

Cimento Tupi S.A. - Under Court-Ordered Reorganization

Interim financial information

For the periods ended September 30, 2020 and 2019

(In thousands of Brazilian Reais)

The Company presents next the result of its operational performance.

CEMENT MARKET

In this period of 2020, the Company recorded an increase in cement and clinker sales, compared to the same period of 2019.

OPERATING REVENUE

The Company's net revenue reached R\$ 264,324, against R\$ 174,956 in the same period of 2019, which represents an increase of 51.08%.

GROSS PROFIT AND EBITDA

The Company reported gross profit in the amount of R\$ 45,617. In the same period of 2019, it reported loss of R\$ 8,439. The Company's EBITDA was positive until the third quarter of 2020 by R\$ 35,260, after the deduction of nonrecurring revenues and expenses, as stated in the table below:

	Jan to Sep 2020	Jan to Sep 2019
Gross profit	45,617	(8,439)
Selling expenses	(7,912)	(11,056)
General and administrative expenses	(21,350)	(25,482)
Other operating revenues (expenses)	(5,178)	34,761
Operating income (loss)*	11,177	(10,216)
Depreciation, amortization and depletion	15,313	16,171
Nonrecurring expenses (revenues)	8,770	(23,441)
EBITDA	35,260	(17,486)

*Before financial revenues and expenses

GENERAL AND ADMINISTRATIVE EXPENSES

For this period, the Company reported expenses of R\$ 21,350 against R\$ 25,482 in the same period of 2019.

FINANCIAL LIABILITIES

The Company reported net debt of R\$ 3,406,768 in this period of 2020 and R\$ 2,191,603 in the same period of 2019. The depreciation of the Brazilian Real in comparison to the US Dollar and the lack of payment of interest on domestic and foreign loans were responsible for the increase in debt.

	Jan to Sep 2020	Jan to Sep 2019
Short term		
Bank indebtedness		
Domestic currency	324,489	284,947
Foreign currency *	2,031,915	1,285,990
Total	2,356,404	1,570,937
Long term		
Bank indebtedness		
Domestic currency	23,374	22,706
Foreign currency *	1,038,819	599,386
Total	1,062,193	622,092
Total debt (net of fund-raising cost)		
Domestic currency	347,863	307,509
Foreign currency	3,070,734	1,885,376
Total	3,418,597	2,192,885
Cash and cash equivalents	11,829	1,282
Net debt	3,406,768	2,191,603
*Exchange rate losses included in foreign currency loans (principal).	(753,142)	(457,120)

DEBT RENEGOTIATION

The Company renegotiated the payment flow and the extension of part of its debt with Brazilian banks.

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.