

## Cimento Tupi S.A.

### Interim financial information

For the periods ended September 30, 2019 and 2018

(In thousands of Brazilian Reais)

The Company presents next the result of its operational performance.

#### CEMENT MARKET

The sale of cement in this period recorded an increase of 71 tonnes compared with the same period of 2018.

	Quantity shipped in thousand/t	
	Jan to Sep 2019	Jan to Sep 2018
Cement (tonne)	963	892
Clinker (tonne)	2	-

#### OPERATING REVENUE

The Company's net revenue reached R\$ 174,956, against R\$ 165,435 in the same period of 2018, which represents an increase of 5.76%.

#### GROSS PROFIT AND EBITDA

The Company reported losses, after deduction of costs in the amount of R\$ 8,439. In the same period in 2018, it had gross profit of R\$ 81. The Company's EBITDA was negative by R\$ 17,486, after the deduction of non-recurring revenues and expenses, as stated in the table below:

	Jan to Sep 2019	Jan to Sep 2018
Gross profit (loss)	(8,439)	81
Selling expenses	(11,056)	(8,271)
General and administrative expenses	(25,482)	(20,389)
Other operating revenues (expenses)	34,761	4,218
<b>Operating income (loss)*</b>	<b>(10,216)</b>	<b>(24,361)</b>
Depreciation, amortization and depletion	16,171	16,290
Nonrecurring expenses (revenues)	(23,441)	(1,526)
<b>EBITDA</b>	<b>(17,486)</b>	<b>(9,597)</b>

\*Before financial revenues and expenses

## **FINANCIAL LIABILITIES**

In this period of 2019, the Company presented net debt of R\$ 2,191,603 and, in the same period of 2018, of R\$ 1,369,180, already considering the merger of its parent company Cimento Santo Estevão e Participações S.A. in December 2018.

	<b>Jan to Sep 2019</b>	<b>Jan to Sep 2018</b>
<b>Short term</b>		
Bank indebtedness		
Local currency	284,947	253,465
Foreign currency *	1,285,990	1,117,641
<b>Total</b>	<b>1,570,937</b>	<b>1,371,106</b>
<b>Long term</b>		
Bank indebtedness		
Local currency	22,706	-
Foreign currency *	599,386	-
<b>Total</b>	<b>622,092</b>	<b>-</b>
<b>Total debt (net of fund raising cost)</b>		
Local currency	307,509	253,073
Foreign currency	1,885,376	1,117,641
<b>Total</b>	<b>2,192,885</b>	<b>1,370,714</b>
<b>Cash and cash equivalents</b>	<b>1,282</b>	<b>1,534</b>
<b>Net debt</b>	<b>2,191,603</b>	<b>1,369,180</b>
* Exchange rate losses included in foreign currency loans (principal).	(457,120)	(424,921)

## **DEBT RENEGOTIATION**

Most part of the debts in local currency renegotiated throughout 2018 and 2019 had their payment flows and maturities extended from between August 2015 and March 2016 to June 2020.

The Company's Management and its financial advisors have been discussing with the remaining creditors of Cimento Tupi new terms and conditions that would allow adjusting the Company's cash flow to its new debt profile.

The Company also has some non-operating assets, such as mines in Adrianópolis, Formosa, and Mossoró, whose disposal in the reorganization process is being evaluated by Management.