

CIMENTO TUPI S.A.

Independent auditor's review report

Individual and consolidated interim
financial information
As at March 31, 2020

CIMENTO TUPI S.A.

Individual and consolidated interim financial information
As at March 31, 2020

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REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the
Shareholders and Management of
Cimento Tupi S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the individual and consolidated interim financial information of Cimento Tupi S.A. ("Company") which comprise the statements of financial position as at March 31, 2020 and the respective statements of operations, comprehensive income (loss), changes in equity and cash flows for the three-month period then ended, including a summary of the significant accounting practices and other notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 - Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international standards for reviewing interim information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). An interim review consists principally of applying analytical and other review procedures, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Basis for qualified conclusion on the individual and consolidated interim financial information

Deferred Income and Social Contribution Taxes

As mentioned in Note 18, the Company has the amount of R\$ 135,285 thousand recorded under the caption "Deferred Income and Social Contribution Taxes", of which the amounts of R\$ 99,475 thousand and R\$ 35,810 thousand, respectively, refer to deferred Income and Social Contribution Taxes recognized on Income and Social Contribution tax losses. As required by Technical Pronouncement No. 32 (CPC 32), the Company shall recognize a deferred tax asset as it is probable the existence of taxable income against which the mentioned asset can be used. As at December 31, 2019, the Company's Management presented a feasibility study on the realization of these credits considering assumptions of future cash generation different by R\$ 101,343 thousand from those usually adopted in the market. Therefore, given the circumstances, we were unable to conclude on the realization of the respective amounts, as well as on the possible effects that may affect the individual and consolidated interim financial information.

Qualified conclusion on the individual and consolidated interim financial information

Based on our review, except for the matter described in the previous paragraph, we are not aware of any fact that would lead us to believe that the individual and consolidated interim financial information referred to above do not present fairly, in all material respects, the individual and consolidated financial position of the Company, as at March 31, 2020, its financial performance and its cash flows individual and consolidated, for the three-month period then ended, in accordance with NBC TG 21 Interim Financial Reporting.

Material uncertainty as to going concern

We draw attention to Notes 1 and 13, which indicate that the Company did not pay the interest of certain debts during 2015, 2016, 2017, 2018, 2019 and in the three-month period ended March 31, 2020, thus allowing the creditors to declare these debts as overdue.

The total of these debts that may be considered overdue was classified in current liabilities as at March 31, 2020, in the amount of R\$ 1,989,936 thousand. On that date, consolidated current liabilities exceeded consolidated current assets by R\$ 2,005,693 thousand and consolidated equity is negative in the amount of R\$ 2,165,834 thousand in the quarter then ended. These conditions indicate significant uncertainties which may raise relevant doubt regarding the Company's going concern. The interim financial information was prepared assuming the Company's continuity as a going concern, which is directly related to the success in the implementation of the plans and renegotiation of the terms to pay the debts mentioned in Note 1. The interim financial information has no adjustments to cover the noncontinuity of the Company as a going concern. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added for the three-month period ended March 31, 2020, prepared under the responsibility of the Company's Management and presented as supplementary information for the purposes of IAS 34. These statements were submitted to review procedures executed with the review of the interim financial information, with the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether its form and contents meet the criteria defined in NBC TG 09 - Statement of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria established in this Standard and consistently with the individual and consolidated interim financial information taken as whole.



Audit and review of the previous year's and quarter's amounts

The review of the interim financial information for the three-month period ended March 31, 2019 and the audit of the individual and consolidated financial statements for the year ended December 31, 2019, presented for comparison purposes, were examined by us, and our review report and audit report thereon, dated August 13, 2019 and June 4, 2020, respectively, had the following matters: (a) qualified conclusion regarding the realization of deferred income and social contribution taxes and a paragraph on material uncertainty as to going concern on the interim financial information of March 31, 2019 and (b) qualified opinion regarding external confirmations and the realization of deferred income and social contribution taxes, as well as, paragraph on material uncertainty as to going concern on the individual and consolidated financial statements of December 31, 2019.

Rio de Janeiro, September 24, 2020.



BDO RCS Auditores Independentes SS
CRC SP 013846/F

Fernando Pereira da Silva Marques
Accountant CRC 1 RJ 092490/O-2

CIMENTO TUPI S.A.

Statements of financial position As at March 31, 2020 and December 31, 2019 (In thousands of Brazilian Reais)

Assets	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current				
Cash and cash equivalents (Note 5)	266	1,829	7,566	4,250
Accounts receivable (Note 6)	16,047	11,746	16,047	11,746
Inventories (Note 7)	41,035	44,377	59,123	62,059
Recoverable taxes (Note 8)	11,186	10,983	11,241	11,038
Notes receivables (Note 9)	5,481	4,165	8,995	7,660
Advances to suppliers	1,059	404	2,316	1,661
Receivables from third parties	4,253	5,347	4,253	5,347
Other current assets	1,958	1,801	2,544	1,227
	<u>81,285</u>	<u>80,652</u>	<u>112,085</u>	<u>104,988</u>
Noncurrent				
Notes receivables (Note 9)	5,893	5,778	5,893	5,778
Receivables from third parties	1,949	1,949	1,949	1,949
Related-party transactions (Note 14)	7,036	-	-	-
Recoverable taxes (Note 8)	6,294	5,873	6,294	5,873
Deferred income and social contribution taxes (Note 18)	65,389	67,815	65,389	67,815
Court deposits (Note 19)	13,417	9,637	13,547	9,748
Investments				
Subsidiaries (Note 10)	84,592	84,788	-	-
Other investments	-	-	249	249
Fixed assets (Note 11)	546,411	549,665	572,149	575,544
Intangible assets (Note 12)	129,047	129,093	150,877	150,498
	<u>860,028</u>	<u>854,598</u>	<u>816,347</u>	<u>817,454</u>
Total assets	<u>941,313</u>	<u>935,250</u>	<u>928,432</u>	<u>922,442</u>

The accompanying notes are an integral part of this individual and consolidated interim financial information.

CIMENTO TUPI S.A.

Statements of financial position As at March 31, 2020 and December 31, 2019 (In thousands of Brazilian Reais)

Liabilities and equity

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current				
Loans and financing (Note 13)	1,989,936	1,570,220	1,989,936	1,570,220
Trade accounts payable	35,392	34,622	31,168	31,143
Salaries and social charges	15,445	14,034	15,939	14,316
Income and Social Contribution Taxes payable	-	-	7	9
Accounts payable - Related parties (Note 14)	15,397	15,461	-	-
Taxes payable (Note 16)	28,695	16,759	30,990	18,530
Taxes in installments (Note 15)	32,786	32,781	34,330	34,208
Notes payable	-	-	-	-
Other accounts payable	15,383	6,474	15,408	6,494
	<u>2,133,034</u>	<u>1,690,351</u>	<u>2,117,778</u>	<u>1,674,920</u>
Noncurrent				
Loans and financing (Note 13)	845,691	655,750	845,691	655,750
Taxes in installments (Note 15)	119,840	122,587	123,363	125,962
Provision for contingencies (Note 19)	1,610	1,610	1,610	1,610
Other accounts payable	7,022	6,187	5,824	5,385
	<u>974,163</u>	<u>786,134</u>	<u>976,488</u>	<u>788,707</u>
Equity (Note 17)				
Capital stock	298,809	298,809	298,809	298,809
Capital reserves	11,685	11,685	11,685	11,685
Accumulated losses	(2,476,378)	(1,851,729)	(2,476,378)	(1,851,729)
	<u>(2,165,884)</u>	<u>(1,541,235)</u>	<u>(2,165,884)</u>	<u>(1,541,235)</u>
Non-controlling interest	-	-	50	50
	<u>(2,165,884)</u>	<u>(1,541,235)</u>	<u>(2,165,834)</u>	<u>(1,541,185)</u>
Total liabilities and equity	<u>941,313</u>	<u>935,250</u>	<u>928,432</u>	<u>922,442</u>

The accompanying notes are an integral part of this individual and consolidated interim financial information.

CIMENTO TUPI S.A.

Statements of operations

For the years ended March 31, 2020 and December 31, 2019

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Net operating revenue (Note 22)	61,422	52,294	60,376	51,090
Cost of goods sold	(60,548)	(57,866)	(59,698)	(57,164)
Net income/gross (loss)	874	(5,572)	678	(6,074)
Operating expenses				
Selling	(2,669)	(2,670)	(2,669)	(2,670)
General and administrative (Note 23)	(6,305)	(6,600)	(6,581)	(6,768)
Other operating revenues (expenses), net (Note 24)	160	(1,562)	238	(1,498)
	(8,814)	(10,832)	(9,012)	(10,936)
Operating income (loss) before equity in earnings (losses) of controlled companies and financial income (loss)	(7,940)	(16,404)	(8,334)	(17,010)
Equity in earnings (losses) of controlled companies (Note 10)	(593)	(574)	-	-
Financial income (loss) (Note 25)				
Financial expenses	(614,556)	(84,433)	(614,780)	(84,436)
Financial revenues	866	416	901	464
	(613,690)	(84,017)	(613,879)	(83,972)
Income (loss) before Income and Social Contribution Taxes	(622,223)	(100,995)	(622,213)	(100,982)
Income and Social Contribution Taxes (Note 18)	(2,426)	(2,405)	(2,436)	(2,418)
Loss for the period	(624,649)	(103,400)	(624,649)	(103,400)
Loss attributable to				
Controlling shareholder	(624,649)	(103,400)	(624,649)	(103,400)
Noncontrolling shareholder	-	-	-	-
Basic and diluted losses per share (Note 17)				
Preferred shares	(26.4850)	(4.3841)	-	-
Common shares	(26.4850)	(4.3841)	-	-

The accompanying notes are an integral part of this individual and consolidated interim financial information.

CIMENTO TUPI S.A.

Statements of comprehensive income (losses) For the years ended March 31, 2020 and December 31, 2019 (In thousands of Brazilian Reais)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Loss for the period	(624,649)	(103,400)	(624,649)	(103,400)
Other comprehensive income (losses) not later reclassified to income (loss) for the year, net of taxes	-	-	-	-
Total comprehensive income (loss), net of taxes	<u>(624,649)</u>	<u>(103,400)</u>	<u>(624,649)</u>	<u>(103,400)</u>
Attributable to				
Controlling shareholder	(624,649)	(103,400)	(624,649)	(103,400)
Noncontrolling shareholder	-	-	-	-

The accompanying notes are an integral part of this individual and consolidated interim financial information.

CIMENTO TUPI S.A.

Statements of changes in equity (In thousands of Brazilian Reais)

	Capital stock	Treasury shares	Capital reserve Goodwill on share subscriptions	Asset and liability valuation adjustment	Accumulated losses	Total	Noncontrolling interest	Total
Balances as at December 31, 2018	298,809	-	11,685	-	(1,421,168)	(1,110,674)	50	(1,110,624)
Loss for the year	-	-	-	-	(103,400)	(103,400)	-	(103,400)
Balances as at March 31, 2019	298,809	-	11,685	-	(1,524,568)	(1,214,074)	50	(1,214,024)
Loss for the year	-	-	-	-	(327,161)	(327,161)	-	(327,161)
Balances as at December 31, 2019	298,809	-	11,685	-	(1,851,729)	(1,541,235)	50	(1,541,185)
Loss for the year	-	-	-	-	(624,649)	(624,649)	-	(624,649)
Balances as at March 31, 2020	298,809	-	11,685	-	(2,476,378)	(2,165,884)	50	(2,165,834)

The accompanying notes are an integral part of this individual and consolidated interim financial information.

CIMENTO TUPI S.A.

Statements of cash flows

For the years ended March 31, 2020 and December 31, 2019

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Operating activities				
Income (loss) before Income and Social Contribution Taxes	(622,223)	(100,995)	(622,213)	(100,982)
Adjustments from				
Depreciation/amortization	4,977	5,004	5,097	5,410
Write-off of fixed assets	46	427	66	456
Equity in earnings (losses) of controlled companies	593	574	-	-
Contingencies	24	-	24	-
Exchange rate gains (losses) on foreign and intercompany loans	373,832	7,252	373,832	7,252
Discount to present value	(72)	(66)	(72)	(66)
Fines and interest on assets	(1,366)	(29)	(44)	(58)
Fines and interest on liabilities	237,769	76,274	237,925	76,308
Amortization of loan costs	62	62	62	62
Allowance for doubtful accounts	51	100	51	100
	(6,307)	(11,397)	(5,272)	(11,518)
Net increase/(decrease) in asset accounts				
Accounts receivable	(4,350)	(2,314)	(4,350)	(2,297)
Notes receivable	7	-	(1,336)	-
Recoverable taxes	(15,291)	(15,283)	(15,762)	(15,835)
Inventory	3,342	(4,138)	2,936	(4,177)
Advances to suppliers	(655)	212	(656)	188
Other assets	(156)	(357)	(223)	(431)
Court deposits	(3,780)	(278)	(3,799)	(279)
Net increase/(decrease) in liability accounts				
Trade accounts payable	771	6,720	28	5,764
Tax liabilities	22,661	22,452	23,756	23,513
Salaries and social charges	1,411	2,069	1,623	2,309
Interest paid on loans	(56)	(222)	(56)	(222)
Other liabilities	9,325	6,455	9,329	6,106
Cash flows from operating activities	6,922	3,919	6,218	3,121
Investing activities				
Acquisition of fixed assets	(1,723)	(2,079)	(1,723)	(2,079)
Disposal of fixed assets	-	-	-	36
Acquisition of intangible assets	-	-	(424)	(28)
Indemnity of loss	-	278	-	278
Cash flows from investing activities	(1,723)	(1,801)	(2,147)	(1,793)
Financing activities				
Advance for future increase in capital - Related-party payment	(6,007)	(1,158)	-	-
Capitalization of interest	472	-	472	-
Paid loans and financing	(1,227)	(2,028)	(1,227)	(2,028)
Cash flows from financing activities	(6,762)	(3,186)	(755)	(2,028)
(Decrease)/Increase in cash and cash equivalents, net	(1,563)	(1,068)	3,316	(700)
Cash and cash equivalents at beginning of year	1,829	1,451	4,250	2,376
Cash and cash equivalents at end of period	266	383	7,566	1,676
(Decrease)/Increase in cash and cash equivalents, net	(1,563)	(1,068)	3,316	(700)

The accompanying notes are an integral part of this individual and consolidated interim financial information.

CIMENTO TUPI S.A.

Statements of value added

For the years ended March 31, 2020 and December 31, 2019

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Revenues				
Gross operating revenue	82,168	71,196	82,250	71,289
Sales returns	(135)	(185)	(135)	(185)
Allowance for doubtful accounts	(51)	-	(51)	-
Other operating revenues (expenses), net	-	-	71	-
	<u>81,982</u>	<u>71,011</u>	<u>82,135</u>	<u>71,104</u>
Inputs acquired from third parties				
Costs of goods sold	(49,134)	(45,496)	(47,696)	(44,019)
Materials, energy, third-party services and others	(17,734)	(20,500)	(17,945)	(20,545)
Gross value added	<u>15,114</u>	<u>5,015</u>	<u>16,494</u>	<u>6,540</u>
Withholdings				
Depreciation and amortization	(4,977)	(5,004)	(5,097)	(5,410)
Net generated value added	<u>10,137</u>	<u>11</u>	<u>11,397</u>	<u>1,130</u>
Value added received in transfer				
Equity in earnings (losses) of controlled companies	(593)	(574)	-	-
Financial revenues	866	416	901	464
Deferred Income and Social Contribution taxes	(2,426)	(2,405)	(2,426)	(2,405)
Total value added to be distributed	<u>7,984</u>	<u>(2,552)</u>	<u>9,872</u>	<u>(811)</u>
Controlling shareholders	7,984	(2,552)	9,872	(811)
Noncontrolling shareholders	-	-	-	-
Value added distribution				
Personnel and charges	9,851	9,940	10,254	10,260
Taxes, fees and contributions	7,730	5,876	8,986	7,285
Interest and rents	615,052	85,032	615,281	85,044
Loss for the period	(624,649)	(103,400)	(624,649)	(103,400)
Value added distributed	<u>7,984</u>	<u>(2,552)</u>	<u>9,872</u>	<u>(811)</u>

The accompanying notes are an integral part of this individual and consolidated interim financial information.

1. Operations

Cimento Tupi S.A. ("Cimento Tupi" or the "Company"), headquartered at Av. das Américas, 500, Rooms 205 and 206, Barra da Tijuca, Rio de Janeiro, is engaged in manufacturing cement and mortars of all types in its manufacturing plants located in Volta Redonda (RJ), Pedra do Sino (MG) and Mogi das Cruzes (SP), mining mineral reserves and using substances extracted during cement manufacturing, providing concreting services and holding interest in other companies.

The country's strong economic slowdown had a significant impact on the cement sector. Between the years 2014 and 2018, there was a decrease in the volume sold. Regarding prices, after successive decreases between 2014 and 2017, the average price stabilized in 2018 and remained the same in 2019, despite monthly fluctuations. The average price calculated in the first quarter of 2020 decreased in comparison to the first quarter of 2019. Additionally, the Company's foreign currency debt exposed the Company to exchange rate volatility.

Despite the Brazilian crisis, Cimento Tupi has implemented a series of measures to reduce costs and renegotiate its debts and; accordingly, has maintained its operating activities.

As announced by SNIC (National Union of the Cement Industry), the cement industry ended 2019 with a growth of 3.5%, after four consecutive years of retraction, 2015 to 2018. However, it must be considered that this increase results from a comparison with the weak year of 2018, the worst sales volume in the historical series of four years of decrease.

The scenario projected for 2020, until March, was promising. Macroeconomic indicators, the movement of the real estate sector, expanding in several regions of the country, and the increase in salaries showed signs that the growth trend would continue, thus allowing a projection from SNIC of more than 3% in consumption for this year.

In this regard, it is important to note that due to the effect of the pandemic, demobilization, social distancing and strong measures to restrict the sale of construction materials by the states were observed, affecting the development of civil construction activity and, consequently, the cement industry.

Regarding its indebtedness, the Company renegotiated part of its debts in domestic currency in 2019 and 2020, by means of amendments entered into with flexible payment flow and extension of maturities, and intends to renegotiate other debts, including in foreign currency, with other creditors.

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

The continuity of the Company's operations depends on the success of Management and its advisors in reorganizing the Company's debt and capital structure, as well as on the confirmation of Cimento Tupi's Management and Shareholders' expectations regarding income and cash flows to be generated in its operation, based on the improvement in the economic scenario of cements in the market as from 2019.

2. Presentation of interim financial information and main accounting practices

The interim financial information has been prepared assuming that the Company will continue a going concern, and has been approved by the Company's Executive Board and analyzed by the Board of Directors on September 14, 2020.

The Company's individual and consolidated interim financial information were and are presented in accordance with the Brazilian accounting practices and with the pronouncements issued by the Committee of Accounting Pronouncements (CPC), in conformity with the international accounting standards issued by the International Accounting Standards Board (IASB). The consolidated financial information present comparative information regarding the previous period.

The interim financial information was prepared based on the historical cost, except for certain financial instruments measured at fair value through income.

Items included in the financial information of each of the companies are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The individual and consolidated interim financial information is presented in thousands of Brazilian Reais (R\$ thousand), which is the Company's functional and reporting currency.

Summary of the main accounting practices and estimates

The accounting practices used in the preparation of this individual and consolidated interim financial information are consistent with the ones used for the preparation of the financial statements as at December 31, 2019, approved on September 24, 2020.

This interim financial information must be analyzed considering the aforementioned financial statements, for a better understanding of the information presented.

3. Consolidation

The interim financial information includes the statements of Cimento Tupi S.A. and of the subsidiaries listed next, on which the Company holds interest over 20%.

CIMENTO TUPI S.A.

Notes to the individual and consolidated financial statements For the years ended March 31, 2020 and 2019 (In thousands of Brazilian Reais, unless otherwise)

	Ownership interest %			
	Capital stock		Voting capital	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Touro Empreendimentos Imobiliários e Participações Ltda.	99.99	99.99	99.99	99.99
Tupi do Nordeste Ltda.	99.99	99.99	99.99	99.99
Cimento Tupi Overseas Inc.	100.00	100.00	100.00	100.00
CP Cimento Overseas Co.	100.00	100.00	100.00	100.00
Tupi Rio Transportes S.A.	100.00	100.00	100.00	100.00
Tupimec - Indústria Mecânica Ltda.	99.99	99.99	99.99	99.99
VMape Incorporação e Empreendimentos Ltda.	99.99	99.99	99.99	99.99
Tupi Mineradora de Calcário Ltda.	99.88	99.88	99.88	99.88
Britas Arujá Ltda.	99.99	99.99	99.99	99.99

The consolidation process of balance sheet and income (loss) accounts corresponds to the sum of balances in assets, liabilities, income and expenses, according to their nature, plus the following eliminations:

- Ownership interest, reserves and retained earnings;
- Balances of intercompany accounts and other asset and/or liability accounts maintained between the companies whose statements of financial position were included in consolidation;
- Effects from material intercompany transactions.

The periods of the financial information of consolidated subsidiaries coincide with that of the Company. Accounting practices were consistently applied by all consolidated companies.

4. New standards not yet in effect

The following list contains new standards and/or revisions issued and not adopted until the year ended March 31, 2020:

- a) Amendments to the references to the conceptual framework in the IFRS (CPC 00 R2): effective as from January 01, 2020;
- b) Definition of business (amendments to CPC 15/IFRS 3): not yet approved by CPC and CVM;
- c) Definition of materiality (amendments to CPC 26/IAS 1 and CPC 23/IAS 8). Not yet approved by CPC and CVM;
- d) IFRS 17 Insurance Contracts: not yet approved by CPC and CVM.

These amended standards and interpretations should not have a significant impact on the individual and consolidated financial statements of the Company.

Notes to the individual and consolidated financial statements
For the years ended March 31, 2020 and 2019
(In thousands of Brazilian Reals, unless otherwise)

5. Cash and cash equivalents and financial investments

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Cash and banks	28	370	37	384
CDB - Bank Certificates of Deposit	238	1,459	7,529	3,866
Cash and cash equivalents	266	1,829	7,566	4,250

CDBs refer to investments whose yields approximate CDI (Interbank Deposit Certificates) variation.

The highest remuneration of the financial investments listed above is 96% of CDI.

6. Accounts receivable

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Notes receivable	26,192	21,840	26,192	21,840
Provision for expected losses	(10,145)	(10,094)	(10,145)	(10,094)
	16,047	11,746	16,047	11,746

The changes in the allowance for doubtful accounts during the period ended March 31, 2020, are as follows:

	R\$
Balances as at December 31, 2019	(10,094)
(+) Complement of the allowance for doubtful accounts	(51)
(-) Write-off for loss	-
Balances as at March 31, 2020	(10,145)
Balances as at December 31, 2018	(8,331)
(+) Complement of the allowance for doubtful accounts	(100)
(-) Write-off for loss	-
Balances as at March 31, 2019	(8,431)

The Company recognizes this allowance based on the history of its expected losses monitored by Management and at an amount deemed sufficient to cover probable losses on the realization of accounts receivable.

Consolidated accounts receivable balance per maturity is as follows:

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	03/31/2019
Falling due	14,492	10,870	14,492	10,870
Overdue up to 90 days	761	805	761	805
Overdue between 91 and 180 days	794	71	794	71
Overdue for more than 180 days	10,145	10,094	10,145	10,094
	26,192	21,840	26,192	21,840

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7. Inventory

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Finished goods	1,688	3,174	2,027	3,512
Work in progress	3,636	2,855	3,636	2,855
Raw material - slag	9,703	9,554	9,703	9,554
Raw material - coke	551	1,336	551	1,336
Other raw materials	5,138	7,989	5,138	7,989
Materials for maintenance and consumption	20,073	19,658	20,073	19,658
Inventory in transit	246	(189)	246	(189)
Land for sale (i)	-	-	17,749	17,344
	<u>41,035</u>	<u>44,377</u>	<u>59,123</u>	<u>62,059</u>

(i) Refers to inventories of plots of land belonging to subsidiaries Mape Incorporação e Empreendimentos Ltda. and Touro Empreendimentos Imobiliários e Participações Ltda.

8. Recoverable taxes

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current assets				
ICMS (State VAT)	5,054	5,047	5,054	5,047
Income Tax/Social Contribution Tax	2	1	44	44
PIS/COFINS (Taxes on sales)	-	93	13	105
IPI (Federal VAT)	5,797	5,509	5,797	5,509
Others	333	333	333	333
	<u>11,186</u>	<u>10,983</u>	<u>11,241</u>	<u>11,038</u>
Noncurrent assets				
ICMS	6,294	5,873	6,294	5,873
	<u>6,294</u>	<u>5,873</u>	<u>6,294</u>	<u>5,873</u>

9. Notes receivable

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Seival Sul Mineração S.A. (i)	2,761	2,718	2,761	2,718
Ano Bom Incorp. e empreendimentos S.A. (ii)	-	-	2,762	2,608
Agemar Empreendimentos e Participações Ltda. (iii)	4,440	4,440	4,440	4,440
Discount to present value	(1,308)	(1,380)	(1,308)	(1,380)
Capella- Fundo de Investimentos em direitos creditórios não-padronizados (iv)	5,472	4,149	5,472	4,149
Others	9	16	761	903
	<u>11,374</u>	<u>9,943</u>	<u>14,888</u>	<u>13,438</u>
Current assets	5,481	4,165	8,995	7,660
Noncurrent assets	5,893	5,778	5,893	5,778

(i) It refers to the balance receivable from the sale of shares of Companhia Nacional de Mineração Candiota;

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- (ii) It refers to the balance receivable from the sale of a property in Barra Mansa, state of Rio de Janeiro, by the subsidiary Mape;
- (iii) It refers to the balance receivable for the sale of the subsidiary Suape Granéis do Nordeste Ltda.;
- (iv) Receivables assigned to CAPELLA - FUNDO DE INVESTIMENTOS EM DIREITOS CREDITÓRIOS NÃO-PADRONIZADOS related to the Arbitration Proceeding against Companhia Siderúrgica Nacional - CSN in terms of the contract, less the costs for manufacturing the clinker to be made available to CSN under the terms provided for in the decision of the referred Arbitration Procedure.

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10. Investments in subsidiaries

a) Statements on main subsidiaries

	03/31/2020					12/31/2019				
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Tupi do Nordeste Ltda.	CP Cimento Overseas CO.	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Tupi do Nordeste Ltda.	CP Cimento Overseas CO.
Ownership interest - % Equity	99.99	99.99	99.88	99.99	-	99.99	99.99	99.88	99.99	-
Income (loss) for the quarter	35,751	102	44,270	2,221	-	35,857	110	44,325	2,331	-
	(106)	(9)	(55)	(110)	-	(667)	(109)	(211)	(429)	-

b) Changes in investments

	03/31/2020					12/31/2019			
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Tupi do Nordeste Ltda.	CP Cimento Overseas Co.	Suape Granéis do Nordeste Ltda.	Others	Total	Total
Balances at beginning of year	35,855	110	44,276	2,331	-	-	2,216	84,788	82,741
Capital contributions	-	-	-	-	-	-	-	-	4,126
Equity in earnings (losses) of controlled companies	(107)	(8)	(53)	(110)	-	-	(315)	(593)	(2,881)
Reclassification of liabilities	-	-	-	-	-	-	397	397	802
Balances at end of period	35,748	102	44,223	2,221	-	-	2,298	84,592	84,788

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	12/31/2019							12/31/2018	
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Tupi do Nordeste Ltda.	CP Cimento Overseas Co.	Suape Granéis do Nordeste Ltda.	Others	Total	Total
Balances at beginning of year	36,522	219	40,789	2,332	-	-	2,879	82,741	99,714
Capital contributions	-	-	3,698	428	-	-	-	4,126	6,242
Disposal of investments	-	-	-	-	-	-	-	-	(14,975)
Write-off of appreciation	-	-	-	-	-	-	-	-	(3,655)
Equity in earnings (losses) of controlled companies	(667)	(109)	(211)	(429)	-	-	(1,465)	(2,881)	2,073
Exchange rate gains (losses) on investments	-	-	-	-	-	-	-	-	616
Receipt of dividends	-	-	-	-	-	-	-	-	(5,775)
Capital return	-	-	-	-	-	-	-	-	(56)
Reclassification to liabilities	-	-	-	-	-	-	802	802	(1,443)
Balances at end of year	35,855	110	44,276	2,331	-	-	2,216	84,788	82,741

Mape Incorporação e Empreendimentos Ltda.

Mape is mainly engaged in developing, administrating, purchasing and selling real estate properties.

Tupimec Indústria Mecânica Ltda.

Tupimec is mainly engaged in manufacturing, trading and exporting mechanical parts and equipment, providing assembling services and related processing services.

Tupi Mineradora de Calcário Ltda.

Tupi Mineradora is an entity in pre-operating stage mainly engaged in exploring and using mineral reserves, as well as in exploring agriculture, livestock, afforestation and reforestation, with the sale of products from these activities.

Tupi do Nordeste Ltda.

Tupi do Nordeste is mainly engaged in exploring agriculture, livestock, afforestation and reforestation, with the sale of products from these activities and holding interest, as shareholder or member, in commercial, industrial or financial businesses, observing the applicable legal requirements, in the region of Mossoró, State of Rio Grande do Norte

Britas Arujá Ltda.

Britas Arujá is an entity in pre-operating stage established in the first quarter of 2015 and engaged in exploring, using, researching and mining mineral reserves, including granite grit in the country, and in trading the products deriving from such activities.

Touro Empreendimentos Imobiliários e Participações Ltda.

Touro Empreendimentos Imobiliários e Participações is mainly engaged in developing, administrating, purchasing and selling properties.

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11. Fixed assets

Accounts	Parent company				
	Cost	03/31/2020	Net	12/31/2019	Annual depreciation rates (%)
		Accumulated depreciation/depletion		Net	
Plots of land	28,698	-	28,698	28,698	-
Buildings	109,602	(26,735)	82,867	83,419	2
Industrial machinery, equipment and facilities	650,324	(266,898)	383,426	383,492	3.33
Furniture and fixtures	3,215	(2,925)	290	302	10
Vehicles	5,191	(4,709)	482	448	20
Railway wagons	14,297	(2,657)	11,640	11,315	3.33
Leasehold improvements	875	(641)	234	271	(*)
Machinery and equipment to be installed	2,714	(475)	2,239	2,262	3.33
Construction in progress	12,852	-	12,852	16,066	-
Advances to suppliers	3,152	-	3,152	2,732	-
Limestone mines	23,033	(2,754)	20,279	20,393	(**)
Others	5,540	(5,288)	252	267	4 to 20
	<u>859,493</u>	<u>(313,082)</u>	<u>546,411</u>	<u>549,665</u>	
Accounts	Consolidated				
	Cost	03/31/2020	Net	12/31/2019	Annual depreciation rates (%)
		Accumulated depreciation/depletion		Net	
Plots of land	53,056	-	53,056	53,056	-
Buildings	109,632	(26,749)	82,883	83,435	2
Industrial machinery, equipment and facilities	651,481	(267,713)	383,768	383,835	3.33
Furniture and fixtures	3,224	(2933)	291	303	10
Vehicles	8,416	(7,553)	863	968	20
Railway wagons	14,297	(2,657)	11,640	11,315	3.33
Leasehold improvements	875	(641)	234	271	(*)
Machinery and equipment to be installed	2,714	(475)	2,239	2,262	3.33
Construction in progress	12,852	-	12,852	16,066	-
Advances to suppliers	3,611	-	3,611	3,191	-
Limestone mines	23,033	(2,754)	20,279	20,393	(**)
Others	5,734	(5,301)	433	449	4 to 20
	<u>888,925</u>	<u>(316,776)</u>	<u>572,149</u>	<u>575,544</u>	

(*) Depreciation according to lease agreement terms;

(**) The limestone mines are amortized according to the period of depletion in proportion to the extracted ore.

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As at March 31, 2020, the amount of R\$ 4,865 (R\$ 4,863 as at March 31, 2019), referring to depreciation, was accounted for as cost of goods sold.

As described in Note 13, Management reviewed the net book value of its assets to evaluate impairment, and the recognition of a provision for impairment was not considered necessary.

During the assessment of recoverability of its assets, the Company used the value in use per cash generating unit (CGU) based on projections approved by Management and assumptions consistent with the analysis performed in 2020 and 2019, which consider:

- Review of scenarios for each CGU pursuant to business plans;
- Country macroeconomic scenario;
- Cash flow period compatible with proven mineral reserves, without perpetuity, also including assets with long maturation periods;
- Constant dollar discount rate of 11.83% based on the Weighted Average Cost of Capital ("WACC").

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The changes in fixed assets in the quarters ended March 31, 2020 and 2019 were as follows:

Fixed asset cost	Parent company												
	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2019	28,698	109,602	646,372	3,213	5,127	13,860	875	2,714	16,066	2,732	23,033	5,530	857,822
Additions	-	-	192	2	69	437	-	-	599	420	-	3	1,722
Transfers	-	-	3,760	-	-	-	-	-	(3,767)	-	-	7	-
Write-offs	-	-	-	-	(5)	-	-	-	(46)	-	-	-	(51)
Balances as at 03/31/2020	<u>28,698</u>	<u>109,602</u>	<u>650,324</u>	<u>3,215</u>	<u>5,191</u>	<u>14,297</u>	<u>875</u>	<u>2,714</u>	<u>12,852</u>	<u>3,152</u>	<u>23,033</u>	<u>5,540</u>	<u>859,493</u>

Depreciation of fixed assets	Parent company												
	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2019	-	(26,183)	(262,880)	(2,911)	(4,679)	(2,545)	(604)	(452)	-	-	(2,640)	(5,263)	(308,157)
Additions	-	(552)	(4,018)	(14)	(35)	(112)	(37)	(23)	-	-	(114)	(25)	(4,930)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	5	-	-	-	-	-	-	-	5
Balances as at 03/31/2020	<u>-</u>	<u>(26,735)</u>	<u>(266,898)</u>	<u>(2,925)</u>	<u>(4,709)</u>	<u>(2,657)</u>	<u>(641)</u>	<u>(475)</u>	<u>-</u>	<u>-</u>	<u>(2,754)</u>	<u>(5,288)</u>	<u>(313,082)</u>

Fixed asset cost	Parent company												
	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2018	28,698	109,578	636,952	3,208	5,145	12,744	875	2,714	16,243	2,024	23,033	5,376	846,590
Additions	-	-	192	5	20	170	-	-	1,692	-	-	-	2,079
Transfers	-	-	8,542	-	-	-	-	-	(8,542)	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	(705)	-	-	-	(705)
Balances as at 03/31/2019	<u>28,698</u>	<u>109,578</u>	<u>645,686</u>	<u>3,213</u>	<u>5,165</u>	<u>12,914</u>	<u>875</u>	<u>2,714</u>	<u>8,688</u>	<u>2,024</u>	<u>23,033</u>	<u>5,376</u>	<u>847,964</u>

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Parent company													
Depreciation of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2018	-	(23,977)	(246,818)	(2,852)	(4,779)	(2,124)	(439)	(362)	-	-	(2,182)	(5,173)	(288,706)
Additions	-	(552)	(4,014)	(15)	(52)	(102)	(43)	(22)	-	-	(115)	(21)	(4,936)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances as at 03/31/2019	-	(24,529)	(250,832)	(2,867)	(4,831)	(2,226)	(482)	(384)	-	-	(2,297)	(5,194)	(293,642)
Consolidated													
Fixed asset cost	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2019	53,056	109,632	647,529	3,222	8,412	13,860	875	2,714	16,066	3,191	23,033	5,724	887,314
Additions	-	-	192	2	69	437	-	-	599	420	-	3	1,722
Transfers	-	-	3,760	-	-	-	-	-	(3,767)	-	-	7	-
Write-offs	-	-	-	-	(65)	-	-	-	(46)	-	-	-	(111)
Balances as at 03/31/2020	53,056	109,632	651,481	3,224	8,416	14,297	875	2,714	12,852	3,611	23,033	5,734	888,925
Consolidated													
Depreciation of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2019	-	(26,197)	(263,694)	(2,919)	(7,444)	(2,545)	(604)	(452)	-	-	(2,640)	(5,275)	(311,770)
Additions	-	(552)	(4,019)	(14)	(154)	(112)	(37)	(23)	-	-	(114)	(26)	(5,051)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	45	-	-	-	-	-	-	-	45
Balances as at 03/31/2020	-	(26,749)	(267,713)	(2,933)	(7,553)	(2,657)	(641)	(475)	-	-	(2,754)	(5,301)	(316,776)

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Fixed asset cost	Consolidated												Total
	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	
Balances as at 12/31/2018	53,056	109,608	638,109	3,216	9,247	12,744	875	2,714	16,243	2,484	23,033	5,570	876,899
Additions	-	-	192	5	20	170	-	-	1,692	-	-	-	2,079
Transfers	-	-	8,542	-	-	-	-	-	(8,542)	-	-	-	-
Write-offs	-	-	-	-	(137)	-	-	-	(705)	-	-	-	(842)
Balances as at 03/31/2019	<u>53,056</u>	<u>109,608</u>	<u>646,843</u>	<u>3,221</u>	<u>9,130</u>	<u>12,914</u>	<u>875</u>	<u>2,714</u>	<u>8,688</u>	<u>2,484</u>	<u>23,033</u>	<u>5,570</u>	<u>878,136</u>

Depreciation of fixed assets	Consolidated												Total
	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	
Balances as at 12/31/2018	-	(23,991)	(247,627)	(2,859)	(7,072)	(2,124)	(439)	(362)	-	-	(2,182)	(5,185)	(291,841)
Additions	-	(551)	(4,016)	(16)	(456)	(102)	(43)	(22)	-	-	(115)	(22)	(5,343)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	73	-	-	-	-	-	-	-	73
Balances as at 03/31/2019	<u>-</u>	<u>(24,542)</u>	<u>(251,643)</u>	<u>(2,875)</u>	<u>(7,455)</u>	<u>(2,226)</u>	<u>(482)</u>	<u>(384)</u>	<u>-</u>	<u>-</u>	<u>(2,297)</u>	<u>(5,207)</u>	<u>(297,111)</u>

12. Intangible assets - Parent Company and Consolidated

	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balance as at 12/31/2019	93,564	35,143	386	129,093	93,564	56,402	532	150,498
Additions	-	-	-	-	-	425	-	425
Amortization	-	-	(46)	(46)	-	-	(46)	(46)
Balances as at 03/31/2020	<u>93,564</u>	<u>35,143</u>	<u>340</u>	<u>129,047</u>	<u>93,564</u>	<u>56,827</u>	<u>486</u>	<u>150,877</u>

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	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balances as at 12/31/2018	93,564	35,143	583	129,290	93,564	55,526	729	149,819
Additions	-	-	-	-	-	27	-	27
Amortization	-	-	(67)	(67)	-	-	(67)	(67)
Balances as at 03/31/2019	93,564	35,143	516	129,223	93,564	55,553	662	149,779

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Impairment test for cash generating units containing goodwill

The goodwill is directly related to the plant of Pedra do Sino (MG). The recoverable value of the assets was calculated based on the Company's cash generating unit: Pedra do Sino Plant. And the methodology used was the discounted cash flow in the useful life of the assets of the cash generating unit.

As a consequence of the impairment test of the Company's assets made on December 31, 2019, the recoverable amount is higher than the book value of the assets. Accordingly, no provision was recognized for impairment as at March 31, 2020.

13. Loans and financing - Parent Company and Consolidated

	03/31/2020		12/31/2019	
	Current	Noncurrent	Current	Noncurrent
Parent company				
In domestic currency				
Development bank -				
BDMG, with maturities up to 2022	198,976	-	190,066	-
Unrecognized transaction costs	(20)	-	(82)	-
	198,956	-	189,984	-
Working capital				
CCBs issued by Bank Credit Suisse, Alfa, ABC Brasil and Bank CCB Brasil, with maturities up to 2020	105,347	-	104,469	-
Votorantim S.A., with maturity in Jan/2022	-	23,188	-	22,826
	105,347	23,188	104,469	22,826
	304,303	23,188	294,453	22,826
In foreign currency				
Notes				
Senior Unsecured Notes with original maturity in May/2018	1,584,653	-	1,198,391	-
Sinosure				
Facility Agreement (Agricultural Bank of China) with original maturity in Feb/2017	100,868	-	77,286	-
Loan				
Tupacta AG with original maturity in Dec/2028 (i)	-	821,853	-	632,419
Others - maturity up to Sep/2030	112	650	90	505
	1,685,633	822,503	1,275,767	632,924
Parent company	1,989,936	845,691	1,570,220	655,750
Consolidated	1,989,936	845,691	1,570,220	655,750

(i) If there is maturity or prepayment of the debt before 3 years of the signing of this contract, the amount due shall correspond to the higher of: (a) the debt adjusted under the terms agreed; (b) R\$ 650,000 or (c) the equivalent to US\$ 165,000.

Until October 2020, debts with banks CCB Brasil and ABC Brasil will be settled. The Company is renegotiating its indebtedness with other creditors.

In October 2019, a new amendment to the Bank Credit Note - CCB was signed with China Construction Bank (Brazil) Banco Múltiplo S/A, changing the payment condition and postponing the maturity to June 2020.

On March 31, 2020, the Company signed an addendum to the Bank Credit Note - CCB, with Banco ABC Brasil S/A, changing the payment condition and postponing the maturity to December 2020.

On September 24, 2018, the Company received a notice that the Bank Credit Notes issued by Banco de Investimentos Credit Suisse (BRASIL) S.A. would have been guaranteed to SPE Geribá Participações SPE-1 Ltda. The access to the documentation brought to the Company doubts as to the regularity of the mentioned guarantee, which is being discussed in court. The Company has not amortized the installments of the mentioned CCBs.

Debt notes (9.75% Senior Unsecured Notes) intended for placement in the international market, totaling US\$ 185,000, matured on May 11, 2018. The Company seeks to renegotiate its debt with domestic creditors in foreign currency, in terms adequate to the Company's financial situation and reasonable for all involved parties.

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14. Related-party transactions

	Parent company 03/31/2020					12/31/2019	
	Tupi Rio Transportes S.A.	Mape Incorporação e Empreendimen- tos Ltda.	Tupi Mineradora de Calcáreo Ltda.	Touro Empreendimentos Imobiliários e Participações Ltda.	Others	Total	Total
Noncurrent assets							
Advance for increase in capital	5	-	643	6,289	99	7,036	-
Current liabilities							
Anticipated dividends	-	15,388	-	-	9	15,397	15,461
Transactions							
Cost of goods sold and services rendered	(6,916)	-	-	-	-	(6,916)	(31,942)

Related-party transactions basically refer to intercompany accounts and provision of services and input for production and operation of the entities' businesses.

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15. Taxes and contributions in installments

These mainly refer to the installment payment of ICMS of the states of São Paulo, Minas Gerais and Rio de Janeiro.

	Parent company					
	03/31/2020			12/31/2019		
	Principal	Interest/Fine	Total	Principal	Interest/Fine	Total
Current liabilities	27,424	5,362	32,786	28,995	3,786	32,781
ICMS	21,974	5,154	27,128	23,581	3,743	27,324
Others	5,450	208	5,658	5,414	43	5,457
Noncurrent liabilities	85,212	34,628	119,840	86,774	35,813	122,587
ICMS	67,884	32,739	100,623	68,332	35,655	103,987
Others	17,328	1,889	19,217	18,442	158	18,600
	<u>112,636</u>	<u>39,990</u>	<u>152,626</u>	<u>115,769</u>	<u>39,599</u>	<u>155,368</u>
	Consolidated					
	03/31/2020			12/31/2019		
	Principal	Interest/Fine	Total	Principal	Interest/Fine	Total
Current liabilities	28,697	5,633	34,330	30,377	3,831	34,208
ICMS	22,832	5,252	28,084	24,420	3,817	28,237
Others	5,865	381	6,246	5,957	14	5,971
Noncurrent liabilities	88,004	35,359	123,363	90,251	35,711	125,962
ICMS	69,356	32,982	102,338	70,052	35,663	105,715
Others	18,648	2,377	21,025	20,199	48	20,247
	<u>116,701</u>	<u>40,992</u>	<u>157,693</u>	<u>120,628</u>	<u>39,542</u>	<u>160,170</u>

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16. Taxes payable

	Parent company		Consolidated	
	12/31/2020	12/31/2019	03/31/2020	12/31/2019
ICMS	22,283	12,107	23,159	12,645
PIS/COFINS	3,681	2,436	5,091	3,658
ISS (Tax on services)	530	54	534	59
Others	2,201	2,162	2,206	2,168
	<u>28,695</u>	<u>16,759</u>	<u>30,990</u>	<u>18,530</u>

17. Equity

a) Capital stock

As at March 31, 2020, subscribed and paid-in capital stock is represented by 11,793 common shares and 11,792 preferred shares with no par value. Preferred shares are not entitled to voting and to receiving minimum or fixed dividends.

b) Capital reserves

Goodwill reserve represents excess value upon issue or capitalization in relation to the basic share value on issue date in 1996.

c) Statutory reserve

Established through the recognition of 5% of net income for the year until it reaches 20% of capital stock – limit provided for in corporate law – and may be used to absorb accumulated losses.

d) Appropriated retained earnings

Established by retaining part of net income for the year, if any. Said retention is based on capital budget prepared by Management, approved by Shareholders in the Annual General Meeting and is intended to be used in the Company's future investments.

e) Dividends

Shareholders are entitled to mandatory dividends of 25% of net income for the year, adjusted in conformity with legal provisions.

Preferred shares are entitled to receive dividends per share that are 10% higher than dividends per share paid to common shares.

f) Earnings (losses) per share

In compliance with CPC 41, the Company presents the following statements on earnings (losses) per share for the years ended March 31, 2020 and 2019.

The basic earnings (losses) per share are calculated by dividing net income (loss) for the year, attributable to the holders of the parent company's common and preferred shares by the weighted average number of common and preferred shares outstanding during the year.

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The following tables present the result data and shares used to calculate basic and diluted losses per share:

	03/31/2020			03/31/2019		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Loss for the year	(312,338)	(312,311)	(624,649)	(51,702)	(51,698)	(103,400)
Weighted average shares (in thousands of shares)	11,793	11,792	23,585	11,793	11,792	23,585
Basic and diluted loss per share	(26.4850)	(26.4850)	(26.4850)	(4.3841)	(4.3841)	(4.3841)

For the quarter ended March 31, 2020, there is no difference between the calculation of basic and diluted losses, since there are no dilutive instruments.

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18. Income and Social Contribution Taxes

a) Reconciliation of Income and Social Contribution tax expenses

	Parent company			
	Income Tax		Social Contribution Tax	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Loss before taxes	(622,223)	(100,995)	(622,223)	(100,995)
Add-backs				
Equity in earnings (losses) of controlled companies	593	574	593	574
Realization sub-account positive dif. -assets	36	-	36	-
Amortization, cost of loans raising	82	922	82	922
Exchange rate gains (losses) on loans	373,978	7,274	373,978	7,274
Other add-backs	1,141	314	1,141	314
Deductions				
Depreciation - Corporate x Tax rate differences	8,209	8,148	8,209	8,148
Other deductions	72	65	72	65
Adjusted loss	(254,674)	(100,124)	(254,674)	(100,124)
Applicable rates	25%	25%	9%	9%
Current Income and Social Contribution Taxes	-	-	-	-
Tax debts accrued from deferred Income and Social Contribution taxes on temporary differences	(1,784)	(1,768)	(642)	(637)
Income and Social Contribution taxes in income (loss)	(1,784)	(1,768)	(642)	(637)
	Consolidated			
	Income Tax		Social Contribution Tax	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Loss before taxes	(622,213)	(100,982)	(622,213)	(100,982)
Add-backs				
Income (loss) from subsidiaries under deemed profit	13	-	13	-
Realization sub-account positive dif. - assets	36	-	36	-
Amortization, cost of loans raising	82	922	82	922
Exchange rate gains (losses) on loans	373,978	7,274	373,978	7,274
Other add-backs	1,141	314	1,141	314
Deductions				
Depreciation - Corporate x Tax rate differences	8,209	8,148	8,209	8,148
Other deductions	72	132	72	132
Adjusted loss	(255,244)	(100,752)	(255,244)	(100,752)
Applicable rates	25%	25%	9%	9%
Current IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	-	-	-	-
Current IRPJ and CSLL of subsidiaries - taxable income	-	-	-	-
IRPJ and CSLL - deemed profit	(6)	(9)	(4)	(4)
Tax debts accrued from deferred Income and Social Contribution taxes on temporary differences	(1,784)	(1,768)	(642)	(637)
Income and Social Contribution taxes in income (loss)	(1,790)	(1,777)	(646)	(641)

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b) Breakdown of deferred Income and Social Contribution taxes

	Parent company and consolidated	
	03/31/2020	12/31/2019
Income and Social Contribution tax losses	135.285	135.285
Provisions for contingencies	547	547
Deferred IR and CS tax assets	135.832	135.832
Deferred IR and CS on temporary differences	(61.390)	(58.964)
Taxed transactions on cash basis - (exchange rate gains (losses))	22.759	22.759
Tax amortization of goodwill	(31.812)	(31.812)
Deferred IR and CS tax liabilities	(70.443)	(68.017)
	<u>65.389</u>	<u>67.815</u>

Considering expected generation of taxable income up to 2025, the Company recognized deferred Income and Social Contribution on the balance of tax losses and temporary differences. Deferred Income and Social Contribution on tax losses were not recognized, calculated as from the second half of 2015.

Income and Social Contribution tax losses have no statute of limitations; however, the Company may use only the amount equivalent to up to 30% of taxable income per year.

The Company realized part of the balance of deferred Income and Social Contribution taxes recognized on tax losses in 2014 and 2017.

19. Provisions for contingencies

The Company and its subsidiaries are parties to lawsuits and administrative proceedings incidental to its business, regarding tax, labor, civil and other issues. The Company, based on the opinion of its legal advisors, conducts an analysis of pending lawsuits and, forms a provision in an amount deemed sufficient to cover the estimated losses from ongoing lawsuits for those with expectation of probable loss.

As at March 31, 2020, the Company maintains a provision for contingencies arising from labor discussions whose likelihood of loss is probable, in the amount of R\$ 1,610 (R\$ 1,610 as at December 31, 2019).

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Beginning balance	709	709	709	709
New	-	-	-	-
Adjustment	901	901	901	901
Concluded	-	-	-	-
Final balance	<u>1,610</u>	<u>1,610</u>	<u>1,610</u>	<u>1,610</u>

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As at March 31, 2020, the Company has court deposits in the amount of R\$ 13,547 (R\$ 9,748 as at December 31, 2019).

In addition, the Company and its subsidiaries are parties to civil, labor, and tax claims whose likelihood of an unfavorable outcome has been rated as possible by Management and its legal advisors. Therefore, no provision for contingencies was set up.

As at March 31, 2020, the amount of such contingencies was R\$ 159,434 (R\$ 159,434 as at December 31, 2019), as follows:

Nature	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Tax contingencies	83,844	83,844	141,931	141,931
Labor contingencies	11,210	11,210	11,464	11,464
Civil contingencies	6,040	6,040	6,040	6,040
	101,094	101,094	159,434	159,434

20. Insurance coverage (unaudited)

The Company and its subsidiaries contract insurance coverage for its inventories and fixed asset items as Named-perils and Civil Liability Insurances. Aspects considered when evaluating risks are as follows: (a) decentralized location of industrial plants (Minas Gerais, Rio de Janeiro and São Paulo); (b) nature of activities; and (c) accident prevention measures. Maximum indemnity limit (LMI) - total is R\$ 198,685 for the industrial plants.

The amounts of contracted coverage take into consideration estimates to cover possible losses in sites with concentrated risks and maximum possible claim loss in a single event.

The risk assumptions adopted, due to their nature, were established by Management.

21. Financial instruments and risk management

21.1. Analysis of financial instruments

The fair value of financial assets and liabilities is included in the value by which an instrument may be changed in a current transaction between the parties on an arm's length basis, and not in a sale and forced settlement. The following methods and assumptions were used to estimate fair value.

- Cash and cash equivalents, trade accounts receivable, trade accounts payable and other short-term obligations approximate their respective book value mostly due to maturity in short term of these instruments;

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- Fair value of receivables does not significantly differ from book balances, since it is monetarily restated consistently with market rates and/or is adjusted by the provision for impairment.

Loans and financing bear fixed rates, which are consistent with those observable in the market; therefore, the book balances informed approximate their respective fair values.

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The classification of financial assets of the Company and its subsidiaries per category is as follows:

Financial assets	Parent company					
	03/31/2020			12/31/2019		
	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	266	-	266	1,829	-	1,829
Accounts receivable	16,047	-	16,047	11,746	-	11,746
Notes receivable	13,323	-	13,323	9,943	-	9,943
	<u>29,636</u>	<u>-</u>	<u>29,636</u>	<u>23,518</u>	<u>-</u>	<u>23,518</u>
Financial assets	Consolidated					
	03/31/2020			12/31/2019		
	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	7,566	-	7,566	4,250	-	4,250
Accounts receivable	16,047	-	16,047	11,746	-	11,746
Note receivable and receivables from third parties	16,837	-	16,837	13,438	-	13,438
	<u>40,450</u>	<u>-</u>	<u>40,450</u>	<u>29,434</u>	<u>-</u>	<u>29,434</u>

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21.2. Classification of financial instruments by category

The main financial liabilities of the Company and its subsidiaries may be classified as loans and financing accounted for at fair value through income (loss), as follows:

Financial liabilities	Parent company	
	03/31/2020	12/31/2019
Trade accounts payable	35,392	34,622
Loans and financing	2,835,627	2,225,970
Related-party transactions	15,397	15,461
	<u>2,886,416</u>	<u>2,276,053</u>

Financial liabilities	Consolidated	
	03/31/2020	12/31/2019
Trade accounts payable	31,168	31,143
Loans and financing	2,835,627	2,225,970
	<u>2,866,795</u>	<u>2,257,113</u>

21.3. Risk management

The financial transactions of the Company and its subsidiaries are previously approved by the Company's Management and performed through the finance area according to conservative strategies, aiming at safety, profitability and liquidity. Hedging mechanisms are adopted against financial risks stemming from liabilities contracted, either in foreign or domestic currency, in order to manage exposure to exchange and interest rate risks.

Criteria for selection of financial institutions obey parameters that take into consideration rating made available by renowned agencies of analysis of risk, equity, and concentration levels of transactions and resources. The main market risk factors that could affect Company business and that of its subsidiaries are as follows:

a) Exchange rate risk

Exchange rate risks are related to the possibility of the Company incurring losses derived from fluctuations in exchange rates.

Most of the Company's liabilities are indexed at US dollar, therefore, the unpredictability of floating liabilities substantially derives from foreign exchange variation, as shown in simulation of future values considering devaluation of Brazilian Real before US dollar by 25% and 50%.

Foreign currency loans	Amount (R\$)	Sensitivity analysis	
		(Scenario I)	(Scenario II)
		Future value I	Future value II
Notes	1,584,653	1,980,816	2,376,979
Sinosure	100,868	126,085	151,302
Tupacta	821,853	1,027,316	1,232,779
Cemrock	762	952	1,143

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b) Credit risk

Financial instruments are subject to credit risks such as cash and cash equivalents and trade accounts receivable. All operations are conducted with banks having acknowledged liquidity, thus minimizing risks.

The risk of incurring losses resulting from difficulty in receiving values billed to its clients is minimized, since sales are dispersed among a high number of clients, and contingent to a credit limit individually established per client.

c) Interest rate risk

This risk derives from the possibility of the Company incurring losses due to fluctuations in interest rates that increase financial expenses mainly stemming from loans.

d) Liquidity risk

Liquidity risk represents the risk of scarcity and difficulty of the Company to pay its debts. The Company and its subsidiaries seek to align the maturity of its debts with the period of cash generation to avoid a mismatch and generate the need of greater leverage.

The following table shows in detail the remaining contractual maturity of the main financial liabilities of the Company and the contractual amortization terms. This table was prepared in accordance with the undiscounted cash flows of financial assets and liabilities based on the nearest date on which the Company and its subsidiaries shall settle the respective obligations.

	Parent company			Total as at 03/31/2020
	Up to one year	From 1 to 3 years	Over 3 years	
Loans and financing	1,989,936	23,188	822,503	2,835,627
Trade accounts payable	35,392	-	-	35,392
Advances from customers	5,706	-	-	5,706
Other financial liabilities	102,000	60,678	67,794	230,472
Balances as at March 31, 2020	<u>2,133,034</u>	<u>83,866</u>	<u>890,297</u>	<u>3,107,197</u>

	Consolidated			Total as at 03/31/2020
	Up to one year	From 1 to 3 years	Over 3 years	
Loans and financing	1,989,936	23,188	822,503	2,835,627
Trade accounts payable	31,168	-	-	31,168
Advances from customers	5,706	-	-	5,706
Other financial liabilities	90,968	61,187	69,610	221,765
Balances as at March 31, 2020	<u>2,117,778</u>	<u>84,375</u>	<u>892,113</u>	<u>3,094,266</u>

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22. Net operating revenue

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Gross sales				
Sales of goods	82,168	71,196	82,250	71,289
Deductions from sales	(20,746)	(18,902)	(21,874)	(20,199)
Sales returns	(135)	(185)	(135)	(185)
ICMS on sales	(14,153)	(12,153)	(14,624)	(12,707)
PIS and COFINS on sales	(6,458)	(6,564)	(7,100)	(7,292)
Others	-	-	(15)	(15)
Net operating revenue	61,422	52,294	60,376	51,090

23. General and administrative expenses

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Administrative personnel expenses	(3,625)	(3,710)	(3,656)	(3,737)
Lawyers' fees	(988)	(1,291)	(1,004)	(1,294)
Lease of properties/ vehicles/ equipment	(49)	(68)	(57)	(76)
Travel expenses	(124)	(93)	(134)	(99)
Third-party/consulting services	(663)	(711)	(738)	(734)
Others	(856)	(727)	(992)	(828)
	(6,305)	(6,600)	(6,581)	(6,768)

24. Other operating revenues (expenses), net

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Indemnity - legal proceedings	-	(427)	-	(411)
Write-off of fixed assets/ investments	-	153	-	153
ICMS instalment payment	-	(168)	-	(168)
Others	160	(1,120)	238	(1,072)
	160	(1,562)	238	(1,498)

25. Net financial income (loss)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Financial expenses				
Interest on loans	(38,155)	(29,338)	(38,155)	(29,338)
Interest/ fines on tax installment payments	(3,730)	(1,043)	(3,944)	(1,047)
Discounts granted	(167)	(198)	(167)	(198)
Contract interest - Finame	(198,444)	(46,526)	(198,444)	(46,526)
Exchange rate gains (losses) on loans	(374,006)	(7,271)	(374,006)	(7,271)
Other financial expenses	(54)	(57)	(64)	(56)
	(614,556)	(84,433)	(614,780)	(84,436)
Financial revenues				
Discounts obtained	153	104	154	104
Interest on financial investments	2	4	17	24
Interest received from customers	157	200	157	200
Other financial revenues	554	108	573	136
	866	416	901	464
	(613,690)	(84,017)	(613,879)	(83,972)

26. Segment reporting

Management groups entities into two distinct segments:

a) Cement

This segment is mainly engaged in manufacturing cements and mortars of all types in the Company's manufacturing units.

b) Real estate management and merger

This segment is mainly engaged in developing and administrating properties.

Management monitors, on a separate basis, operating income (loss) of its business units for the purpose of making decisions on allocation of funds and performance assessment.

The performance of the segment is appraised based on the operating result, measured in a manner consistent with the operating result of the consolidated financial information.

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The Company's segment information is as follows:

	03/31/2020				
	Cement	Real estate management and development	Others	Eliminations	Total consolidated
Net revenue	61,422	80	5,790	(6,916)	60,376
Gross profit (loss)	874	80	(276)	-	678
Depreciation and amortization	(4,977)	-	(120)	-	(5,097)
Operating income (loss)	(7,940)	65	(459)	-	(8,334)
Financial income (loss)	(613,690)	(77)	(112)	-	(613,879)
Equity in earnings (losses) of controlled companies	(593)	-	-	593	-
Income (loss) before taxes	(622,223)	(12)	(571)	593	(622,213)
Income and Social Contribution Taxes	(2,426)	(10)	-	-	(2,436)
Minority interest	-	-	-	-	-
Net income (loss)	(625,649)	(22)	(571)	593	(624,649)
Current assets	81,285	29,372	6,817	(5,389)	112,085
Noncurrent assets	860,028	15,388	47,707	(106,776)	816,347
Current liabilities	2,133,034	6,528	6,039	(27,823)	2,117,778
Noncurrent liabilities	974,163	442	3,081	(1,198)	976,488

	03/31/2019				
	Cement	Real estate management and development	Others	Eliminations	Total consolidated
Net revenue	52,294	74	6,566	(7,844)	51,090
Gross profit (loss)	(5,572)	36	(538)	-	(6,074)
Depreciation and amortization	(5,004)	-	(406)	-	(5,410)
Operating income (loss)	(16,404)	28	(634)	-	(17,010)
Financial income (loss)	(84,017)	38	7	-	(83,972)
Equity in earnings (losses) of controlled companies	(574)	-	-	574	-
Income (loss) before taxes	(100,995)	66	(627)	574	(100,982)
Income and Social Contribution Taxes	(2,405)	(13)	-	-	(2,418)
Minority interest	-	-	-	-	-
Net income (loss)	(103,400)	53	(627)	574	(103,400)
Current assets	78,843	22,777	3,859	(2,405)	103,074
Noncurrent assets	848,546	16,105	47,462	(99,132)	812,981
Current liabilities	1,587,767	457	5,822	(19,620)	1,574,426
Noncurrent liabilities	553,696	221	1,736	-	555,653

27. Subsequent events

On April 13, 2020, a new amendment to the Bank Credit Note (CCB) was signed with China Construction Bank (Brasil) Banco Múltiplo S/A, changing the payment flow and postponing the maturity to December 2020.

The Company informed that a decision was rendered by a writ of mandamus that ensured the right to deduct ICMS from the PIS and COFINS calculation basis, as well as to offset undue PIS and COFINS payments charged on ICMS installments. The Company is arranging the documentation required to file the request for qualifying its credit with the Brazilian Revenue Service, estimated at approximately R\$ 170 million.

On June 05, 2020, a new amendment to the Bank Credit Note - CCB was signed with Banco ABC Brasil Ltda., changing the payment flow and postponing the maturity to February 2021.

On July 08, 2020, a new amendment to the Bank Credit Note - CCB was signed with China Construction Bank (Brasil) Banco Múltiplo S/A, changing the payment flow and postponing the maturity to March 2021.

COVID - 19

The Company's Management has been closely observing the impacts of the Coronavirus in the capital markets of the world and, particularly, in the Brazilian market. In this context, among the several risks and uncertainties to which the Company is exposed, Management evaluated the possible economic events that may affect the Company, such as those related to accounting estimates and measurement of its assets and liabilities. Despite the fact that until the present moment an exact measurement of the possible impacts of Covid-19 in the economic environment is not possible, the Company's Management understands that no impacts were observed that may affect the measurement of the assets and liabilities presented in its financial statements as at March 31, 2020.