



una empresa  InterCement

***Loma Negra Compañía Industrial Argentina
Sociedad Anónima***

***Condensed Interim Financial Statements as of
September 30, 2019 and for the nine and three month
periods ended September 30, 2019 and 2018***



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***Loma Negra Compañía Industrial Argentina
Sociedad Anónima***

***Condensed Interim Consolidated Financial
Statements as of September 30, 2019 and for the nine
and three month periods ended September 30, 2019
and 2018***

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER
30, 2019 AND 2018

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Information Report

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 UNAUDITED CONDENSED INTERIM CONSOLIDATED COMPREHENSIVE INCOME STATEMENT AS OF SEPTEMBER 30,
 2019 AND 2018

(All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

	Notes	Nine months		Three months	
		09.30.2019	09.30.2018	09.30.2019	09.30.2018
Net revenues from sales	4	26,743,768	27,361,640	9,178,431	9,931,333
Cost of sales	5	(19,506,894)	(20,768,057)	(6,739,917)	(7,657,944)
Gross income		7,236,874	6,593,583	2,438,514	2,273,389
Selling and administrative expenses	6	(1,922,986)	(2,006,464)	(605,090)	(676,426)
Other net income and expenses	7	5,069	25,107	21,181	31,971
Tax on bank debits and credits	8	(272,153)	(272,782)	(89,977)	(90,364)
FINANCIAL INCOME/(LOSS)					
Exchange difference	9	(1,381,858)	(2,146,978)	(1,509,771)	(1,309,639)
Income/(loss) for monetary position		918,685	236,881	275,529	167,554
Financial income	9	88,111	769	76,982	-
Financial expenses	9	(1,060,404)	(693,826)	(409,301)	(298,292)
Income/(loss) before income tax		3,611,338	1,736,290	198,067	98,193
INCOME TAX					
Current	10	(665,302)	(727,672)	132,765	(339,504)
Deferred	10	(333,878)	(64,831)	(270,433)	97,144
NET INCOME/(LOSS) FOR THE PERIOD		<u>2,612,158</u>	<u>943,787</u>	<u>60,399</u>	<u>(144,167)</u>
OTHER COMPREHENSIVE INCOME					
Items to be reclassified through profit and loss:					
Due to exchange differences		<u>175,101</u>	<u>1,429,096</u>	<u>489,917</u>	<u>801,973</u>
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		<u>175,101</u>	<u>1,429,096</u>	<u>489,917</u>	<u>801,973</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>2,787,259</u>	<u>2,372,883</u>	<u>550,316</u>	<u>657,806</u>
Net income from:					
Owners of the parent company		2,496,905	835,643	49,814	(182,367)
Non-controlling interests		115,253	108,144	10,585	38,200
NET INCOME/(LOSS) FOR THE PERIOD		<u>2,612,158</u>	<u>943,787</u>	<u>60,399</u>	<u>(144,167)</u>
Comprehensive income from:					
Owners of the parent company		2,586,209	1,564,506	299,682	226,652
Non-controlling interests		201,050	808,377	250,634	431,154
TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>2,787,259</u>	<u>2,372,883</u>	<u>550,316</u>	<u>657,806</u>
Earnings/(losses) per share (basic and diluted, in Argentine Pesos)	11	4.1893	1.4020	0.0836	(0.3060)

The Notes are an integral part of these condensed interim consolidated financial statements

The Statutory Audit Committee's Report
 Dated November 7, 2019
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Omar Rolotti
 For the Statutory Audit Committee

Adrián G. Villar (Socio)
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 Professional Council in Economic Sciences in and for the
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Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 UNAUDITED CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2019, COMPARATIVE
 WITH DECEMBER 31, 2018

(All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

	Notes	09.30.2019	12.31.2018
ASSETS			
Non-current assets			
Property, plant, and equipment	12	38,985,216	30,124,826
Right to use assets	16	357,838	-
Intangible assets		311,763	300,911
Investments	18	2,288	2,288
Capital gain		22,826	22,826
Inventories	13	916,374	932,563
Other receivables	15	821,717	1,297,412
Trade accounts receivable	17	3,577	5,576
Total non-current assets		41,421,599	32,686,402
Current assets			
Inventories	13	5,411,598	5,201,838
Other receivables	15	859,673	527,771
Trade accounts receivable	17	2,798,628	2,842,889
Investments	18	406,055	2,884,918
Cash and banks		947,276	1,110,797
Total current assets		10,423,230	12,568,213
Total assets		51,844,829	45,254,615

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 UNAUDITED CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2019, COMPARATIVE
 WITH DECEMBER 31, 2018

(All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

	Notes	09.30.2019	12.31.2018
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital stock and other capital related accounts	19	9,894,387	9,894,387
Reserves		10,627,899	3,139,897
Retained earnings		2,496,905	7,488,002
Accumulated other comprehensive income	20	467,263	377,959
Shareholders' equity attributable to owners of the parent company		23,486,454	20,900,245
Non-controlling interests		2,093,775	1,892,725
Total shareholders' equity		25,580,229	22,792,970
LIABILITIES			
Non-current liabilities			
Loans	21	5,424,254	3,590,204
Accounts payable	22	132,688	533,103
Provisions	23	421,044	402,944
Lease payables	16	333,202	-
Other payables		46,484	10,878
Deferred tax liabilities	10	4,723,033	4,387,099
Total non-current liabilities		11,080,705	8,924,228
Current liabilities			
Loans	21	4,990,893	4,620,105
Accounts payable	22	8,517,854	6,682,649
Customer advances		167,425	232,230
Payroll and social security contributions		793,768	872,866
Tax liabilities	24	553,795	1,073,402
Lease payables	16	81,916	-
Other payables		78,244	56,167
Total current liabilities		15,183,895	13,537,419
Total liabilities		26,264,600	22,461,647
Total shareholders' equity and liabilities		51,844,829	45,254,617

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LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF SEPTEMBER 30, 2019
 (All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

	Owners contributions					Environmental reserve	Optional reserve	Future dividends reserve	Other comprehensive income	Accumulated income/(loss)	Shareholders' equity attributable to owners of the parent company	Non-controlling interests	Total
	Capital	Capital adjustments	Share premium	Merger premium	Legal reserve				Exchange income/(loss)				
Balances as of January 1, 2019	59,603	3,099,690	5,704,608	1,030,486	143,157	4,931	2,950,327	41,482	377,959	7,488,002	20,900,245	1,892,725	22,792,970
Resolved by Ordinary General Shareholders' Meeting dated April 25, 2019:													
- Legal reserve					374,400					(374,400)			
- Optional reserve							7,113,602			(7,113,602)			
Other comprehensive income									89,304		89,304	85,797	175,101
Income/(loss) for the period										2,496,905	2,496,905	115,253	2,612,158
Balances as of September 30, 2019	59,603	3,099,690	5,704,608	1,030,486	517,557	4,931	10,063,929	41,482	467,263	2,496,905	23,486,454	2,093,775	25,580,229

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 UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF SEPTEMBER 30, 2018
 (All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

	Owners contributions									Other comprehensive income		Shareholders' equity attributable to owners of the parent company	Non-controlling interests	Total
	Capital	Capital adjustments	Share premium	Other capital adjustments	Merger premium	Legal reserve	Environmental reserve	Optional reserve	Future dividends reserve	Exchange income/(loss)	Accumulated income/(loss)			
Balances as of January 1, 2018	59,603	3,099,690	6,804,183	(1,099,575)	1,030,486	141,937	4,931	-	41,482	46,692	7,961,216	18,090,645	1,366,951	19,457,596
Resolved by Ordinary General Shareholders' Meeting dated April 25, 2018:														
- Legal reserve						1,220					(1,220)			
- Optional reserve								2,950,327			(2,950,327)			
Absorption of Other capital adjustments			(1,099,575)	1,099,575										
Other comprehensive income										728,863		728,863	700,233	1,429,096
Income/(loss) for the period											835,643	835,643	108,144	943,787
Balances as of September 30, 2018	59,603	3,099,690	5,704,608	-	1,030,486	143,157	4,931	2,950,327	41,482	775,555	5,845,312	19,655,151	2,175,328	21,830,479

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LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS AS OF SEPTEMBER 30, 2019
AND 2018

(All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

	09.30.2019	09.30.2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	2,612,158	943,787
Adjustments to calculate cash flows from operating activities		
Income tax recognized in results	999,180	792,503
Depreciation and amortizations	2,127,547	2,220,229
Provisions	82,146	90,717
Interest	819,476	337,699
Exchange difference	570,989	2,264,880
Income from the sale of property, plant and equipment	(9,136)	-
Other	9,488	(9,206)
Changes in operating assets and liabilities		
Inventories	(157,914)	(540,898)
Other receivables	(128,130)	(364,139)
Trade accounts receivable	(666,031)	(1,019,351)
Customer advances	(30,949)	(108,883)
Accounts payable	749,019	(433,581)
Payroll and social security contributions	153,313	(33,154)
Provisions	(55,661)	(121,458)
Tax liabilities	226,034	269,915
Other payables	233,522	(30,973)
Effect of restatement in homogeneous currency	(918,236)	(236,881)
Income tax paid	(1,206,851)	(1,283,121)
Net cash flows generated from operations	5,409,964	2,738,085
CASH FLOWS FROM INVESTING ACTIVITIES		
Income from the sale of property, plant, and equipment	31,757	6,129
Acquisition of property, plant and equipment	(8,433,125)	(3,099,339)
Acquisition of intangible assets	(27,855)	(11,731)
Contributions to the F.F.F.S.F.I Trust	(45,106)	(42,320)
Net cash flows used in investing activities	(8,474,329)	(3,147,261)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payables	(65,311)	-
New loans	5,919,483	1,732,613
Interest paid	(1,515,888)	(989,096)
Repayment of loans	(3,772,678)	(2,632,725)
Net cash flows generated from/(applied to) financing activities	565,606	(1,889,208)
Net changes in cash and cash equivalents	(2,498,759)	(2,298,384)
Cash and cash equivalents at the beginning of the year	3,995,715	6,464,324
Effect of reinstatement in homogeneous currency of cash and equivalents	(109,350)	(99,033)
Effects of exchange differences on cash and cash equivalents held in foreign currency	(34,275)	171,591
Cash and cash equivalents at the closing of the period	1,353,331	4,238,498

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UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS AS OF SEPTEMBER 30, 2019
AND 2018

(All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

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Vice-President

(All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

1. LEGAL INFORMATION

Registered office:

Boulevard Cecilia Grierson 355– 4th. Floor, Ciudad Autónoma de Buenos Aires, Argentina.

Fiscal year:

Fiscal year No. 95, beginning January 1, 2019.

Business of the Company:

The main business of the Company is the manufacturing and marketing of cement and its by-products, and also exploration of the mineral resources used in the production process.

The Company owns 9 factories in Argentina, in the provinces of Buenos Aires, Neuquén, San Juan and Catamarca. The Company also owns 21 concrete production plants.

In addition, the Company, through its subsidiary Cofesur S.A.U., has a controlling interest in Ferrosur Roca S.A., a company operating the rail freight network of the Roca Railroad under a concession granted by the Argentine government in 1993 for a period of 30 years, which allows access from several of Loma Negra's cement production plants to the rail network. On March 8, 2018 and with the due approval of its majority shareholder (Cofesur S.A.U.), Ferrosur Roca S.A. requested the Enforcement Authority an extension of the concession for an additional term of 10 years, pursuant to the provisions in the Bidding Terms and Conditions and the Concession Agreement.

The Company also has a controlling interest in Recycomb S.A.U.U., a company engaged in the treatment and recycling of industrial waste intended to be used as fuel or raw material, and a controlling interest in Yguazú Cementos S.A., a company organized in Paraguay engaged in the manufacture and marketing of cement.

Date of registration with the Argentine Public Registry of Commerce and the Supervisory Board of Companies (IGJ):

- Of the bylaws: August 5, 1926 under No 38, on Page 46
- Last amendment recorded: August 29, 2017, under No 17,557, on Book 85 of Joint-stock companies
- No. of Registration with the Supervisory Board of Companies (IGJ): 1,914,357.
- Taxpayer's ID Number (CUIT): 30-50053085-1
- Date of expiration: July 3, 2116.

Parent company:

Cauê Austria Holding GmbH with 51.0437% of the Company's shares and votes.

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Capital structure:

The subscribed for and paid in capital amounts to \$59,602,649, represented by 596,026,490 book-entry common shares with a nominal value of \$ 0.10 each, and each entitling to one vote.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The accompanying condensed interim consolidated balance sheet as of September 30, 2019, the condensed interim consolidated comprehensive income statement, condensed interim consolidated statement of changes in shareholders' equity and of cash flows for the nine month periods ended September 30, 2019 and 2018 and the notes to the condensed interim consolidated financial statements (hereinafter, the "Interim financial statements") are unaudited and have been prepared as interim financial information. These interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, pursuant to the provisions in Technical Resolution No. 26 (as amended) issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) and the Regulations issued by the Argentine Securities Commission "*Comisión Nacional de Valores*" (CNV).

Consequently, not all of the disclosures required in accordance with International Financial Reporting Standards (IFRS) for annual financial statements are included herein, hence, these interim financial statements shall be read in conjunction with the Company's consolidated financial statements for the fiscal years ended December 31, 2018 and 2017 issued on March 7, 2019. In the opinion of Management, these unaudited condensed interim consolidated financial statements include all normal recurring adjustments, which are necessary for a fair representation of financial results for the interim periods presented.

The financial information as of December 31, 2018 presented in these unaudited condensed interim consolidated financial statements arise from our audited consolidated financial statements for the year ended December 31, 2018 restated in closing currency of the reported period, following the guidelines in IAS 29. Such guidelines have been described in Note 2.2 to our consolidated financial statements as of December 31, 2018.

The results of operations for the nine month periods ended September 30, 2019 and 2018 do not necessarily reflect the results for the full years. The Company believes that the disclosures are adequate and sufficient to consider that the information presented is not misleading.

These condensed interim consolidated financial statements were approved for issue by the Board of Directors on November 7, 2019, the date when the condensed interim financial statements were available for issuance.

2.2 Basis of consolidation

These interim financial statements include the unaudited condensed interim consolidated financial position, results of operations and cash flows of the Company and its consolidated subsidiaries. The basis of consolidation and the subsidiaries are the same as for the Company's audited consolidated financial statements for the year ended December 31, 2018, issued on March 7, 2019.

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LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2019 AND 2018

(All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

The consolidated information disclosed in these condensed interim financial statements include the following subsidiaries:

	Main activity	Country	% of direct and indirect ownership as of		
			09.30.2019	12.31.2018	09.30.2018
Controlled:					
Cofesur S.A.U.	Investment	Argentina	100.00	100.00	100.00
Ferrosur Roca S.A. (1)	Rail freight transportation	Argentina	80.00	80.00	80.00
Recycomb S.A.U.	Waste recycling	Argentina	100.00	100.00	100.00
Yguazú Cementos S.A.	Marketing and manufacture of construction materials	Paraguay	51.00	51.00	51.00

(1) Directly controlled by Cofesur S.A.U.

Below is a summary of the financial information for subsidiaries with material non-controlling ownership interests. The summarized information does not include intragroup deletions due to consolidation.

a) Yguazú Cementos S.A.

	<u>09.30.2019</u>	<u>12.31.2018</u>
Current assets (1)	1,828,920	1,760,193
Non-current assets	5,514,141	5,670,583
Current liabilities (2)	661,062	1,033,993
Non-current liabilities (2)	2,572,523	2,949,366
Shareholders' equity attributable to owners of the parent company	2,095,902	1,758,240
Non-controlling interests	2,013,574	1,689,177

(1) Includes 745,079 and 786,130 of cash and cash equivalents as of September 30, 2019 and December 31, 2018, respectively.

(2) Includes the financial loans described in Note 21.

	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Nine month period</u>		
Net revenues from sales	2,580,562	2,294,796
Financial income/(loss)	(200,080)	(229,855)
Depreciations	(396,771)	(339,729)
Income tax	(48,861)	(29,870)
Net income	486,957	337,451

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Omar Rolotti
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	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Nine month period</u>		
Net cash flows from operating activities	993,925	199,731
Net cash flows used in investment activities	(32,144)	(21,910)
Net cash flows applied to financing activities	(1,032,891)	(109,504)

The figures presented for Yguazú Cementos S.A. arise from the information provided by that company converted into Argentine Pesos and adjusted to conform to the Company's accounting policies and in compliance with IFRS.

b) Ferrosur Roca S.A.

	<u>09.30.2019</u>	<u>12.31.2018</u>
Current assets	719,963	974,764
Non-current assets	2,274,949	2,489,624
Current liabilities	2,360,877	2,223,309
Non-current liabilities	233,033	166,819
Shareholders' equity attributable to owners of the parent company	320,801	820,122
Non-controlling interests	80,201	205,031

	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Nine month period</u>		
Net revenues from sales	2,487,274	2,643,633
Financial income/(loss)	(477,291)	(231,887)
Depreciations	(410,066)	(366,388)
Income tax	13,408	161,638
Net loss for the period	(616,739)	(286,006)

	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Nine month period</u>		
Net cash flows generated from (applied to) operations	9,234	(133,724)
Net cash flows applied to investing activities	(183,239)	(208,749)
Net cash flows generated from financing activities	191,755	363,520

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2.3 Accounting policies

These condensed interim consolidated financial statements have been prepared using the same accounting policies and criteria used in the preparation of the audited consolidated financial statements for the fiscal year ended December 31, 2018, except for the adoption of new standards and interpretations effective as of January 1, 2019.

2.3.1 Application of new and revised International Financial Reporting Standards (IFRS)

- Adoption of new and revised IFRS

The Company has adopted all of the new and revised standards and interpretations issued by the IASB that are relevant to its operations and that are mandatorily effective as of September 30, 2019 as described in note 2.2 to the Company's annual consolidated financial statements as of December 31, 2018.

The Group has not opted for early adoption of any other standard, interpretation or amendment that has been issued but is not yet in force.

- New standards

New standards and interpretations issued during the nine month period ended September 30, 2019 and the standards and interpretations issued but not mandatory as of that date are described in Note 2.2 to the consolidated financial statements as of December 31, 2018. Note 16 contains a description of the impact of the application of IFRS 16 to these consolidated condensed interim financial statements.

2.3.2 Ferrocarril Roca Management Trust

The interest in the Ferrocarril Roca Management Trust is valued at cost value, taking into account the value of contributions made, net of trust expenses, plus the financial income/(loss) accrued until the closing of the fiscal year/period. The following unconsolidated information is for the entity not controlled by Ferrosur Roca S.A.

As of September 30, 2019 and December 31, 2018, Ferrosur Roca S.A. owns 100% of the following (unconsolidated) assets and liabilities:

	<u>09.30.2019</u>	<u>12.31.2018</u>
Current assets	124,588	77,092
Current liabilities	122	102
Non-current liabilities	43	-
Shareholders' equity	124,423	76,990

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3. CRITICAL ACCOUNTING OPINIONS AND KEY SOURCES USED FOR ESTIMATING UNCERTAINTY

When applying the Group's accounting policies, the Management of the Company is required to make assessments, estimates and assumptions regarding the carrying amounts of assets and liabilities. The estimates and related assumptions are based on past experience and other factors that are considered relevant. Actual results may differ from these estimates.

The unaudited condensed interim consolidated financial statements reflect all adjustments which are, in the opinion of the Management, necessary to make a fair statement of the results for the interim periods presented.

There are no significant changes to the critical judgements used by the Management in applying accounting policies to the critical judgements disclosed in the annual consolidated financial statements for the year ended December 31, 2018.

As a consequence of the activities in which the Company is engaged, the transactions of the Company do not have a significant cyclical or seasonal character. Nevertheless, during the second half of the year, historically the volume of sales in Argentina has showed a slight increase.

4. NET REVENUES FROM SALES

	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Nine month period</u>		
Sale of products	<u>27,456,145</u>	<u>27,080,190</u>
Domestic market	27,438,686	27,064,900
External market	17,459	15,290
Services rendered	1,465,717	1,548,637
(-) Bonuses / Discounts	<u>(2,178,094)</u>	<u>(1,267,187)</u>
Total	<u>26,743,768</u>	<u>27,361,640</u>

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5. COST OF SALES

		<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Nine month period</u>			
Inventories at the beginning of the year		6,134,401	5,274,566
Finished products	533,468		284,076
Products in progress	1,482,581		1,265,694
Raw materials, materials, fuels and inventory in transit	<u>4,118,352</u>	<u>3,724,796</u>	
Exchange difference		26,637	300,306
Production purchases and expenses of the period		19,673,828	21,350,080
Inventories at the end of the period		6,327,972	6,156,895
Finished products	456,802		433,255
Products in progress	1,397,859		1,387,220
Raw materials, materials, fuels and inventory in transit	<u>4,473,311</u>	<u>4,336,420</u>	
Cost of sales		<u>19,506,894</u>	<u>20,768,057</u>

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The breakdown of production expenses is as follows:

	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Nine month period</u>		
Fees and service fees	338,144	350,874
Salaries, wages and social security contributions	3,433,049	3,492,671
Personnel transport and travel expenses	135,142	157,946
Data processing	14,273	15,347
Taxes, contributions and commissions	330,737	290,764
Depreciation and amortizations	2,035,226	2,178,524
Preservation and maintenance	1,752,152	1,820,578
Communications	18,702	18,028
Rent	46,604	53,130
Personnel benefits	69,815	72,936
Electricity, gas and water services	7,910	6,141
Freight	1,526,980	1,794,213
Fuels	3,119,751	3,168,836
Insurance	59,246	47,381
Packaging	717,151	723,093
Electricity	1,924,983	2,034,685
Contractors	1,405,548	1,523,457
Tolls	2,571	4,340
Royalties	17,325	19,714
Surveillance	106,748	118,835
Other	241,979	246,546
Total	<u>17,304,036</u>	<u>18,138,039</u>

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6. SELLING AND ADMINISTRATIVE EXPENSES

	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Nine month period</u>		
Managers, directors and statutory auditors' fees	165,366	115,185
Fees and service fees	144,677	144,666
Salaries, wages and social security contributions	585,686	591,926
Personnel transport and travel expenses	26,917	28,349
Data processing	41,040	33,747
Advertising expenses	40,707	41,141
Taxes, contributions and commissions	500,996	570,007
Depreciation and amortizations	79,384	63,298
Preservation and maintenance	9,313	8,904
Communications	19,139	19,573
Rent	15,189	39,993
Personnel benefits	26,910	30,570
Electricity, gas and water services	3,390	2,025
Freight	181,816	225,297
Insurance	34,358	30,751
Allowance for bad debts	9,409	7,675
Surveillance	4,466	4,345
Other	34,223	49,012
Total	<u>1,922,986</u>	<u>2,006,464</u>

7. OTHER NET INCOME AND EXPENSES

	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Nine month period</u>		
<u>Income from the sale of property, plant and equipment</u>	9,136	-
Donations	(18,857)	(17,357)
Technical assistance services	5,806	4,428
Income from assignment of tax credits	4,638	-
Substitute taxpayer tax	(9,173)	(8,141)
Contingencies	(37,873)	(9,510)
Rent	46,820	35,122
Recovery of bad debts Yguazú Cementos S.A.	3	14,222
Miscellaneous	4,569	6,343
Total	<u>5,069</u>	<u>25,107</u>

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8. TAX ON BANK DEBITS AND CREDITS

The general tax rate for bank debits and credits is 0.6% for amounts credited or debited to or from the Company's bank accounts. For credited and debited amounts, 33% of both items may be used as payment of account of other taxes. 67% on credits and debits is included in this line of the comprehensive income statement.

Under Argentine Law No. 27,432, the Argentine Executive may provide that the percentage of the aforesaid tax that is not computable as payment on account of income tax be progressively reduced by up to an annual twenty percent (20%) as from January 1, 2018, with an option to establish that, in 2022, the tax provided for under Argentine Law No. 25,413, as amended, be fully considered as payment on account of income tax. On May 7, 2018 Decree 409/2018 published in the Official Gazette established that taxpayers subject to the general rate of twelve per thousand may use the 33% on debits and credits to the related bank accounts on account of income tax payable.

9. FINANCIAL INCOME/(LOSS)

<u>Nine month period</u>	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>From exchange differences</u>		
Income from exchange differences	88,636	853,057
Expenses for exchange differences	(1,470,494)	(3,000,035)
Total	<u>(1,381,858)</u>	<u>(2,146,978)</u>
<u>Financial income</u>		
Other	726	-
Updates	87,385	769
Total	<u>88,111</u>	<u>769</u>
<u>Financial expenses</u>		
Interest on temporary investments	(37,204)	(135,389)
Interest expenses	(712,834)	(365,141)
Interest on leases	(27,384)	-
Interest with Cimpor Trading S.A.	-	(9,517)
Tax interest	(72,108)	(53,610)
Updates	(36,407)	(38,547)
Other	(174,467)	(91,622)
Total	<u>(1,060,404)</u>	<u>(693,826)</u>

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10. INCOME TAX

Income tax expense is recognized on the basis of the income/(loss) accrued in the period and the statutory rate expected at year-end.

This criterion does not significantly differ from the criterion established in IAS 34, which requires income tax expense to be recognized in each interim period based on the best estimate of the effective tax rate expected as of year-end.

The reconciliation of income tax expense for the nine month periods ended September 30, 2019 and 2018 and that which would result from applying the statutory rate in force on the net income before income tax for the condensed interim comprehensive income statement for each period is as follows:

	09.30.2019	09.30.2018
Income/(loss) before income tax	3,611,338	1,736,290
Statutory rate (*)	30%	30%
Income tax at statutory rate	(1,083,401)	(520,887)
Adjustments for calculation of the effective income tax:		
Effect of different rates of foreign subsidiaries (*)	107,164	73,464
Unrecognized tax losses	(80,639)	-
Effect of tax revaluation of PP&E	589,068	-
Effect of change in deferred tax rate	(19,095)	(188,716)
Restatement in homogeneous currency	(521,041)	(158,661)
Other permanent differences	8,764	2,297
Total income tax	<u>(999,180)</u>	<u>(792,503)</u>
INCOME TAX		
Current	(665,302)	(727,672)
Deferred	<u>(333,878)</u>	<u>(64,831)</u>
Total	<u>(999,180)</u>	<u>(792,503)</u>

(*) The statutory rate in force for this period in Argentina is 30 % while in Paraguay the statutory rate is 10 %.

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Likewise, the breakdown of deferred income as of September 30, 2019 and December 31, 2018 is as follows:

	<u>09.30.2019</u>	<u>31.12.2018</u>
<u>Assets</u>		
Tax losses	183,384	187,727
Provisions	20,489	21,593
Other receivables	127,186	-
Trade accounts receivable	-	1,294
Other	22,456	7,999
Total assets	<u>353,515</u>	<u>218,613</u>
<u>Liabilities</u>		
Investments	(1,736)	(4,020)
Trade receivables	(1,961)	-
Property, plant and equipment	(4,502,936)	(4,156,379)
Loans	-	(2,496)
Accounts payable	-	(245)
Other receivables	-	(29,411)
Inventories	(453,570)	(391,720)
Tax effect from inflation adjustment	(99,354)	-
Other	(16,991)	(21,441)
Total liabilities	<u>(5,076,548)</u>	<u>(4,605,712)</u>
Total deferred liabilities, net	<u>(4,723,033)</u>	<u>(4,387,099)</u>

The Argentine Tax Reform Law No. 27,430, as amended by Law No. 27,468, set certain guidelines in connection with the inflation adjustment for tax purposes for fiscal years commencing on or after January 1, 2018, namely: (a) the adjustment will be applicable to any fiscal year in which the changes in the CPI surpass 100% over the thirty six months prior to the fiscal year for which tax is being assessed; (b) during the first, second and third fiscal year following adoption, the adjustment will be applied provided the changes in the CPI, calculated from the beginning through the end of each of such fiscal years, are higher than 55%, 30% and 15% for the first, second and third year of adoption, respectively; and (c) one third of the inflation adjustment for tax purposes, whether positive or negative, as the case may be, for the first, second and third fiscal year commencing on or after January 1, 2018, to be calculated upon the occurrence of the assumptions in paragraphs (a) and (b) above, will be carried in that fiscal year, while the remaining two thirds will be equally distributed in the two immediately following periods.

At each interim period-end, entities should consider whether as of the end of the tax period the conditions established by the income tax law to apply the tax inflation adjustment will be met. The information available as of the date of approval of these condensed interim consolidated financial statements on changes in the CPI confirms that such conditions have already been satisfied. Therefore, the current and deferred income tax has been recorded in the nine month period ended September 30, 2019, including the effects from application of tax inflation adjustment in accordance with the law, which have resulted in an increase in the provision for current tax equal to 59,612 and a recognition of deferred assets and liabilities equal to 3,056 and 99,354, respectively, which shall be considered in determination of the income tax for the next two periods.

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11. EARNINGS PER SHARE

Basic and diluted earnings per share

The earnings and weighted average number of common shares used in the calculation of basic and diluted earnings per share are as follows:

	Nine months		Three months	
	09.30.2019	09.30.2018	06.30.2019	06.30.2018
Net profit attributable to owners of the parent used in the calculation of basic and diluted earnings per share	2,496,904	835,643	49,814	(182,367)
Weighted average number of common shares for the purposes of basic and diluted earnings per share (in thousands of shares)	596,026	596,026	596,026	596,026
Basic and diluted earnings per share in Argentine Pesos	4.1893	1.4020	0.0836	(0.3060)

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12. PROPERTY, PLANT AND EQUIPMENT

	<u>09.30.2019</u>	<u>12.31.2018</u>
Cost	83,176,557	72,182,627
Accumulated depreciation	(44,191,341)	(42,057,801)
Total	<u>38,985,216</u>	<u>30,124,826</u>
Land	470,688	450,360
Buildings	6,860,969	7,056,541
Machinery and equipment	13,520,426	13,612,492
Transport and freight vehicles	1,457,690	1,673,596
Furniture and fixtures	47,887	55,848
Quarries	2,791,553	2,701,412
Tools	31,700	37,275
Works in progress	13,804,303	4,537,302
Total	<u>38,985,216</u>	<u>30,124,826</u>

The Group acquired assets amounting to 10,724,121 during the nine month period ended September 30, 2019. The most significant increases during the period ended September 30, 2019 were due to the progress of the L'Amali construction work.

The Company continues in the process of construction of the new cement plant L'Amali II in the city of Olavarría, province of Buenos Aires. The Company's Management estimates that the works will be completed in the second quarter of 2020, and the total invested amount as of September 30, 2019 is 12,694,359.

The Company has taken various financial loans and has used other payment instruments for repayment of trade debts denominated in foreign currency in order to finance a portion of such expenditures. IAS 23 establishes that borrowing costs directly attributable to the acquisition, construction or production of an asset that requires a substantial period of time to get ready for its intended use are capitalized as part of the cost of such asset, except for the portion of such costs that compensate the creditor for the effects of inflation, provided that they are likely to result in future economic benefits for the Company and may be measured reliably. All other borrowing costs are accounted for as an expense in the period in which they are incurred. Borrowing costs include interest, foreign exchange differences and other costs incurred by the Company in relation to execution of the respective loan agreements.

Given that such Company's indebtedness is mostly incurred in foreign currency, the Company evaluates as of each closing date whether the exchange differences originated in such debts attributable to the construction of such asset constitute an adjustment to the costs for the interest on such loans that should be compounded with such interest. Taking the foregoing into account, the Company has capitalized interest and foreign exchange differences actually incurred in the nine month period ended September 30, 2019 in the amount of 490,506, taking as a cap for such capitalization what would have been applicable at an equivalent rate in Pesos net of the effects of inflation on the liabilities giving rise to

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them. The nominal interest rate applied to determine such cap for capitalization of actual borrowing costs (interest and exchange differences) to be capitalized amounted to 73%, from which the effect of exposure to inflation of such liabilities for the period was deducted, resulting in an effective weighted average rate equal to 21%.

13. INVENTORIES

	<u>09.30.2019</u>	<u>12.31.2018</u>
Non-current		
Spare parts	952,760	972,271
Allowance for obsolete inventories	(36,386)	(39,708)
Total	<u>916,374</u>	<u>932,563</u>
Current		
Finished products	456,802	533,468
Products in progress	1,397,859	1,482,581
Raw materials, materials and spare parts	2,932,435	2,567,848
Fuels	624,502	617,941
Total	<u>5,411,598</u>	<u>5,201,838</u>

14. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated and are not disclosed in this note.

The outstanding balances between the Group and other related parties as of September 30, 2019 and December 31, 2018 are as follows:

	<u>09.30.2019</u>	<u>12.31.2018</u>
<u>Other related parties:</u>		
InterCement Brasil S.A.		
Accounts payable	(83,079)	(97,380)
InterCement Trading e Inversiones S.A.		
Other receivables	57,286	5,770
Accounts payable	(11,688)	(11,046)
InterCement Portugal S.A.		
Accounts payable	(248,076)	(260,735)
Cauê Austria Holding GmbH		
Other receivables	13,492	6,743
InterCement Participacoes		
Other receivables	6	-

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The total balances with other related parties by item as of September 30, 2019 and December 31, 2018 is as follows:

	<u>09.30.2019</u>	<u>12.31.2018</u>
Other receivables	70,784	12,513
Accounts payable	(342,843)	(369,161)

The amounts outstanding as of September 30, 2019 are unsecured and will be settled in cash.

The breakdown of transactions between the Group and related parties during the periods ended September 30, 2019 and 2018, respectively, is as follows:

	<u>09.30.2019</u>	<u>09.30.2018</u>
InterCement Brasil S.A. – purchase of goods and services	(48,570)	(148,797)
InterCement Trading e Inversiones S.A. - purchase of goods and services	-	(84,059)
InterCement Trading e Inversiones S.A. – sale of services	42,883	50,199
InterCement Portugal S.A.– services received	(32,727)	-
InterCement Portugal S.A. – services rendered	(209,337)	(235,355)

The amount charged for fixed and variable compensation of key personnel amounts to 140,238 and 108,631 for the nine month periods ended September 30, 2019 and 2018, respectively. On January 24, 2018, the Board of Directors of the Company approved an incentive program for certain hierarchical personnel calculated based on the value of the shares. As of the date of closing of these condensed interim consolidated financial statements that program has been implemented.

No expense has been recognized in the current period or in prior periods for bad or doubtful accounts related to the amounts owed by related parties.

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15. OTHER RECEIVABLES

	<u>09.30.2019</u>	<u>12.31.2018</u>
Non-current		
Advances to suppliers	593,186	1,029,288
Tax credits	24,980	119,284
Contributions to the trust "Fondo Fiduciario para el Fortalecimiento del Sistema Ferroviario Interurbano" (F.F.F.S.F.I.)	124,423	76,990
Expenses paid in advance	72,170	65,260
Security deposits	6,958	6,590
Total	<u>821,717</u>	<u>1,297,412</u>
Current		
Tax credits	408,273	179,051
Receivables from related parties (Note 14)	70,784	12,513
Expenses paid in advance	250,108	104,798
Security deposits	184	6,770
Reimbursement receivable	18,451	26,348
Advances to suppliers	63,531	35,355
Personnel loans	21,930	11,251
Balance receivable from ADSs program	-	105,919
Receivables from sale of property, plant and equipment	13,391	33,036
Miscellaneous	13,021	12,730
Total	<u>859,673</u>	<u>527,771</u>

16. RIGHT TO USE ASSETS AND LIABILITIES FOR LEASES

On January 13, 2016, the International Accounting Standards Board (IASB) published IFRS 16, a new standard on leases to replace IAS 17, IFRIC 4, SIC-15 and SIC-27, effective for fiscal years beginning on or after January 1, 2019.

Said IFRS introduces that most lease agreements (and sub-lease agreements) are recognized in the accounting of the lease under a single model eliminating the distinction between operating and financial leases, and requires recognizing an asset for the right to use the leased asset and a liability reflecting the obligation to make future payments for the lease. There are no significant changes for the accounting of the lessor in relation to IAS 17.

The Company applied IFRS 16 using the modified retrospective method pursuant to paragraphs C5(b) and C8(b)(ii) as of the date of initial application. Under this method, IFRS 16 is retroactively adopted with the accumulated effect of the initial application recognized as of the date of initial application and the comparative information is not amended.

The Company has executed lease agreements, mainly for offices and land.

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As from the application of IFRS 16, the Company has adopted an accounting method for recognition and measurement of all leases.

For leases previously classified as operating leases, the Company has recognized assets for the right to use and liabilities for leases, except for agreements for a term of less than twelve months (short term leases), for those associated to the exploitation of natural resources and for those where the underlying asset has low value. Assets and liabilities are initially measured on the basis of current value. Assets for the right to use have been recognized for an amount equivalent to liabilities for leases. Lease liabilities have been measured at current value of lease payments not paid yet, using the incremental rate for loans of the Company (the lessee) to the date of initial application.

Summary of the new accounting policies

Assets for right to use

The Company recognizes an asset for the right to use at the beginning of each lease (date when the asset is available for use). The assets for the right to use is measured at cost, net of accumulated depreciation and impairments, and adjusted for any remeasurement of liabilities and to recognize changes in the purchasing power of the currency. The cost of assets for the right to use includes the amount of liabilities for lease recognized, initial direct costs incurred and payments made before the date of commencement of the lease, minus any incentives received. Unless the Company is certain that it will acquire the asset at the end of the lease, assets for the right to use are depreciated in a lineal manner throughout the term of the estimated useful life and the period of the lease, whichever is shorter. Assets for the right to use are subject to impairment.

Lease payables

Liabilities for leases are measured at current value of future lease payments to be made throughout the lease period. Lease payments include fixed payments minus any incentives to be received, variable payments depending on an index or rate and values expected to be paid as security of residual value. Payments also include the value of the exercise of any option to purchase the underlying asset leased and any penalties for termination of the lease, provided it is reasonably possible that the Company will exercise such options. Variable payments not depending on an index or rate are recognized in the results of the period when the condition they are subject to takes place.

Significant judgments to determine the lease period

The Company determines the periods of leases as the period during which the lease cannot be cancelled, together with any period covered by an option to extend or terminate the lease, provided the Company is reasonably certain that it will exercise such option.

The Company applies judgment in determining whether it will renew its leases, taking into consideration all relevant factors creating an economic incentive for the Company to exercise such options.

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Amounts recognized in the financial statements

The effects of the application of IFRS 16 as of January 1, 2019 (date of initial application) and its progress as of September 30, 2019 are as follows:

	<u>09.30.2019</u>
Lease payables:	
As of January 1, 2019	409,798
Financial updates	27,384
Exchange difference	43,168
Conversion	79
Payments	<u>(65,311)</u>
As of September 30, 2019	<u>415,118</u>
	<u>09.30.2019</u>
Right to use assets:	
As of January 1, 2019	409,798
Depreciations	(51,914)
Conversion	<u>(46)</u>
As of September 30, 2019	<u>357,838</u>

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17. TRADE ACCOUNTS RECEIVABLE

	<u>09.30.2019</u>	<u>12.31.2018</u>
Non-current		
Regular debtors	11,659	12,335
Allowance for bad debts	(8,082)	(6,759)
Total	<u>3,577</u>	<u>5,576</u>
Current		
Regular debtors	2,787,024	2,656,158
Loan with U.E.P.F.P. - Ferrosur Roca S.A.	-	183,195
Accounts receivable in litigation	21,149	27,252
Notes receivable	12,991	249
Foreign customers	6,934	4,473
Subtotal	2,828,098	2,871,327
Allowance for bad debts	(29,470)	(28,438)
Total	<u>2,798,628</u>	<u>2,842,889</u>

18. INVESTMENTS

	<u>09.30.2019</u>	<u>12.31.2018</u>
Non-current		
Investments in other companies		
- Cementos del Plata S.A.	2,288	2,288
Total	<u>2,288</u>	<u>2,288</u>
Current		
Short-term investments:		
- Mutual investment fund in pesos	317,090	410,002
- Certificate of deposit in pesos	-	1,157,824
- Investments in foreign currency	88,965	1,315,349
- Miscellaneous	-	1,743
Total	<u>406,055</u>	<u>2,884,918</u>

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19. CAPITAL STOCK AND OTHER CAPITAL RELATED ACCOUNTS

	<u>09.30.2019</u>	<u>12.31.2018</u>
Capital	59,603	59,603
Capital adjustment	3,099,690	3,099,690
Share premium	5,704,608	5,704,608
Merger premium	1,030,486	1,030,486
Total	<u>9,894,387</u>	<u>9,894,387</u>

The breakdown of issued, paid-in and registered capital is as follows:

Common shares with a nominal value of \$0.10 each, each entitling to 1 vote, fully paid-in (in thousands)	<u>596,026</u>	<u>596,026</u>
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20. ACCUMULATED OTHER COMPREHENSIVE INCOME

	<u>09.30.2019</u>	<u>12.31.2018</u>
<u>Exchange differences for transactions in foreign currency</u>		
Balances at the beginning of the year	377,959	46,692
Difference due to conversion of transactions in foreign currency	89,304	331,267
Balances at closing	<u>467,263</u>	<u>377,959</u>

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21. LOANS

21.1 Breakdown of loans

	09.30.2019					12.31.2018
	Company	Ref.	Rate	Last maturity	Amount	Amount
<u>Loans in foreign currency – USD</u>						
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	(1)	6 Months Libor + 4.25%	Mar-21	147,671	-
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	(1)	6 Months Libor + 4.25%	Apr-21	173,285	-
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	(1)	6 Months Libor + 4.25%	May-21	481,249	-
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	(1)	6 Months Libor + 4.25%	Jun-21	115,663	-
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	(1)	6 Months Libor + 4.25%	Jul-21	28,483	-
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	(1)	6 Months Libor + 4.25%	Aug-21	604,244	-
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	(1)	6 Months Libor + 4.25%	Sep-21	95,785	-
Banco Patagonia	Loma Negra C.I.A.S.A.		8.00%	Feb-20	28,660	-
HSBC Bank	Ferrosur Roca S.A.		9.11%	Aug-20	584,479	-
Banco Latinoamericano de Comercio Exterior S.A.	Ferrosur Roca S.A.		-	-	-	784,093
Industrial and Commercial Bank of China (Dubai)	Loma Negra C.I.A.S.A.	(2)	3 Months Libor + 5%	Nov-20	1,514,418	2,036,057
Industrial and Commercial Bank of China (Dubai)	Loma Negra C.I.A.S.A.	(2)	3 Months Libor + 5.5%	Jun-20	577,360	518,743
<u>Loans in foreign currency – Euro</u>						
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	(1)	4%	Apr-21	85,643	-
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	(1)	4%	May-21	20,440	-
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	(1)	4%	Jun-21	108,585	-
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	(1)	4%	Jul-21	269,320	-
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	(1)	4%	Aug-21	24,944	-
Total loans in foreign currency					4,860,229	3,338,893
	09.30.2019					12.31.2018
	Company	Ref.	Rate	Last maturity	Amount	Amount
Banco Continental S.A.E.C.A.	Yguazú Cementos S.A.		-	-	-	102,228
Banco Continental S.A.E.C.A.	Yguazú Cementos S.A.		8.5%	Aug-25	1,854,742	2,125,869
Sudameris Bank S.A.E.C.A.	Yguazú Cementos S.A.		9.0%	Aug-25	1,017,835	1,397,464
Banco Provincia de Buenos Aires	Loma Negra C.I.A.S.A.		-	-	-	24,780

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Banco Provincia de Buenos Aires	Loma Negra C.I.A.S.A.	-	-	-	50,822
Banco Provincia de Buenos Aires	Loma Negra C.I.A.S.A.	-	-	-	7,703
HSBC Bank Argentina S.A.	Loma Negra C.I.A.S.A.	-	-	-	217,373
HSBC Bank Argentina S.A.	Ferrosur Roca S.A.	-	-	-	217,373
Advances in checking account	Loma Negra C.I.A.S.A.	79.60%	Oct-19	1,351,181	7,150
Advances in checking account	Recycomb S.A.U.	79.60%	Oct -19	596	8,896
Advances in checking account	Ferrosur Roca S.A.	75.60%	Oct -19	1,330,564	711,758
Total loans in local currency				5,554,918	4,871,416
Total				10,415,147	8,210,309

(1) During this period, Loma Negra executed various agreements in US Dollars with the Industrial and Commercial Bank of China and various agreements in Euros with Banco Itaú. Such loans shall be repaid in March, April, May, June, July, August and September, 2021.

(2) In May, the Company extended the maturity dates of the loan agreements entered into with the Industrial and Commercial Bank of China for USD 10,000,000 and USD 26,000,000.

	09.30.2019	12.31.2018
Total of loans by company:		
Loma Negra C.I.A.S.A.	5,626,931	2,862,628
Ferrosur Roca S.A.	1,915,043	1,713,224
Recycomb S.A.U.	596	8,896
Yguazú Cementos S.A.	2,872,577	3,625,561
Total	10,415,147	8,210,309

21.2 Loan transactions

The breakdown of loan transactions for the nine month period ended September 30, 2019 is as follows:

Balances as of January 1, 2019	8,210,309
New loans and financing	5,919,483
Interest accrued	792,092
Exchange difference	75,314
Effects of exchange differences	706,515
Interest payments	(1,515,888)
Principal payments	(3,772,678)
Balances as of September 30, 2019	10,415,147

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As of September 30, 2019, the maturity schedule for long-term items is as follows:

<u>Fiscal year</u>	
2020	749,280
2021	2,652,261
2022	505,678
2023 onwards	<u>1,517,035</u>
Total	<u><u>5,424,254</u></u>

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 For the Statutory Audit Committee

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Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER
 30, 2019 AND 2018

(All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

22. ACCOUNTS PAYABLE

	<u>09.30.2019</u>	<u>12.31.2018</u>
Non-current		
Accounts payable for investments in property, plant and equipment	132,688	160,403
Provisions for expenses	-	372,700
Total	<u>132,688</u>	<u>533,103</u>
Current		
Suppliers	2,120,612	2,850,251
Related parties (Note 14)	342,843	369,161
Accounts payable for investments in property, plant and equipment and intangible assets	4,966,837	2,286,262
Provisions for expenses	<u>1,087,562</u>	<u>1,176,975</u>
Total	<u>8,517,854</u>	<u>6,682,649</u>

23. PROVISIONS

	<u>09.30.2019</u>	<u>12.31.2018</u>
Non-current		
Labor and social security	77,994	65,830
Environmental	266,031	256,278
Civil and others	<u>77,019</u>	<u>80,836</u>
Total	<u>421,044</u>	<u>402,944</u>

The activity of provisions items were as follows:

	<u>Labor and social security</u>	<u>Environmental</u>	<u>Civil and others</u>	<u>Total</u>
Balances as of January 1, 2019	65,830	256,278	80,836	402,944
Increases	56,334	100,723	26,533	183,590
Decreases (*)	<u>(44,170)</u>	<u>(90,970)</u>	<u>(30,350)</u>	<u>(165,490)</u>
Balances as of September 30, 2019	<u>77,994</u>	<u>266,031</u>	<u>77,019</u>	<u>421,044</u>

(*) Includes provisions for specific purposes and the effect of the inflation adjustment.

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24. TAX LIABILITIES

	<u>09.30.2019</u>	<u>12.31.2018</u>
Income tax	38,192	507,023
Value added tax	215,618	129,896
Gross revenues	74,661	64,845
Other taxes, withholdings and collections	225,324	371,638
Total	<u>553,795</u>	<u>1,073,402</u>

25. CASH AND CASH EQUIVALENTS

For the purposes of the condensed interim consolidated statement of cash flows, cash and cash equivalents include cash, bank accounts and short-term high liquidity investments (with maturities less than 90 days from the date of acquisition). Cash and cash equivalents at the end of each reporting fiscal period/year as shown in the condensed interim consolidated statement of cash flows may be reconciled with the related items in the condensed interim consolidated balance sheet as follows:

	<u>09.30.2019</u>	<u>12.31.2018</u>
Cash and banks	947,276	1,110,797
Short-term investments (Note 18)	406,055	2,884,918
Cash and cash equivalents	<u>1,353,331</u>	<u>3,995,715</u>

26. FINANCIAL INSTRUMENTS

26.1 Debt to equity ratio

The net debt to equity ratio of the reporting period/year is as follows:

	<u>09.30.2019</u>	<u>12.31.2018</u>
Debt (i)	10,415,147	8,210,309
Cash and cash equivalents	<u>1,353,331</u>	<u>3,995,715</u>
Net debt	9,061,816	4,214,594
Shareholders' equity (ii)	25,580,229	22,792,970
Net debt to equity ratio and shareholders' equity	0.35	0.18

(i) Debt is defined as long and short-term loans.

(ii) Shareholders' equity includes all the Group's reserves and capital managed as capital.

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26.2 Categories of financial instruments

	<u>09.30.2019</u>	<u>12.31.2018</u>
<u>Financial assets</u>		
At amortized cost:		
Cash and banks	947,276	1,110,797
Investments	88,965	2,474,916
Accounts receivable	2,924,995	3,052,371
At fair value through income/(loss):		
Investments	317,090	410,002
<u>Financial liabilities</u>		
Amortized cost	20,953,099	17,439,373

26.3 Financial risks

The Group's activities are exposed to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk considering the current inflation rates), credit risk and liquidity risk. The Group maintains an organizational structure and systems that allow the identification, measurement and control of the risks to which it is exposed.

These condensed interim consolidated financial statements do not include all the information and disclosures on financial risks, therefore, they should be read in conjunction with the Company's consolidated financial statements for the fiscal years ended December 31, 2018 and 2017 issued on March 7, 2019.

26.4 Fair value measurement

Fair value measurement is described in Note 32.9 to the annual consolidated financial statements.

From December 31, 2018 through September 30, 2019, there have been no significant changes in the industry's economic activity affecting the fair value of the Group's financial assets and liabilities, either measured at fair value or amortized cost. In addition, there were no transfers among the different levels of fair value hierarchy to assess the fair value of the Company's financial instruments during the nine month period ended September 30, 2019.

The carrying amounts of financial assets and liabilities recognized at amortized cost, included in the consolidated financial statements as of September 30, 2019 and December 31, 2018, approximate to their fair values. Borrowings are measured at amortized cost considering the effective interest rate method, which approximate to their fair value given their cancellation period.

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The Management of the Company considers that the liquidity risk exposure is low since the Company has been generating cash flows from its operating activities, supported on profits, and has access to loans and financial resources, as explained in Note 21.

26.5 Exchange risk management

The Group carries out transactions in foreign currency and is hence exposed to exchange rate fluctuations. Exposures in the exchange rate are managed within approved policy parameters using foreign exchange contracts.

The carrying amounts of monetary assets and liabilities stated in currencies other than the functional currency of each consolidated company at the end of the reporting period/year are as follows:

	<u>09.30.2019</u>	<u>12.31.2018</u>
<u>Liabilities</u>		
United States Dollars	7,781,724	3,817,241
Euro	2,493,721	347,534
Real	35	25
<u>Assets</u>		
United States Dollars	272,673	1,125,128
Euro	11,836	903,635
Real	132	1,091

Foreign currency sensitivity analysis

The Group is mainly exposed to the US Dollar and Euro.

The following table shows the sensitivity of the Group to an increase in the US Dollar and Euro exchange rates. The sensitivity rate is the one used when the exchange risk is reported internally to key management personnel and represents Management's assessment of a possible reasonable change in exchange rates. The sensitivity analysis only includes outstanding foreign-currency monetary items and adjusts its conversion as of the end of the period/year considering a 25% increase in the exchange rate considering all the items of controlled companies in the calculation.

	<u>Effect of US Dollars</u>	<u>Effect of the Euro</u>
	<u>09.30.2019</u>	<u>09.30.2019</u>
Income/(Loss)	1,877,263	620,471
Shareholder's Equity	1,877,263	620,471

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27. NONMONETARY TRANSACTIONS

Below is a list of transactions that did not involve cash flows in the six month periods ended September 30, 2019 and 2018, respectively:

	<u>09.30.2019</u>	<u>09.30.2018</u>
- Financed acquisitions of Property, plant and equipment	2,248,181	-

28. OPERATING SEGMENTS

The Company has adopted IFRS 8 - Operating Segments, which requires operating segments to be identified on the basis of internal reports regarding components of the Company that are regularly reviewed by the Executive Committee, the chief operating decision maker, in order to allocate resources and evaluate their performance. Said analysis is based on monthly information on historical figures of the segments identified. The information reviewed by the chief operating decision maker mainly consists of the historical information of each month, accumulated until the closing of the fiscal period under analysis, and therefore defers from the inflation-adjusted figures as stated in Note 2.2.

For the purposes of managing its business both financially and operatively, the Company has classified its businesses segments as follows:

- i) Cement, masonry cement and lime - Argentina: this segment includes the results from the cement, masonry cement and lime business in Argentina, and comprises the procurement of raw materials from quarries, the manufacturing process of clinker/quicklime and their subsequent grinding with certain additions intended to obtain the cement, masonry cement and lime.
- ii) Cement - Paraguay: this segment includes the results from the cement business in Paraguay, and comprises the procurement of raw materials from quarries, the manufacturing process of clinker and subsequent grinding with certain aggregates intended to obtain the cement.
- iii) Concrete: this segment includes the results from the production and sale of ready-mix concrete. It also includes the delivery of the product at the worksite and, depending on the circumstances, the pumping of concrete up to the place of destination.
- iv) Aggregates: this segment includes the results from the aggregates business, from the procurement of the raw materials to subsequent grinding.
- v) Railroad: this segment includes the results from the provision of the railroad transportation service.
- vi) Others: this segment includes the results of the business of treatment and recycling of industrial waste for its use as fuel.

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	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Net revenues from sales</u>		
Cement, masonry and lime – Argentina	17,262,821	11,403,185
Cement – Paraguay	2,234,085	1,302,975
Concrete	3,187,046	2,524,273
Railroad	2,147,209	1,486,218
Aggregates	379,234	213,625
Other	109,914	84,201
Eliminations between segments	(2,205,412)	(1,592,652)
Total	23,114,897	15,421,825
Reconciliation - Effect of restatement in homogeneous currency	3,628,871	11,939,815
Total	<u>26,743,768</u>	<u>27,361,640</u>

	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Cost of sales</u>		
Cement, masonry and lime – Argentina	11,249,247	7,574,721
Cement – Paraguay	1,526,274	922,672
Concrete	2,979,142	2,375,995
Railroad	1,869,153	1,377,319
Aggregates	395,802	231,577
Other	71,508	47,246
Eliminations between segments	(2,205,412)	(1,592,652)
Total	15,885,714	10,936,878
Reconciliation - Effect of restatement in homogeneous currency	3,621,180	9,831,179
Total	<u>19,506,894</u>	<u>20,768,057</u>

	<u>09.30.2019</u>	<u>09.30.2018</u>
<u>Selling, administrative expenses and other expenses</u>		
Cement, masonry and lime – Argentina	1,269,425	820,395
Cement – Paraguay	70,217	39,281
Concrete	90,783	87,268
Railroad	139,327	107,819
Aggregates	3,382	4,053
Other	39,774	28,334
Total	1,612,908	1,087,150
Reconciliation - Effect of restatement in homogeneous currency	305,009	894,207
Total	<u>1,917,917</u>	<u>1,981,357</u>

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<u>Depreciation and amortizations</u>	<u>09.30.2019</u>	<u>09.30.2018</u>
Cement, masonry and lime – Argentina	538,392	297,448
Cement – Paraguay	343,378	190,487
Concrete	45,098	23,154
Railroad	131,686	97,741
Aggregates	13,934	9,370
Other	2,480	1,967
Total	1,074,968	620,167
Reconciliation - Effect of restatement in homogeneous currency	1,052,579	1,600,062
Total	2,127,547	2,220,229

Net revenues from sales minus cost of sales, selling and administrative expenses, and other income and expenses

	<u>09.30.2019</u>	<u>09.30.2018</u>
Cement, masonry and lime – Argentina	4,744,149	3,008,069
Cement – Paraguay	637,595	341,022
Concrete	117,121	61,010
Railroad	138,730	1,080
Aggregates	(19,949)	(22,006)
Other	(1,371)	8,622
Total	5,616,275	3,397,797
Reconciliation - Effect of restatement in homogeneous currency	(297,318)	1,214,429
Total	5,318,957	4,612,226
Reconciling items:		
Tax on bank debits and credits	(272,153)	(272,782)
Net financial income/(loss)	(1,435,466)	(2,603,154)
Income tax	(999,180)	(792,503)
Net income	2,612,158	943,787

Geographical information

	<u>09.30.2019</u>	<u>12.31.2018</u>
Non-current assets		
Argentina	35,907,458	27,015,820
Paraguay	5,514,141	5,670,582

No single customer contributed 10% or more of the Group's income for the nine month periods ended September 30, 2019 and 2018, respectively.

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29. SECURITY GRANTED TO CONTROLLED COMPANIES

Ferrosur Roca S.A. took a new loan for USD 10,000,000 with Banco HSBC due in August 2020 at a 9.11% fixed interest rate with quarterly interest payments. Loma Negra granted security and surety in favor of HSBC for up to the amount of the loan plus interest. As of September 30, 2019, Ferrosur Roca owes 584,479 under that loan.

Furthermore, Loma Negra granted security for the lines of advances in checking account taken by Ferrosur Roca S.A. as part of the usual course of its activity. As of September 30, 2019, Ferrosur Roca S.A. owes 1,330,564 for such advances.

30. COMMITMENTS

Commitments are described in Note 35 to the annual consolidated financial statements for the fiscal year ended December 31, 2018.

31. MEASURES ADOPTED IN THE ARGENTINE ECONOMY AFTER THE 2019 NATIONAL ELECTION

On September 1, 2019, Necessity and Urgency Decree (*Decreto de Necesidad y Urgencia*, “DNU”) No. 609/2019 was published in the Official Gazette. Such Decree established with effects until December 31, 2019, the obligation to enter and/or trade on the foreign exchange market the proceeds from the export of goods and services, on the terms and conditions established by the Argentine Central Bank (“BCRA”). In addition, the DNU provided that the BCRA will establish the events in which access to the foreign exchange market will require previous authorization, with different rules applicable to individuals and legal entities, and it further vested such Entity with the power to establish rules preventing practices and transactions intended to circumvent, through government securities or other instruments, the measures established in such Decree.

Taking the foregoing into account, on September 1, 2019, the BCRA issued Communication “A” 6,770, which mainly provided for the following measures:

Exports of goods

- Collection of proceeds from exports of goods performed on or after September 2, 2019 shall be entered and settled on the foreign exchange market within the following maximum terms: (i) transactions with related parties and/or exports of commodities shall have 15 calendar days after the date of the customs shipping permit; (ii) for other transactions the term is extended to 180 calendar days.
- Exports performed prior to September 2, 2019 the collection of which is pending as of the date of the Communication, as well as new advances and prefinancings of exports, shall be entered and settled within 5 business days from collection / disbursement abroad or in the country.
- The use of proceeds from export in repayment of advances and export prefinancing loans shall be subject to no restrictions in the event of: prefinancings and financing granted or secured by local financial institutions;

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prefinancings, advances and financings entered and settled on the local foreign exchange market and declared in the context of the survey of the private external debt; and financial loans with contracts in effect as of August 31, 2019 the conditions of which provide for servicing by applying abroad the cash flows from exports. In other events the previous approval of the BCRA will be required.

Exports of services

Collection of proceeds from the export of services shall be entered and settled within no more than 5 business days from receipt or deposit in foreign accounts.

Imports of goods and services

- The previous authorization shall be required for prepayment of debts for import of goods and services. In the case of overdue debts or debts payable on demand for the import of goods, with related foreign companies, in amounts in excess of USD 2 million per month, the authorization from the BCRA shall also be required.
- The previous authorization from the BCRA shall be required for payment of services with foreign related companies.

Foreign assets

- The previous authorization from the BCRA shall be required for the creation of foreign assets by legal entities, local governments, investment funds, trusts, among other.
- The previous authorization from the BCRA shall be required for the creation of foreign assets and family assistance and for the creation of guarantees in derivative transactions, by individuals in an amount in excess of USD 10,000 in the calendar month.

Financial indebtedness

- New financial indebtedness with foreign countries disbursed on or after September 1, 2019 shall be entered and settled on the foreign exchange market. Compliance with this requirement shall be evidenced in order to have access to the foreign exchange market to repay principal and interest.
- The previous authorization from the BCRA shall be required for repayment more than three business days prior to servicing of principal and interest on financial debts with foreign countries.

Profits and Dividends

The previous authorization from the BCRA shall be required to transfer profits and dividends.

Reporting Requirements

For all cases of access to the foreign exchange market for payment of financial or trade liabilities, evidence shall be shown that the same were declared pursuant to the BCRA Reporting Regime under Communication "A" 6.401. Special

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attention must be paid to compliance with such reporting requirements in order to ensure satisfaction of the conditions required to have access to the foreign exchange market.

Subsequently, on October 27, 2019, the presidential election took place resulting in the electoral defeat of the party that was then in office in the national government and the election of Alberto Fernandez as president of the Argentine Republic, who will take office on December 10, 2019.

Once the election took place, the BCRA issued Communication "A" 6,815, whereby it imposed new limitations on the purchase of foreign currency in order to preserve reserves, which had dropped considerably due to the retail demand in the weeks prior to the general election. As a result of these new measures, which were announced as transitional measures until the month of December, on and after October 28, 2019 a new limit of USD 200 a month will apply to the purchase of Dollar amounts by individuals performing such purchase transactions through their bank accounts, and USD 100 for purchases in cash, and such limits are not cumulative.

The Company's Management will continue to monitor any changes in the economic measures arising from the transition of the national government and the potential impact thereof on its financial statements.

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INFORMATION REPORT

1. ACTIVITIES OF THE COMPANY

During the current period Loma Negra C.I.A.S.A. and its controlled companies dispatched 4,619,205 tons of cement and lime, and their net sales amounted to 26,743,768. Dispatches overall were 9% below those for the same period of the prior year.

Gross income amounted to 7,236,874 and the total comprehensive income for the nine month period was 2,787,260. Said income accounts for a 17% increase compared to the comprehensive income for the same period of the prior year.

2. EQUITY STRUCTURE, COMPARATIVE

	<u>09.30.2019</u>	<u>09.30.2018</u>
Current assets	10,423,230	13,620,541
Non-current assets	41,421,599	31,059,390
Total assets	<u>51,844,829</u>	<u>44,679,931</u>
Current liabilities	15,183,895	12,728,617
Non-current liabilities	11,080,705	10,120,835
Total liabilities	<u>26,264,600</u>	<u>22,849,452</u>
Non-controlling interests	2,093,775	2,175,328
Shareholders' equity attributable to owners of the parent company	23,486,454	19,655,151
Total shareholders' equity	<u>25,580,229</u>	<u>21,830,479</u>

3. STRUCTURE OF RESULTS, COMPARATIVE

	<u>09.30.2019</u>	<u>09.30.2018</u>
Gross income	7,236,874	6,593,583
Selling and administrative expenses	(1,922,986)	(2,006,464)
Other net income and expenses	5,069	25,107
Tax on bank debits and credits	(272,153)	(272,782)
Net financial income/(loss)	<u>(1,435,466)</u>	<u>(2,603,154)</u>
Income/(loss) before income tax	3,611,338	1,736,290
Income tax	(999,180)	(792,503)
Net income for the period	<u>2,612,158</u>	<u>943,787</u>

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Omar Rolotti
 For the Statutory Audit Committee

Adrián G. Villar (Socio)
 Certified Public Accountant (U.A.D.E.)
 Professional Council in Economic Sciences in and for the
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Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019
(All amounts are stated in thousands of Argentine Pesos - \$ - unless otherwise stated)

Net income for the period attributable to:

Owners of the parent company	2,496,905	835,643
Non-controlling interests	115,253	108,144

Other comprehensive income

Due to exchange differences	175,101	1,429,096
Total other comprehensive income for the period	175,101	1,429,096
Total comprehensive income for the period	2,787,259	2,372,883

4. COMPARATIVE CASH FLOWS STRUCTURE

	<u>09.30.2019</u>	<u>09.30.2018</u>
Net cash flows generated from operating activities	5,409,964	2,738,085
Funds applied to investing activities	(8,474,329)	(3,147,261)
Funds generated from/(applied to) financing activities	565,606	(1,889,208)
Total funds applied during the period	(2,498,759)	(2,298,384)

5. STATISTICAL DATA (In tons)

	<u>09.30.2019</u>	<u>09.30.2018</u>
Production volume (*)	4,600,264	5,056,254
Sales volume (*)		
Argentina	4,189,410	4,676,113
Paraguay	426,983	418,270
Abroad	2,812	3,615
Total	4,619,205	5,097,998

(*) Information not examined or covered by the Review Report.

6. INDEXES

	<u>09.30.2019</u>	<u>09.30.2018</u>
Liquidity	0.69	1.07
Creditworthiness	0.97	0.96
Fixed capital	0.80	0.70

7. FUTURE PROSPECTS (*)

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Certain signs of stabilization that started to appear in the second quarter of the year, mainly resulting from the strong recovery of the farming and agroindustrial sectors, experienced an abrupt alteration as a consequence of the results of the Primary Open, Simultaneous and Mandatory elections held on October 27, 2019.

As a consequence of the Argentine economic fluctuations, the construction industry and, hence, the cement industry, continue to be affected by the recessionary phase of the business cycle, which commenced during 2Q-2018.

Argentineans' purchasing power is expected to be adversely affected as inflation continues at high levels, with the ensuing negative impact on the demand for bagged cement.

On the other hand, the demand for cement dispatched in bulk will be tied to the completion of existing works underway, and the commencement of new works, both by the public and private sector, which will be highly dependent on the economic measures to be adopted by the new federal government.

Last, the Company also continued executing its capacity expansion project at L'Amalí II plant, expected to be operational in 2Q-2020.

(*) Information not examined or covered by the Review Report.

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