course of its business the Group is involved in several legal cases and complaints relating to its labor and social security, tax, civil and other natures, which the likelihood of loss is assessed as possible or less likely than not for uncertain income tax positions in light of IFRIC 23.

As of September 30, 2020, the Group has an exposure of US\$959,039 (US\$1,177,867 as of December 31, 2019), being US\$12,647 of contingent liabilities related to labor contingencies (US\$14,612 as of December 31, 2019), US\$769,071 of tax contingencies, including uncertain income tax position as per IFRIC 23 assessment (US\$896,867 as of December 31, 2019), US\$177,321 of civil contingencies and administrative processes of other natures (US\$266,388 as of December 31, 2019), whose likelihood of loss was considered possible, according to the opinion of our legal counsel. The reduction compared to December 31, 2019 is mainly explained by the depreciation of Brazilian Reais against U.S. dollars.

The most significant of the contingencies are:

Brazil

a) Tax

The tax contingencies, in the approximately amount of US\$651,790 (US\$785,306 as of December 31, 2019) refer mainly to administrative and judicial proceedings related to: (i) disallowance of credits for allegedly undue deduction of the IRPJ and CSLL calculation base, as goodwill amortization resulting from the acquisition of other companies; (ii) collection of IRPJ and CSLL, based on the fact that the Company would no longer offer to tax profits earned abroad by subsidiaries and affiliated entities; (iii) collection of alleged difference or non-payment of CFEM, a financial compensation paid to the Federal Government for the economic use of mineral resources; (iv) several discussions related to the ICMS: rate differential, absence of payment in different operations, applicability of tax agenda and transfer of goods between plants of the same taxpayer, improper credits taken upon intermediate materials and fixed assets considered for use and consumption; (v) non-ratified IRPJ credit compensation resulting from the improper application of the tax incentive granted by Authorities and credits resulting from the lower calculation of the negative tax balance; (vi) undue PIS and COFINS credit resulting from freight expenses on goods transfers between industrial plants and distributors; (vii) taxation of interest on capital; (viii) non-collection of the Property Transfer Tax (“ITBI”) on mergers transactions; (ix) alleged non-payment of federal taxes; and (x) undue charge of a municipal tax (Services Taxes - “ISS”), and CFEM no collection.

b) Civil

The main lawsuits relate to: (i) reparation of damages due to contractual breach; (ii) indemnity for accidents at work in the civil sphere and for undue collection; (iii) non-compliance with operating license conditions and alleged lack of licensing; (iv) air and soil pollution; and (v) infraction against the economic order (“CADE”), as described below:

Administrative Council for Economic Defence (“CADE”)

The Company, along with other companies in the industry, is part of administrative proceedings related to antitrust regulation in progress at the Administrative Council for Economic Defense (“CADE”). In July 2015, CADE’s tribunal judged the administrative appeal presented by the Group under the process initiated in 2007 regarding competition in Brazil (as well by other involved companies), maintaining the condemnation decision about cartel formation and the imposition of a pecuniary fine and other accessory penalties. As of September 30, 2020, the fines imposed to the Group corresponds to US\$142,627 (R\$804,518 thousand) and as of December 31, 2019, fines corresponds to US\$194,748 (R\$784,971 thousand), besides the obligation to sell 20% of its installed capacity of the concrete assets in the relevant Brazilian markets in which the Company operates, among other accessory penalties.

After the referred administrative CADE’s decision became final, the Group appealed judicially, having obtained, on October 22, 2015, the grant of the preliminary injunction to suspend all penalties imposed by CADE, by the presentation of real guarantees (two plants), until the final judgment decision. Such preliminary injunction decision was judicially appealed by CADE and was rejected. The proceeding did not have any significant change until September 30, 2020. Based on the opinion of the legal advisors, the risk of loss in court has been considered as possible, therefore, no provision was recorded for this contingent liability.

Spain

As a result of the tax inspections of the years 2005 to 2008, tax assessments of approximately US\$140,689 (US\$134,880 as of December 31, 2019) were issued against the Company related essentially to net financial items resulting from interpretations not adjusted to the nature of certain transactions. Based on opinion of the legal advisors, the risk of loss in court was considered as possible. During September 2019, the Supreme Court's ruled the dispute and the decision was favourable to the Company, therefore the tax assessment was cancelled.

During the second half of 2014, the Spanish tax authorities began inspecting the years 2009 to 2012 related to the same matters in dispute as mentioned above. The amounts under dispute are negative taxable income of approximately US\$32,827 for 2009 to 2011, and negative taxable income of approximately US\$283,723 for 2012 (US\$272,008 as of December 31, 2019). Recently, the state's attorney informed the High Court of the acceptance of some of the issues in the litigation. If the High Court confirms this, which is foreseeable, the negative tax bases questioned would be US\$19,966 (€17,030) for 2009-2011, and US\$217,446 (€185,470) for 2012. Management and Company's legal counsel believe the risk of a favourable outcome of this dispute is "more likely than not", therefore, no contingency reserve was recorded.

Portugal

Under the Consolidated Income Tax Regime (RETGS), applicable to the Company and other Portuguese entities of the Group until the year 2000, intra-group results ("eliminated results"), amounting to US\$310,688 (€265,000 thousand) as of September 30, 2020 and US\$297,860 (€265,000 thousand) as of December 31, 2019, were generated due to tangible fixed assets sales between group companies.

During the Corporate Income tax (CIT) inspection of the fiscal year 2016, the Tax Authority requested the provision of information relating to such tangible fixed assets sales, with the purpose of assessing the need for possible adjustments to the Group's taxable profit in this fiscal year and in the fiscal years ending in 2017 and 2018, due to the transitional rules successively inserted in the State Budget Laws of the years 2016, 2017 and 2018, which required partial or total incorporation (in the event of termination of the Group) in those years of any taxable income that were still pending from taxation.

The final Income tax inspection Report for the year 2016 incorporates a correction of US\$115,982 (€ 98,926) to the Group's Taxable base, corresponding to 25% (cf. Law No. 7-A / 2016, of June 30) of the eliminated results calculated by the Tax Authority by reference to December 31, 2015, and for that year an additional tax assessment of US\$4,957 (€ 4,228) was received and will be contested. As of this date, the inspection of the fiscal year 2017 is ongoing.

Based on the opinion of the Company's legal advisors, the risk of a favourable outcome on this dispute is "more likely than not", therefore, no contingency reserve was recorded.

13. Related Parties

Transactions and balances between Group companies consolidated upon the full consolidation method were eliminated in the consolidation process and therefore are not disclosed herein. The balances and transactions between the Group and associated companies and with other related parties fall within normal operational activities, and include advances, loan agreements, sales and purchases of products and services.

In May 2019, the Company (i) released Capital Reserves in the amount of US\$74,742 (R\$300,000 thousands) to its parent company, Mover Participações S.A. and (ii) sold fixed assets (land) to A.Y.U.S.P.E. Empreendimentos e Participações S.A., with outstanding receivables in the amount of US\$4,042 (US\$5,657 as of December 31, 2019) recorded within “Other Receivables” non-current. During the nine months period ended September 2020, rights over such the land and corresponding obligations were transferred from A.Y.U.S.P.E. to HM Engenharia e Construção S.A.

14. Shareholder’s Equity

Share Capital

As of September 30, 2020, and December 31, 2019 share capital is represented by 25,046,440 registered shares without par value, of which 22,687,439 are common shares and 2,359,001 are preferred shares Class A.

Capital Reserves - Preferred Shares – InterCement Participações

Class A

The preferred shares (Class A) grant their holders the right to receive minimum dividends, not accumulating losses, do not grant voting rights in the Company’s shareholders’ meetings, and can be redeemed by decision of the Board of Directors. Any contractual obligations are guaranteed and recorded at Company’s controller shareholder; consequently, the Company does not have any contractual obligation assumed with such holders of the preferred shares.

Class B

The preferred shares (Class B) does not grant their holders the right to receive minimum dividends, do not grant voting rights in the Company’s shareholders’ meetings, and can be redeemed by decision of the Board of Directors.

As previously informed in “Capital section”, the dividends to which the Class B Preferred Shares may be entitled has the preference in relation to the common shares issued by the Company. Notwithstanding and with no prejudice, the dividends to which Class A Preferred Shares may be entitled shall have preference over Class B Preferred Shares. Class B Preferred Shares will have no preference in capital reimbursement in relation to common shares, considering the holders of Class B is the final controlled entity of the Company (Mover S.A.).

On April 30, 2019, the Board of Director decided to redeem the 2,836,773 Class B preferred shares entirely held by its parent company, Mover Participações S.A. at a share value of R\$105,75397 totaling R\$300,000 thousands (US\$74,742) by releasing Capital Reserves. The liquidation took place in May 2019 and the shares were subsequently cancelled.

Earning Reserves

The movement occurred in the nine-months period ended September 30, 2019 relates to the dividend payments below referred. No dividends were declared or paid for the nine-months period ended September 30, 2020.

Dividends

The holders of common shares are entitled to annual minimum mandatory dividends equivalent to 25% of the profits for the year adjusted as provided for by the bylaws and the Brazilian Corporate Law.

For the nine-months period ended September 30, 2019, US\$53,497 of dividends were paid to preferred shares Class A, related to prior years' profits and reserves of profits.

Non-controlling interests

Other comprehensive loss

Relates to (i) the negative equity recognition of exchange differences arising on the translation of foreign operations in the amount of US\$120,494 (negative of US\$99,212 as of September 30, 2019) and ii) the positive equity recognition of hedging operations amounting to US\$117 (positive of US\$145 as of September 30, 2019).

Dividends distribution

In the nine-months period ended September 30, 2020, the Brazilian subsidiaries declared and paid dividends of US\$7,572 to its non-controlling interests of the hydroelectric power generation entities.

On September 30, 2020, following the cash collected from the sales of Paraguayan operating segment (see note 1 and 2.3 above), the Argentinean subsidiary's declared dividends distribution of US\$31,502 to its shareholders with liquidation on October 14, 2020 (see note 24 below). The non-controlling interests corresponds to US\$15,434.

Loss resulting from Capital increase in Ferrosur

The Argentinian subsidiary, Loma Negra, increased capital in the amount of US\$26,187 (ARS1,813,536 thousand) in its directly controlled entity, Cofesur S.A., for immediate capital increase in its indirectly controlled entity, Ferrosur Roca S.A. in order to strength its working capital. Due to statutory regulations and the concession contract, only 80% of the shares issued were subscribed in its own interest and the remaining 20% were issued to minority interests, resulting in a loss to the group of US\$5,237 (ARS362,707 thousand). The loss was recognized as operating expenses, see note 17.

15. Income Tax and Social Contribution

For the nine-months period ended September 30, 2020 and 2019, the reconciliation between the nominal and the effective income tax was as follows:

	09.30.2020	09.30.2019 (Recasted)
Profit (Loss) before income tax and social contribution	89,542	(102,201)
Tax rate	34%	34%
Income tax and social contribution at statutory rates	(30,444)	34,748
Income tax and social contribution at effective rates:		
Permanent additions / (deductions), net	8,294	12,242
Effect of differences between jurisdictions and changes in tax rates	4,438	(3,029)
Unrecorded deferred income tax and social contribution tax (a)	(26,074)	(70,214)
Other (b)	24,856	(1,460)
Income tax and social contribution expense	(18,930)	(27,713)
Current Income tax and social contribution expense	(28,866)	(24,340)
Deferred Income tax and social contribution expense	9,936	(3,373)

(a) Includes the tax effect from tax losses on entities where deferred tax assets were not recognized due to lack of positive evidences that would justify the corresponding recoverability in a foreseeable future;

(b) For the nine-months period ended September 30, 2020, includes (i) a positive amount of US\$5,492 related to the impact of monetary adjustment in Argentina due to hyperinflationary economy (negative impact of US\$1,277 for the nine-months period ended September 30, 2019); (ii) positive impact of US\$18,212 related to negative results recorded in Spanish subsidiary that were eliminated for consolidation purposes as they were transactions between intragroup entities

Deferred income tax and social contribution

Deferred income tax and social contribution were recognized on tax losses carryforwards and temporary differences in the recognition of revenues and expenses between tax and corporate books, to the extent considered realizable by the subsidiaries.

In addition to the income tax charge, in the nine-months period ended September 30, 2020 and 2019, the Group recorded deferred taxes in the amount of US\$166 and US\$251, respectively, directly in equity.

16. Net Revenue

The breakdown of the Company's net revenues for the nine-months periods ended September 30, 2020 and 2019 is as follows:

	09.30.2020	09.30.2019 (Recasted)
Products sold	1,140,686	1,214,540
Services provided	53,254	70,254
(-) Taxes on sales	(111,573)	(129,267)
(-) Discounts	(148,894)	(43,092)
Total	933,473	1,112,435

17. Information on the Nature of the Costs and Expenses Recognized in the Income Statement

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

	09.30.2020	09.30.2019 (Recasted)
Depreciation, amortization and impairment losses (a)	(136,711)	(129,966)
Salaries and employee benefits	(131,492)	(166,761)
Raw materials and consumables	(209,264)	(241,301)
Tax expenses	(15,620)	(19,851)
Outside services (b)	(82,791)	(122,018)
Rental	(3,989)	(6,970)
Freight expenses	(75,641)	(104,451)
Maintenance costs	(46,720)	(56,527)
Fuel	(81,421)	(114,850)
Electricity	(69,014)	(94,284)
Reversal (recognition) of provision for risks	82	(2,265)
Gain on sale of property, plant and equipment	1,254	2,725
Other (c)	(22,378)	(18,284)
Total	(873,705)	(1,074,803)
Cost of sales and services	(762,584)	(955,169)
Administrative and selling expenses	(104,070)	(135,604)
Other income (loss)	(7,051)	15,970
Total	(873,705)	(1,074,803)

(a) The nine-months period ended September 30, 2020 includes the net impact of fixed assets impairment provisions in a total of US\$12,748 (Note 8), from which US\$12,282 relates to Argentine business segment (US\$686 for the nine-months period ended September 30, 2019)

(b) In the nine-months period ended September 30, 2020 includes expenditures of US\$2,340 related to the private exchange offer launched in June, but that were not consummated (see note 11 above)

- (c) In the nine-months period ended September 30, 2020, includes (i) on July 16, 2020, the Brazilian subsidiary (InterCement Brasil) entered into an agreement to sell some legal disputes (contingency assets), including the dispute of the exclusion of ICMS from the calculation basis of PIS and COFINS, which the Brazilian subsidiary obtained a favourable decision in last quarter of 2019. The transaction resulted in a gain of US\$3,471; (ii) expenditures of US\$1,293 related to the issuance of the new debentures (see note 11 above); (iii) capital contribution of US\$5,237 to Ferrosur Roca S.A. subscribed to minorities interests (see note 14 above)

18. Financial Income (Expenses) and Foreign Exchanges Losses (net)

	09.30.2020	09.30.2019 (Recasted)
Foreign exchange gain (losses), net (a):		
Exchange gain	260,205	75,920
Exchange loss	(119,666)	(125,398)
Total	140,539	(49,478)
Financial income:		
Inflation adjustment (b)	3,666	4,725
Effects of IAS 29 (c)	4,622	16,429
Financial earnings	2,563	7,388
Interest income	447	636
Derivative financial instruments	975	7,564
Other income	2,062	1,842
Total	14,335	38,584
Financial expenses:		
Inflation adjustment	(8,690)	(3,314)
Expenses on interest and charges	(76,132)	(97,139)
Expenses on banking commissions	(4,717)	(7,099)
Fines	(605)	(2,337)
Derivative financial instruments	-	(1,992)
Obligations under finance leases present value	(7,760)	(6,631)
Other expenses (d)	(27,196)	(10,427)
Total	(125,100)	(128,939)

- (a) The exchange differences are mainly influenced by the appreciation and depreciation of functional currencies against other currencies (mainly US\$ and Euro).
- (b) In the nine-months period ended September 30, 2020 includes the amount of US\$2,846 (R\$14,595 thousand) related to the sell of some legal disputes as mentioned in item (c) of note 17 above.
- (c) It relates to the application of IAS 29 to Argentinean pesos (Note 2.2).
- (d) In the nine-months period ended September 30, 2020, includes (i) US\$2,207 related with financial operations taxes paid over intercompany loans transactions in the period; and (ii) US\$13,115 related with bank commissions incurred as part of the new debentures issued by the Company and its Brazilian

subsidiary (see note 11). The recognition as expenses of such commissions is in light with IFRS9. When a debt instruments is accounted for as an extinguishment of the original debt, fees incurred should be immediately recognized as part of gain or loss on the extinguishment.

19. Leasing

The change of rights-of-use assets in the nine-months period ended September 30, 2020 is demonstrated as follows:

Composition and movements of right-of-use assets

	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other	Total
Cost						
As of December 31, 2019	13,197	62,168	4,799	-	266	80,430
Additions	668	-	1,942	33	-	2,643
Write-offs	(67)	(910)	(56)	-	-	(1,033)
Discontinued operations	-	(24)	-	-	-	(24)
Exchange difference	(1,431)	(17,447)	(1,094)	1	(76)	(20,047)
As of September 30, 2020	12,367	43,787	5,591	34	190	61,969
(-) Accumulated depreciation						
As of December 31, 2019	(2,161)	(16,776)	(591)	-	(152)	(19,680)
Additions	(1,616)	(10,289)	(1,052)	(9)	(90)	(13,056)
Write-offs	3	421	13	-	-	437
Discontinued operations	-	17	-	-	-	17
Exchange difference	224	5,580	168	-	52	6,024
As of September 30, 2020	(3,550)	(21,047)	(1,462)	(9)	(190)	(26,258)
Cost	12,367	43,787	5,591	34	190	61,969
Accumulated depreciation	(3,550)	(21,047)	(1,462)	(9)	(190)	(26,258)
Balance as of September 30, 2020	8,817	22,740	4,129	25	-	35,711
Balance as of December 31, 2019	11,036	45,392	4,208	-	114	60,750

The obligations under finance leases changed since December 31, 2019 through September 30, 2020 as demonstrated below:

Composition and movements of lease liabilities:

	09.30.2020
As of December 31, 2019	70,352
Additions	2,643
Write-offs	(490)
Payments	(15,258)
Present value adjust	7,040
Exchange difference	(16,787)
As of September 30, 2020	47,500

The obligation under finance leases are broken down as current and non-current and is aged as demonstrated below:

Lease liabilities included in the statement of financial position:

	09.30.2020
Current	16,664
Non-current	30,836
Lease liabilities	47,500

Lease liabilities - Maturity analysis:

	09.30.2020
Less than one year	16,664
One to five years	28,528
More than five years	2,308
Lease liabilities	47,500

20. Commitments

Purchase agreements

InterCement Brasil has a contractual agreement for purchase of raw slag effective until 2021 adjusted by the Brazilian Chamber of Construction Industry (CBIC) ("take or pay contract") and also contracts for the acquisition of hydroelectric power until 2024 whose total estimated cash disbursements, in nominal amounts, are as follows:

	09.30.2020	12.31.2019
2020	6,366	36,783
2021	22,190	31,150
2022	22,032	30,833
After 2022	35,674	49,924
Total	86,262	148,690

Other subsidiaries are parties to contractual agreements for the purchase of inventories and property, plant and equipment, and the operation of facilities located in third-party properties, as follows:

	09.30.2020	12.31.2019
2020	34,532	18,522
2021	26,842	28,695
2022	10,436	25,402
After 2022	146,488	157,149
Total	218,298	229,768

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

The Argentina segment has certain contractual commitments for the purchase of slag with effect until 2022. Estimated future cash flows are approximately US\$9,003 (ARS685,832 thousand) between 2020 and 2022.

The Argentina segment also signed contracts for the supply of gas, assuming payment commitments in the total amount of approximately US\$15,823 (ARS1,205,403 thousand), with payment of US\$6,080 (ARS463,205 thousand) during the year 2020 and US\$9,743 (ARS742,199 thousand) in 2021.

In the year ended December 31, 2017, the Argentina segment signed energy supply contracts with certain suppliers, in the total amount of US\$3,541 (ARS269,749 thousand) and US\$14,164 (ARS1,078,995 thousand) during 2020 and 2021 and US\$141,932 (ARS10,812,380 thousand) between 2022 and 2037.

Additionally to the above figures, in accordance with the contract concluded with Sinoma International Engineering Co. Ltd for the construction of a new cement factory, Loma Negra C.I.A.S.A. made commitments totalling US\$28,466 (ARS2,167,000 thousand), plus US\$107,400 (ARS8,181,732 thousand) and US\$48,772. Whereas, as agreed, the amounts in pesos (ARS2,167,000 thousand) are subject to periodic updating in accordance with an adjustment formula. The amount committed as of September 30, 2020 is US\$6,864 (ARS522,903 thousand).

21. Earnings (loss) Per Share

The table below shows the reconciliation of profit/loss for each period with the amounts used to calculate basic and diluted earnings (loss) per share:

	09.30.2020	09.30.2019 (Recasted)
Profit for the period from continuing and discontinuing operations attributable to Company's owners	71,998	187,298
Profit for the period attributable to common shares	71,998	187,298
Weighted average number of common shares	22,687,439	22,687,439
Basic/diluted earnings per common share	3.17	8.26
Profit (loss) for the period from continuing operations attributable to Company's owners	38,646	(151,843)
Profit (loss) for the period attributable to common shares	38,646	(151,843)
Weighted average number of common shares	22,687,439	22,687,439
Basic/diluted earnings (loss) per common share	1.70	(6.69)

22. Financial Instruments

The Group conduct transactions involving financial instruments, including derivatives, all of which recorded in balance sheet accounts, which are intended to meet their operating and financial needs. The Company contracts short-term investments, borrowings and financing, as well as derivatives.

22.1. Capital risk management

The Group capital structure consists on net debt and equity. The net debt comprises borrowings and financing and debentures less the cash and cash equivalents, current securities and derivatives. Interest payable and obligations under finance leases are not included within the net debt.

22.2. Financial risk management

General principles

During its normal business activities, ICP Group is exposed to a variety of financial risks likely to change its net worth, which can be grouped, according to their nature, in the following categories:

- Interest rate risk;
- Exchange rate risk;
- Liquidity risk;
- Credit risk;
- Counterparty risk.

Financial risk means the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters the Group's net worth.

All risk management, focused on that objective, is conducted according to two core concerns:

- Reducing, whenever possible, fluctuations in profit/loss and cash flows that are exposed to risk situations;
- Curbing deviation from forecast financials by means of strict financial planning based on multi-year budgets.

Furthermore, another concern of the Group is that the processes for managing these risks meet internal information requirements and external requirements (regulators, auditors, financial markets and all other stakeholders).

The Group, as a rule, does not take speculative positions and so the sole aim of all operations carried out with the purpose of managing financial risks is to control existing risks to which the Group is unavoidably exposed.

Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market (for reasons of flexibility), involving a limited number of counterparties with high ratings. These operations are undertaken with financial entities with which International Swaps and Derivatives Association (ISDA) contracts were completed in advance, in accordance with international standards.

The whole treasury department is responsible for managing financial risks, including identifying, assessing and hedging such risks. This risk management is conducted under the guidance of the Executive Committee, in particular of the director responsible for the financial risk area (whose approval is required prior to any operation).

22.3. Interest rate risk

The Group's exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that may have been contracted at fixed interest rates or at variable interest rates. In the former case, the Group runs the risk of variation in the fair value of those assets and liabilities, whereby any change in market rates involves a (positive or negative) opportunity cost. In the latter case, such change has a direct impact on the amount of interest paid/received, resulting in cash account changes.

Interest-rate swaps can be contracted to hedge this type of risk, in accordance with the Group's expectations concerning the development of market rates

As of September 30, 2020, and December 31, 2019, there were no hedge instruments contracted to protect such risks.

Exposure to interest rate risks and to floating and fixed rates

The Group is exposed to floating interest rates and inflation rates mainly related to changes in the IGP-M, CDI and Libor on borrowings and debentures. Interest rates on short-term investments are mostly linked to the CDI and Selic fluctuation. These positions are as follows:

	Borrowings and financing	Debentures	Cash and cash equivalents	Securities	Other payables	09.30.2020	12.31.2019
Assets:							
CDI	-	-	87,180	170	-	87,350	107,754
Total	-	-	87,180	170	-	87,350	107,754
Liabilities:							
IGP-M	-	-	-	-	6,292	6,292	7,116
CDI	20,390	847,228	-	-	-	867,618	461,292
EURIBOR	-	-	-	-	-	-	220,587
LIBOR	87,875	-	-	-	-	87,875	462,409
Prime Rate	17,814	-	-	-	-	17,814	-
Outros	5,521	-	-	-	-	5,521	51,559
Total	131,600	847,228	-	-	6,292	985,120	1,202,963

As of September 30, 2020, and December 31, 2019, the Group's liability by type of interest rate, considering derivative financial instruments, between floating and fixed rate, was as follows:

	09.30.2020	12.31.2019
Floating rates	62%	62%
Fixed rates	38%	38%

22.4. Exchange rate risk

The Group is exposed to the exchange-rate risk for the currencies of different countries due to the amounts of capital invested in those countries where functional currency is different from Group functional currency.

The exchange effects of the translation of local financial statements in the Group's consolidated financial statements can be mitigated by hedging the net investments in such countries.

When hedging the exchange-rate risk, swaps and forward contracts and with maturities equivalent to the instrument that serves as a hedging basis, are contracted.

The Group does not carry out exchange-rate operations that do not adequately cover existing or contracted positions.

The fact that the Group operates in countries with significant interest rate differentials in relation to the consolidation currency, results in the search for natural hedge strategies. In this respect there was a seeking to increase the debt of the Business Units in order to obtain better correspondence between assets and liabilities in the same currency, thus decreasing the Group's overall exposure.

Exposure to foreign exchange risk

The Group has assets and liabilities in currencies other than their own functional currencies, mainly the US Dollars, and their individual financial results may be materially impacted by exchange rate fluctuations.

The main account groups exposed to foreign exchange risk are as follows:

	09.30.2020	12.31.2019
Assets:		
Cash, cash equivalents and securities	64,922	76,939
Trade receivables	8,073	1,111
Related parties (a)	201,100	454,694
Other credits	11,267	1,534
Exposed assets	285,362	534,278
Liabilities:		
Interest, borrowings, financing and debentures	808,142	1,053,579
Foreign trade payables	34,261	6,390
Related parties (a)	712,256	488,788
Other debits	1,504	1,379
Exposed liabilities	1,556,163	1,550,136

(a) It relates to balances between related parties with currency exposure for creditor, debtor or both. Risk arises when the currency determined in the transaction is different from entities functional currencies and even though balances (assets and liabilities) are eliminated during the consolidation process; exchange variation results are not eliminated.

The presentation of cash and cash equivalents and current securities by currencies and related foreign exchange exposures are as follows:

		09.30.2020		12.31.2019	
Functional currency	Currency	Currency	USD	Currency	USD
ARS	USD	40,802	40,802	4,557	4,557
BRL	USD	3	3	206	206
PYG	USD	-	-	684	684
EGP	USD	2,341	2,341	3,273	3,273
EUR	USD	19,029	19,029	64,144	64,144
MZN	USD	158	158	99	99
ARS	BRL	0	0	9	2
PYG	BRL	-	-	1	0
ARS	EUR	14	12	27	30
PYG	EUR	-	-	18	20
EGP	EUR	136	116	92	104
MZN	EUR	52	44	1,579	1,774
EUR	EGP	2,751	175	2,745	172
ARS	PYG	1	0	5,475	1
MZN	ZAR	37,432	2,242	2,008	143
EUR	MZN	-	-	105,821	1,731
Amount exposed to foreign exchange risks			64,922		76,939
BRL	BRL	515,354	91,364	437,043	108,429
EUR	EUR	52,757	44,999	73,821	82,974
ARS	ARS	1,458,002	19,139	1,178,500	19,678
MZN	MZN	1,518,403	21,266	998,691	16,333
EGP	EGP	60,676	3,856	108,098	6,756
PYG	PYG	-	-	130,908,940	20,252
ZAR	ZAR	285,069	17,072	308,669	22,023
Amount by functional currency			197,696		276,445
			262,618		353,385

The main debt instruments (essentially related with loans and debentures) as of September 30, 2020 and December 31, 2019, and considering the effect of the existing cross currency swaps, were denominated in the following currencies:

	09.30.2020	12.31.2019
USD	39%	53%
BRL	58%	25%
EUR	1%	15%
Other	2%	7%

22.5. Liquidity risk

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

As mentioned in note 11, Company successfully refinanced its debts, releasing pressures in the next three years related to liquidity risk. Management continues to work in its liabilities plan, targeting extension of the remaining loans and debentures providing sufficient period of time to Brazilian business to recover from recent financial crises and, also, the world economy to recover from COVID-19 crisis.

22.6. Credit risk

The markets view of Group's credit risk in regards to financing operations is naturally reflected in the financial costs associated to such operations. The Group's influence in such matters is merely ancillary, embodying the prudent and balanced management of the business in order to lessen the probability of defaulting on its obligations.

The Group's level of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA). As described in Notes 10 and 11, as of December 31, 2019, the Company complied with restrictive covenants. Furthermore, the Company successfully refinanced some of its debts, which included different covenant clauses to be met as of December 31, 2020 and following years (see note 10 and 11 above).

Financial instruments that potentially subject the Company and its subsidiaries to concentrations of credit risk consist primarily of short-term investments. The Company and its subsidiaries maintain bank accounts and short-term investments with financial institutions approved by Management, and only carry out sale transactions according to credit approval criteria for minimizing default risks.

22.7. Counterparty risk

When the Group establishes different contractual relations with third parties, it takes on the risk of the probability of non-fulfilment or even, in an extreme scenario, default by a counterparty.

The Group endeavours to limit its exposure to this risk, when making bank deposits and other cash investments and also, when contracting derivative instruments, by carefully selecting the counterparties, based on their rating and taking into account the nature, maturity and scope of the operations.

Due to COVID-19 crisis, Management reassessed the assumption related to the risk of defaults by its clients by each business units in order to determine if the allowance for doubtful accounts reflected Management's expected losses, which are based on historical losses for each aging list bucket and prospective data. The prospective data are obtained from Legal, Credit and Accounts Receivable departments. Furthermore, Management implemented more restrictive rules to authorize new sales due to COVID-19.

Until the issuance of the condensed consolidated interim financial statements, the Company has not observed a significant change in the assessed risks of its portfolio that could result in a significant increase in its allowance for doubtful accounts as of September 30, 2020, when compared to the amount recorded as of December 31, 2019.

22.8. Sensitivity analysis of financial instruments

Exposure to interest-rate risk results in the variability of the Group's net financial expenses. The results of a sensitivity analysis of exposure as of September 30, 2020 were as follow:

a) Sensitivity analysis - Interest rates with US Libor and CDI index

A parallel change of +/- in the interest rate curves applied on principal amounts as of September 30, 2020, with all the other assumptions remaining constant would result in an increase in annual financial costs (before taxes) as shown in table below:

Indexing	Currency	Asset (Liability)	Recasted		
			1%	2%	3%
US Libor	USD	(87,875)	(879)	(1,757)	(2,636)
CDI	BRL	(780,268)	(7,803)	(15,605)	(23,408)

b) Exchange rates

In the debt balances, considering the currency distribution aforementioned, the exchange rate risks from exchange rate volatility may result in significant impacts on consolidated financial results.

Considering the Group's companies financial asset and liability profile (including intercompany balances) as of September 30, 2020, the significant impacts on net financial results would be as follows:

Amount in USD	Funcional currency	FX Rate (09-30-20)		USD depreciation		USD appreciation	
				-10%	-5%	5%	10%
(635,254)	EUR	0.85	Effect in USD	(74,478)	(37,239)	37,239	74,478
33,084	ARS	76.18	Effect in ARS	252,036	126,018	(126,018)	(252,036)
(19,922)	BRL	5.64	Effect in USD	3,676	1,741	(1,575)	(3,008)
23,699	ZAR	16.70	Effect in BRL	(11,237)	(5,619)	5,619	11,237
(29,914)	EGP	15.73	Effect in USD	(2,214)	(1,049)	949	1,811
(34,843)	MZN	71.40	Effect in ZAR	39,573	19,786	(19,786)	(39,573)
			Effect in USD	2,633	1,247	(1,129)	(2,154)
			Effect in EGP	(47,053)	(23,527)	23,527	47,053
			Effect in USD	(3,324)	(1,574)	1,424	2,719
			Effect in MZN	(248,781)	(124,390)	124,390	248,781
			Effect in USD	(3,871)	(1,834)	1,659	3,168

Amount in EUR	Funcional currency	FX Rate (09-30-20)		EUR depreciation		EUR appreciation	
				-10%	-5.0%	5.0%	10.0%
(11,235)	ZAR	19.58	Effect in ZAR	21,994	10,997	(10,997)	(21,994)
127,924	BRL	6.61	Effect in USD	1,464	693	(627)	(1,197)
(49,319)	EGP	18.44	Effect in BRL	(84,598)	(42,299)	42,299	84,598
(18,855)	ARS	89.31	Effect in USD	(16,664)	(7,894)	7,142	13,634
			Effect in EGP	90,952	45,476	(45,476)	(90,952)
			Effect in USD	6,425	3,043	(2,753)	(5,257)
			Effect in ARS	168,400	84,200	(84,200)	(168,400)
			Effect in USD	2,456	1,163	(1,053)	(2,010)

Amount in BRL	Funcional currency	FX Rate (09-30-20)		BRL depreciation		BRL appreciation	
				-10%	-5.0%	5.0%	10.0%
(3,109,645)	EUR	0.15	Effect in EUR	47,022	23,511	(23,511)	(47,022)
			Effect in USD	55,129	27,564	(27,564)	(55,129)

(Thousand)

22.9. Categories of financial instruments

	09.30.2020	12.31.2019
Current assets:		
Cash and bank accounts (Note 4)	80,923	195,569
Financial assets at amortized cost:		
Short-term investments - financial asset (Note 4)	40,748	1,475
Trade receivables (Note 6)	87,415	75,490
Other receivables	47,698	37,693
Financial assets at fair-value through profit & Loss:		
Short-term investments - financial asset	120,935	137,074
Investments funds (Note 5)	20,012	19,267
Non-current assets:		
Financial assets at amortized cost:		
Trade receivables (Note 6)	643	504
Other receivables	25,297	39,621
Financial assets at fair-value through profit & loss:		
Long-term investments - financial asset (Note 5)	1,068	1,427
Derivatives (Note 22.10)	5,931	7,060
Current liabilities:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	9,544	178,623
Borrowings and financing (Note 10)	108,456	220,663
Trade payables	222,607	295,625
Interest payable (Notes 10 and 11)	23,579	27,632
Leasing (Note 19)	16,664	30,644
Other payables	30,239	49,026
Non-current liabilities:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	1,368,275	781,490
Borrowings and financing (Note 10)	90,777	750,459
Trade payables	1,671	3,033
Leasing (Note 19)	30,836	39,708
Other payables	20,117	29,232

22.10. Derivative transactions

As of September 30, 2020, and December 31, 2019, the fair value of derivatives is as follows:

	Assets	
	Non-current	
	09.30.2020	12.31.2019
Written-put options ("Baesa", "Machadinho" and "Estreito" operations)	5,931	7,060
	<u>5,931</u>	<u>7,060</u>

Trading derivatives

Represented by three derivative options in connection with "Baesa", "Machadinho" and "Estreito" operations, whose asset and liability fair value as of September 30, 2020 and December 31, 2019, were estimated in the amount of US\$5,931 and US\$7,060, respectively.

22.11. Market values

Estimated fair value – assets measured at fair value

The following table presents the Group's assets and liabilities measured at fair value as of September 30, 2020 in accordance with the following fair value seniority levels:

- Level 1: the fair value of financial instruments is based on listings on net active markets as of the date of the financial statements;
- Level 2: the fair value of financial instruments is not based on listings on net active markets but rather based valuation models;
- Level 3: the fair value of financial instruments is not based on listings on net active markets but rather on valuation models, the principal inputs of which are not observable in the market.

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets at fair value through profit & loss	Securities and short-term investments	20,012	120,935	-
Financial assets available for sale	Securities - non current	-	1,068	-
Financial assets at fair value through profit & loss	Financial derivative instruments	-	-	5,931

The valuation technique to determine the fair value measurement of the financial instruments categorized within Level 3 of the fair value hierarchy, which comprises the derivative options of "Baesa", "Machadinho" and "Estreito" operations, was Black-Scholes. The significant unobservable inputs to the measurement include: expected future dividends payments based upon on discounted cash flows projections; benchmarking information of comparative listed entities volatility, among others. We have also used the Monte Carlo valuation technique to create a probability distribution (or risk assessment) in the determination of the exercise of the put options, which assumption was also used in the determination of the fair value.

Estimated fair value – assets and liabilities not measured at fair value

Measurement of fair value of derivatives financial instruments is based on criteria extracted from external database agencies, and the results obtained faced with the corresponding evaluations made by counterparties.

Except as regards borrowings and financing and debentures, the majority of financial assets and liabilities mature in the short term and so their fair value is considered to be the same as their book values.

Regarding borrowings, financing and debentures, as shown in Notes 10 and 11, in general, are contracted at variable interest rates. Consequently, it is understood that the corresponding book value (amortized cost) does not differ significantly from their corresponding market value, except for the Senior Notes issued by InterCement B.V. and for the fixed interest rate debenture contracted in the Brazilian segment, which effect of their valuation to fair value in relation to their book value being as follows:

	09.30.2020	12.31.2019
Fair Value	1,278,522	875,653
Carrying amount	1,408,321	968,446

23. Operating Segment

The operating segments are identified based on the internal reports on the Company's components, periodically reviewed by the Chief Executive Officer (CEO), the chief operating decision-maker, so that funds can be allocated to the segments and their performances assessed.

To manage its business taking into consideration its financial and operating activities, the Company classified its business into each geographical area where the Company operates.

The statement of operations information are as follows:

	09.30.2020				09.30.2019 (Recasted)			
	Net Revenue		Total	Results	Net Revenue		Total	Results
Foreign sales	Intersegment sales	Foreign sales			Intersegment sales			
Operating segments:								
Brazil	328,537	532	329,069	20,855	357,080	294	357,374	(31,713)
Argentina	367,846	-	367,846	48,572	448,561	-	448,561	80,212
Egypt	69,133	-	69,133	(5,132)	95,650	-	95,650	(7,113)
Mozambique	87,625	-	87,625	8,251	92,673	-	92,673	8,805
South Africa	80,289	-	80,289	7,738	106,884	2,298	109,182	12,057
Total	933,430	532	933,962	80,284	1,100,848	2,592	1,103,440	62,248
Unallocated (a)	43	13,490	13,533	(20,516)	11,587	61,834	73,421	(24,616)
Eliminations	-	(14,022)	(14,022)	-	-	(64,426)	(64,426)	-
Sub-total	933,473	-	933,473		1,112,435	-	1,112,435	
Income before financial income (expenses)				59,768				37,632
Foreign exchange, net				140,539				(49,478)
Financial income				14,335				38,584
Financial expenses				(125,100)				(128,939)
Income (loss) before income tax and social contribution				89,542				(102,201)
Income tax and social contribution				(18,930)				(27,713)
Profit (Loss) for the period from continuing operations				70,612				(129,914)
Profit for the period from discontinued operations				27,568				351,156
Profit/(Loss) for the period				98,180				221,242

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

The profit for each nine-months periods above includes the full amount of the Company's segments disregarding the following amounts attributable to non-controlling interests:

	Noncontrolling interests	
	09.30.2020	09.30.2019 (Recasted)
Continuing operating segments:		
Brazil	9,823	6,330
Argentina	20,969	26,396
Egypt	(873)	(307)
Mozambique	(1,451)	176
South Africa	947	1,121
	29,415	33,716
Unallocated	2,551	(4,639)
	31,966	29,077
Discontinued operating segments	(5,784)	4,867
Profit for the period attributable to non-controlling interests	26,182	33,944

Other information:

	09.30.2020		09.30.2019 (Recasted)	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Operating segments:				
Brazil	26,289	55,481	47,387	69,418
Argentina	39,921	51,615	198,015	32,234
Egypt	5,411	12,005	12,385	12,599
Mozambique	2,598	9,771	4,522	6,685
South Africa	1,901	7,666	7,306	7,991
	76,120	136,538	269,615	128,927
Unallocated	3	173	564	1,039
	76,123	136,711	270,179	129,966
Discontinued operating segments (note 2.3)	1,706	6,280	1,644	7,752
Total	77,829	142,991	271,823	137,718

The impairment losses, when it occurs, respects to impairment losses on goodwill, tangible and intangible assets.

In addition, segment assets and liabilities reconciled with the consolidated balances as of September 30, 2020 and December 31, 2019 are as follows:

	09.30.2020			12.31.2019		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Continuing operating segments:						
Brazil	1,241,712	612,868	628,844	1,745,111	833,861	911,250
Argentina and Paraguay	1,010,071	338,585	671,486	1,225,221	496,406	728,815
Egypt	288,184	263,025	25,159	283,685	244,327	39,358
Mozambique	230,876	159,711	71,165	261,495	163,862	97,633
South Africa	312,556	67,302	245,254	385,038	106,258	278,780
Total	3,083,399	1,441,491	1,641,908	3,900,550	1,844,714	2,055,836
Unallocated	265,159	1,194,167	(929,008)	365,201	1,293,104	(927,903)
Eliminations	(271,668)	(271,668)	-	(288,421)	(288,421)	-
Total	3,076,890	2,363,990	712,900	3,977,330	2,849,397	1,127,933

The unallocated assets and liabilities include assets and liabilities not attributable to specific segments basically allocated to holding and trading companies.

24. Events After the Reporting Period

Repurchases of Debentures issued in 2012 by InterCement Brasil S.A.

During October and November 2020, the Brazilian subsidiary repurchased and subsequently cancelled 100% of the debentures issued in 2012 with final maturity in April 2022. The amount is equivalent to US\$18,966 (R\$104,563 thousands).

Dividends paid to non-controlling interests by Loma Negra

On October 14, 2020, dividends declared by Argentinean subsidiary (see note 14 above) were made available to shareholders.

25. Authorization for issuance of the Condensed consolidated financial information

At the meeting held on November 27, 2020, the Board of Directors authorized the issuance of this condensed consolidated interim financial information, being approved by them for disclosure.