



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

***Condensed interim financial statements as of
March 31, 2020 and for the three-month
periods ended March 31, 2020 and 2019***



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

***Condensed interim financial statements as of
March 31, 2020 and for the three-month
periods ended March 31, 2020 and 2019***

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020
AND 2019

CONTENTS

Unaudited consolidated condensed interim statement of profit or loss and other comprehensive income	
Unaudited consolidated condensed interim statement of financial position	
Unaudited consolidated condensed interim statement of changes in equity	
Unaudited consolidated condensed interim statement of cash flows	
Notes to the unaudited consolidated condensed interim financial statements:	
1 Legal information	
2 Basis of preparation	
3 Critical accounting judgments and key sources used for estimating uncertainty	
4 Net revenue	
5 Cost of sales	
6 Selling and administrative expenses	
7 Other gains and losses	
8 Tax on bank accounts debits and credits	
9 Financial results, net	
10 Income tax expense	
11 Earnings per share	
12 Property, plant and equipment	
13 Inventories	
14 Parent company, other shareholders, associates and other related parties balances and transactions	
15 Other receivables	
16 Right of use of assets and lease liabilities	
17 Trade accounts receivable	
18 Investments	
19 Capital stock and other capital related accounts	
20 Accumulated other comprehensive income	
21 Borrowings	
22 Accounts payable	
23 Provisions	
24 Tax liabilities	
25 Cash and cash equivalents	
26 Financial instruments	
27 Non-cash transactions	
28 Segment information	
29 Guarantees granted to subsidiaries	
30 Commitments	
31 Measures adopted by the Argentine economy after the 2019 national presidential elections	
32 Effects of COVID-19 on the Group	
33 Signed books	
34 Subsequent events	

Information Report

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME AS OF MARCH 31, 2020 AND 2019
 (All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

	Notes	Three months	
		03.31.2020	03.31.2019
Net revenues	4	7,765,224	11,034,163
Cost of sales	5	(5,399,016)	(7,852,502)
Gross profit		2,366,208	3,181,661
Selling and administrative expenses	6	(630,773)	(928,755)
Other gains and losses	7	44,655	(3,113)
Tax on bank accounts debits and credits	8	(102,197)	(164,672)
FINANCIAL RESULTS, NET			
Exchange rate differences	9	(170,086)	(238,675)
Gain on net monetary position		123,605	301,291
Financial income	9	16,221	36,850
Financial expenses	9	(425,820)	(298,894)
Profit before tax		1,221,813	1,885,693
INCOME TAX EXPENSE			
Current	10	(269,679)	(507,667)
Deferred	10	(71,620)	205,273
NET PROFIT FOR THE PERIOD		880,514	1,583,299
OTHER COMPREHENSIVE INCOME			
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(116,404)	(14,069)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		(116,404)	(14,069)
TOTAL COMPREHENSIVE INCOME		764,110	1,569,230
Net profit for the period attributable to:			
Owners of the Company		857,275	1,504,161
Non-controlling interests		23,239	79,138
NET PROFIT FOR THE PERIOD		880,514	1,583,299
Total comprehensive income attributable to:			
Owners of the Company		797,907	1,496,985
Non-controlling interests		(33,797)	72,245
TOTAL COMPREHENSIVE INCOME		764,110	1,569,230
Earnings per share (basic and diluted) in Argentine pesos	11	1.4383	2.5236

The Statutory Audit Committee's Report
 dated May 11, 2020
 is issued in a separate document

Omar Rolotti
 For the Statutory Audit Committee

Signed for the purposes of identification with our review report
 dated May 11, 2020, issued in a separate document
 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
 Professional Council in Economic Sciences in and for the City
 of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
 13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
 Certified Public Accountant (U.A.D.E.)
 Professional Council in Economic Sciences in and for the
 City of Buenos Aires [CPCECABA] License filed in Volume
 No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS OF
 MARCH 31, 2020 AND DECEMBER 31, 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

	Notes	03.31.2020	12.31.2019
ASSETS			
Non-current assets			
Property, plant and equipment	12	48,480,261	48,532,601
Right of use of assets	16	417,660	440,539
Intangible assets		126,763	138,162
Investments	18	2,756	2,756
Goodwill		27,490	27,490
Inventories	13	1,456,528	1,691,002
Other receivables	15	811,751	612,165
Trade accounts receivable	17	870	2,490
Total non-current assets		51,324,079	51,447,205
Current assets			
Inventories	13	7,027,177	5,836,661
Other receivables	15	673,320	667,600
Trade accounts receivable	17	2,741,731	2,966,690
Investments	18	1,373,191	1,099,134
Cash and banks		858,833	1,668,253
Total current assets		12,674,252	12,238,338
Total assets		63,998,331	63,685,543

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

The Statutory Audit Committee's Report
 dated May 11, 2020
 is issued in a separate document

Omar Rolotti
 For the Statutory Audit Committee

Signed for the purposes of identification with our review report
 dated May 11, 2020, issued in a separate document
 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
 Professional Council in Economic Sciences in and for the City
 of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
 13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
 Certified Public Accountant (U.A.D.E.)
 Professional Council in Economic Sciences in and for the
 City of Buenos Aires [CPCECABA] License filed in Volume
 No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS OF
 MARCH 31, 2020 AND DECEMBER 31, 2019
 (All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

	Notes	03.31.2020	12.31.2019
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital stock and other capital related accounts	19	11,916,134	11,916,134
Reserves		12,799,528	12,799,528
Retained earnings		4,995,901	4,138,626
Accumulated other comprehensive income	20	296,604	355,972
Equity attributable to the owners of the Company		30,008,167	29,210,260
Non-controlling interests		2,370,927	2,404,724
Total shareholders' equity		32,379,094	31,614,984
LIABILITIES			
Non-current liabilities			
Borrowings	21	7,031,413	7,210,711
Accounts payable	22	71,708	150,249
Provisions	23	606,087	610,544
Lease liabilities	16	346,466	366,619
Other liabilities		51,247	55,505
Deferred tax liabilities	10	5,980,704	5,910,311
Total non-current liabilities		14,087,625	14,303,939
Current liabilities			
Borrowings	21	9,762,718	5,968,688
Accounts payable	22	6,041,496	9,770,786
Advances from customers		235,612	208,240
Salaries and social security payables		932,979	1,033,429
Tax liabilities	24	365,063	585,067
Lease liabilities	16	108,530	110,585
Other liabilities		85,214	89,825
Total current liabilities		17,531,612	17,766,620
Total liabilities		31,619,237	32,070,559
Total shareholders' equity and liabilities		63,998,331	63,685,543

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

The Statutory Audit Committee's Report
 dated May 11, 2020
 is issued in a separate document

Omar Rolotti
 For the Statutory Audit Committee

Signed for the purposes of identification with our review report
 dated May 11, 2020, issued in a separate document
 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
 Professional Council in Economic Sciences in and for the City
 of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
 13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
 Certified Public Accountant (U.A.D.E.)
 Professional Council in Economic Sciences in and for the
 City of Buenos Aires [CPCECABA] License filed in Volume
 No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY AS OF MARCH 31, 2020
 (All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

	Owners contributions								Accumulated other comprehensive income	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	Capital	Adjustment to capital	Share premium	Merger premium	Legal reserve	Environmental reserve	Optional reserve	Future dividends reserve	Exchange differences on translation of foreign operations gains / (losses)				
Balances as of January 1, 2020	59,603	3,745,236	6,870,246	1,241,049	623,311	5,940	12,120,319	49,958	355,972	4,138,626	29,210,260	2,404,724	31,614,984
Other comprehensive income									(59,368)		(59,368)	(57,036)	(116,404)
Income for the period										857,275	857,275	23,239	880,514
Balances as of March 31, 2020	59,603	3,745,236	6,870,246	1,241,049	623,311	5,940	12,120,319	49,958	296,604	4,995,901	30,008,167	2,370,927	32,379,094

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

The Statutory Audit Committee's Report
 dated May 11, 2020
 is issued in a separate document

Omar Rolotti
 For the Statutory Audit Committee

Signed for the purposes of identification with our review report
 dated May 11, 2020, issued in a separate document
 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
 Professional Council in Economic Sciences in and for the City
 of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
 13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
 Certified Public Accountant (U.A.D.E.)
 Professional Council in Economic Sciences in and for the
 City of Buenos Aires [CPCECABA] License filed in Volume
 No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY AS OF MARCH 31, 2019
 (All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

	Owners contributions								Accumulated other comprehensive income				
	Capital	Adjustment to capital	Share premium	Merger premium	Legal reserve	Environmental reserve	Optional reserve	Future dividends reserve	Exchange differences on translation of foreign operations gains / (losses)	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
Balances as of January 1, 2019	59,603	3,745,236	6,870,246	1,241,049	172,408	5,940	3,553,175	49,958	455,188	9,018,046	25,170,849	2,279,471	27,450,320
Other comprehensive income									(7,175)		(7,175)	(6,894)	(14,069)
Income for the period										1,504,161	1,504,161	79,138	1,583,299
Balances as of March 31, 2019	59,603	3,745,236	6,870,246	1,241,049	172,408	5,940	3,553,175	49,958	448,013	10,522,207	26,667,835	2,351,715	29,019,550

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

The Statutory Audit Committee's Report
 dated May 11, 2020
 is issued in a separate document

Omar Rolotti
 For the Statutory Audit Committee

Signed for the purposes of identification with our review report
 dated May 11, 2020, issued in a separate document
 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
 Professional Council in Economic Sciences in and for the City
 of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
 13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
 Certified Public Accountant (U.A.D.E.)
 Professional Council in Economic Sciences in and for the
 City of Buenos Aires [CPCECABA] License filed in Volume
 No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS AS OF MARCH 31, 2020
 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

	03.31.2020	03.31.2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	880,514	1,583,299
Adjustments to reconcile net profit to net cash generated by operating activities		
Income tax expense	341,299	302,394
Depreciation and amortization	822,029	918,840
Provisions	53,727	24,131
Interest expense	384,238	426,521
Exchange rate differences	(11,581)	65,321
Others	-	(11,631)
Gain on disposal of property, plant and equipment	6,468	-
Changes in operating assets and liabilities		
Inventories	(901,786)	(829,997)
Other receivables	(188,267)	(79,966)
Trade accounts receivable	76,263	(854,541)
Advances from customers	30,266	(385)
Accounts payable	(495,983)	(270,011)
Salaries and social security payables	(32,983)	61,167
Provisions	(55,618)	(64,781)
Tax liabilities	(276,043)	(157,147)
Other liabilities	(8,469)	251,601
Loss on net monetary position	(123,605)	(301,291)
Income tax paid	(205,390)	(209,988)
Net cash generated by operating activities	295,079	853,536
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	13,772	9,639
Payments to acquire property, plant and equipment	(4,051,535)	(2,808,985)
Payments to acquire intangibles assets	(2,470)	(1,372)
Contributions to F.F.F.S.F.I.	(21,107)	(24,536)
Net cash used in investing activities	(4,061,340)	(2,825,254)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	5,602,493	368,111
Interest paid	(813,800)	(380,747)
Lease liabilities	(30,688)	(26,342)
Repayment of borrowings	(1,446,973)	(612,867)
Net cash generated by / (used in) financing activities	3,311,032	(651,845)
Net (decrease) increase in cash and cash equivalents	(455,229)	(2,623,563)
Cash and cash equivalents at the beginning of the period	2,767,387	4,812,171
Effect of restating in constant currency of cash and cash equivalents	(40,773)	(35,669)
Effects of the exchange rate differences on cash and cash equivalents in foreign currency	(39,361)	67,261
Cash and cash equivalents at the end of the period	2,232,024	2,220,200

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

The Statutory Audit Committee's Report
 dated May 11, 2020
 is issued in a separate document

Omar Rolotti
 For the Statutory Audit Committee

Signed for the purposes of identification with our review report
 dated May 11, 2020, issued in a separate document
 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
 Professional Council in Economic Sciences in and for the City
 of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
 13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
 Certified Public Accountant (U.A.D.E.)
 Professional Council in Economic Sciences in and for the
 City of Buenos Aires [CPCECABA] License filed in Volume
 No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019
(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

1. LEGAL INFORMATION

Legal address:

Boulevard Cecilia Grierson 355, 4th Floor, City of Buenos Aires, Argentina.

Fiscal year number:

Fiscal year number 96, beginning January 1, 2020.

Principal business of the Company:

The Company and its subsidiaries, mentioned below, are referred to in these consolidated condensed interim financial statements as the “Group”.

The main activity of the Company is the manufacturing and selling of cement and its derivatives, as well as the exploration of mineral resources that are used in the production process.

The Company has 9 factories in Argentina, in the provinces of Buenos Aires, Neuquén, San Juan and Catamarca. The Company also has 11 concrete 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 of the Bidding Terms and Conditions and the Concession Agreement. As of the date of issuance of these consolidated condensed interim financial statements, Ferrosur Roca S.A. is moving forward, together with the Special Commission for Contract Renegotiation in order to obtain the extension requested and it is optimistic in its assessment as to obtaining a formal extension of the concession for an additional 10-year period. The Company considers that the term of the concession has been extended for purposes of all required accounting evaluations and estimates.

The Company also has a controlling interest in Recycomb S.A.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 manufacturing and marketing of cement.

Date of registration in the Argentine General Inspection of Justice (IGJ):

- Registration of the bylaws: August 5th, 1926 under No 38, Book 46.
- Last amendment registered to the bylaws: August 29th, 2017, under No. 17,557 Book 85 of Companies by shares.
- Correlative Number of Registration with the IGJ: 1,914,357.
- Tax identification number [CUIT]: 30-50053085-1.
- Date of expiration: July 3, 2116.

The Statutory Audit Committee’s Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

Parent company:

InterCement Trading e Inversiones S.A. with 51.0437% of the Company's capital stock and votes.

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 consolidated condensed interim statement of financial position as of March 31, 2020, the consolidated condensed interim comprehensive income statement, consolidated condensed interim statement of changes in shareholders' equity and of cash flows for the three-month periods ended March 31, 2020 and 2019 and the notes to the consolidated condensed interim 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 [FACPE] 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, 2019 and 2018 issued on March 10, 2020. In the opinion of the Company's Management, these unaudited consolidated condensed interim 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, 2019 presented in these unaudited consolidated condensed interim financial statements arises from our audited consolidated financial statements for the fiscal year ended December 31, 2019 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, 2019.

The results of operations for the three-month periods ended March 31, 2020 and 2019 do not necessarily reflect the results for the full years. The Company believes that the disclosures are appropriate and adequate to consider that the information presented is not misleading.

These consolidated condensed interim financial statements were approved for issue by the Board of Directors on May 11, 2020, the date when the interim financial statements were available for issuance.

2.2 Basis of consolidation

These interim financial statements include the unaudited consolidated condensed interim statement of 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, 2019, issued on March 10, 2020.

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

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

Subsidiary name:	Main business	Country	% of direct and indirect ownership as of		
			03.31.20	12.31.19	03.31.19
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, selling and manufacture 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 interests. The summarized information below does not include intragroup eliminations due to consolidation.

a) Yguazú Cementos S.A.

	03.31.2020	12.31.2019
Current assets (1)	2,081,046	2,447,535
Non-current assets	5,782,085	6,041,758
Current liabilities (2)	523,440	860,731
Non-current liabilities (2)	2,517,621	2,863,397
Equity attributable to the owners of the company	2,459,336	2,430,314
Non-controlling interests	2,362,734	2,334,852

(1) Includes 748,943 and 1,361,464 in Cash and cash equivalents as of March 31, 2020 and as of December 31, 2019, respectively.

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

	03.31.2020	03.31.2019
<u>Three-month period</u>		
Net revenues	941,264	1,087,862
Financial results, net	(56,291)	(82,022)
Depreciations	(143,120)	(163,097)
Income tax	(24,647)	(20,285)
Profit for the year	173,376	220,550

	03.31.2020	03.31.2019
<u>Three-month period</u>		
Net cash generated by operating activities	180,823	403,761
Net cash used in investing activities	(28,227)	(3,847)
Net cash used in financing activities	(731,174)	(565,661)

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

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>03.31.2020</u>	<u>12.31.2019</u>
Current assets	857,513	589,213
Non-current assets	2,297,501	2,702,243
Current liabilities	2,767,393	2,640,491
Non-current liabilities	362,324	301,602
Equity attributable to owners of the company	20,238	279,489
Non-controlling interests	5,059	69,872
	<u>03.31.2020</u>	<u>03.31.2019</u>
<u>Three-month period</u>		
Net revenues	764,371	1,017,355
Financial results, net	(109,758)	(78,338)
Depreciations	(173,368)	(162,147)
Income tax	(30,661)	4,926
Loss for the period	(324,064)	(146,296)
	<u>03.31.2020</u>	<u>03.31.2019</u>
<u>Three-month period</u>		
Net cash generated by operating activities	528,898	271,204
Net cash used in investing activities	(86,928)	(50,546)
Net cash used in financing activities	(438,391)	(162,716)

2.3 Accounting policies

These consolidated condensed interim financial statements have been prepared using the same accounting policies and criteria used in the preparation of the audited consolidated financial statements for the year ended December 31, 2019, except for the adoption of new standards and interpretations effective as of January 1, 2020.

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 International Accounting Standards Board ("IASB") that are relevant to its operations and that are mandatorily effective as of March 31, 2020, as described in Note 2.2 to the Company's annual consolidated financial statements as of December 31, 2019.

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

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

New standards and interpretations issued during the three-month period ended March 31, 2020 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, 2019.

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 March 31, 2020 and December 31, 2019, Ferrosur Roca S.A. owns 100% of the (unconsolidated) assets and liabilities.

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

In the application of the Group's accounting policies, the Group's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Underlying estimates and assumptions are continuously reviewed. Changes in estimates are accounted for prospectively.

The unaudited consolidated condensed interim financial statements reflect all adjustments which are, in the opinion of 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 Management in applying accounting policies to the critical judgements disclosed in the annual consolidated financial statements for the year ended December 31, 2019.

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

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019
(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

4. NET REVENUE

	03.31.2020	03.31.2019
<u>Three-month period</u>		
Sales of goods	9,596,911	11,033,988
Domestic market	9,588,017	11,025,790
External customers	8,894	8,198
Services rendered	492,687	585,399
(-) Bonus / Discounts	(2,324,374)	(585,224)
Total	7,765,224	11,034,163

5. COST OF SALES

	03.31.2020	03.31.2019
<u>Three-month period</u>		
Inventories at the beginning of the year	7,527,663	7,387,860
Finished products	527,767	642,473
Products in progress	1,700,298	1,785,521
Raw materials, materials, fuel and spare parts	5,299,598	4,959,866
Currency translation differences	(15,199)	39,240
Purchases and production expenses for the period	6,370,257	8,691,050
Inventories at the end of the period	(8,483,705)	(8,265,648)
Finished products	(464,370)	(546,964)
Products in progress	(2,386,570)	(2,329,397)
Raw materials, materials, fuel and spare parts	(5,632,765)	(5,389,287)
Cost of sales	5,399,016	7,852,502

The detail of production expenses is as follows:

	03.31.2020	03.31.2019
<u>Three-month period</u>		
Fees and service fees	109,163	144,721
Salaries, wages and social security contributions	1,042,372	1,331,326
Transport and travelling expenses	42,477	55,062
Data processing	3,905	7,498
Taxes, contributions and commissions	102,700	156,602
Depreciation and amortizations	852,807	909,473
Preservation and maintenance costs	602,672	881,241
Communications	7,091	7,575
Leases	12,855	29,370
Employee benefits	20,992	28,080
Water, natural gas and energy services	1,716	2,184

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

Freight	408,185	590,565
Fuel	884,073	1,163,026
Insurance	16,542	21,241
Packaging	217,510	251,560
Electrical power	600,645	890,653
Contractors	455,035	644,961
Tolls	623	1,139
Canon (concession fee)	5,773	7,526
Security	35,983	45,710
Others	96,066	103,334
Total	<u>5,519,185</u>	<u>7,272,847</u>

6. SELLING AND ADMINISTRATIVE EXPENSES

	03.31.2020	03.21.2019
<u>Three-month period</u>		
Managers and directors compensation and fees	37,454	107,714
Fees and compensation for services	75,536	80,126
Salaries, wages and social security contributions	155,104	307,784
Transport and travelling expenses	6,924	9,032
Data processing	12,898	10,000
Advertising expenses	11,981	18,315
Taxes, contributions and commissions	149,546	208,646
Depreciation and amortizations	60,803	47,941
Preservation and maintenance costs	4,063	4,095
Communications	7,125	8,901
Leases	2,062	9,332
Employee benefits	5,731	5,011
Water, natural gas and energy services	956	1,301
Freight	66,508	79,299
Insurance	15,738	12,413
Allowance for doubtful accounts	4,006	507
Security	1,896	1,810
Others	12,442	16,528
Total	<u>630,773</u>	<u>928,755</u>

7. OTHER GAINS AND LOSSES

	03.31.2020	03.31.2019
<u>Three-month period</u>		
Loss on disposal of property, plant and equipment	(6,468)	-
Donations	(4,321)	(4,694)
Technical assistance services provided	1,562	-
Contingencies	(3,181)	(10,230)
Leases	38,580	14,241
Loss collection	12,496	-
Miscellaneous	5,987	(2,430)
Total	<u>44,655</u>	<u>(3,113)</u>

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

8. TAX ON BANK ACCOUNTS DEBITS AND CREDITS

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

Pursuant to Law No. 27,432, the Argentine Executive Branch may set forth that the percentage of the tax mentioned that is not computable as payment on account of income tax should be progressively written down by up to 20% per year as from January 1, 2018. It can be established that in 2022 the tax set forth in Law No. 25,413, as subsequently amended, shall be fully computed as payment on account of income tax. On May 7, 2018, Decree 409/2018 was published in the Official Gazette; it established that taxpayers within the scope of the general twelve per thousand tax may apply 33% of the amounts credited and debited in the respective bank accounts to partial payment of income tax.

9. FINANCIAL RESULTS, NET

	03.31.2020	03.31.2019
<u>Three-month period</u>		
<u>Exchange rate differences</u>		
Foreign exchange gains	(43,635)	13,830
Foreign exchange losses	(126,451)	(252,505)
Total	(170,086)	(238,675)
<u>Financial income</u>		
Unwinding of discounts on provisions and liabilities	16,221	36,850
Total	16,221	36,850
<u>Financial expenses</u>		
Interest from short-term investments	(12,614)	(35,351)
Interest on borrowings	(277,977)	(147,163)
Interest on leases	(11,395)	(10,897)
Tax interest	(19,734)	(46,231)
Unwinding of discounts on receivables	(8,819)	(2,796)
Others	(95,281)	(56,456)
Total	(425,820)	(298,894)

10. INCOME TAX EXPENSE

Income tax expense is recognized on the basis of the actual profit for 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 three-month periods ended March 31, 2020 and 2019 and that which would result from applying the statutory rate in force on the net profit before income tax expense that arises from the condensed interim statement of profit or loss and other comprehensive income for each period is as follows:

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

	03.31.2020	03.31.2019
Profit before income tax expense	1,221,813	1,885,693
Statutory income tax rate (*)	30%	30%
Income tax at statutory rate	(366,544)	(565,708)
Adjustments for calculation of the effective income tax:		
Effect of different income tax rate in foreign subsidiaries (*)	39,605	48,167
Non-recognized loss carryforwards in subsidiaries	(68,622)	-
Effects of the fiscal revaluation and adjustment to reflect inflation for accounting and tax purposes	210,790	226,323
Effect of change in tax rate	(160,898)	(15,833)
Other non-taxable income or non-deductible expense, net	4,370	4,657
Total income tax expense	(341,299)	(302,394)
INCOME TAX		
Current	(269,679)	(507,667)
Deferred	(71,620)	205,273
Total	(341,299)	(302,394)

(*) The statutory income tax rate in force in Argentina for this period was 30% in 2019, while in Paraguay was 10%.

Likewise, the breakdown of deferred income as of March 31, 2020 and December 31, 2019 is as follows:

	03.31.2020	12.31.2019
<u>Deferred tax assets</u>		
Loss carryforward from subsidiary	269,215	289,804
Leases	47,953	44,569
Provisions	92,730	100,528
Accounts payable	-	108,234
Trade accounts receivable	13,495	13,448
Others	18,173	14,081
Total deferred tax assets	441,566	570,664
<u>Deferred tax liabilities</u>		
Investments	(2,951)	(6,306)
Other receivables	(41,572)	(43,028)
Property, plant and equipment	(4,770,027)	(4,878,901)
Borrowings	(2,296)	(1,169)
Accounts payable	(1,207)	-
Other liabilities	-	(2,812)
Inventories	(718,093)	(640,566)
Taxes payable (adjustment to reflect inflation for tax purposes)	(883,981)	(907,825)
Others	(2,143)	(368)
Total deferred tax liabilities	(6,422,270)	(6,480,975)
Total net deferred tax liabilities	(5,980,704)	(5,910,311)

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

The Tax Reform Law No. 27,430, modified in turn by Law No. 27,468 prescribes the following in connection with the adjustment to reflect the effects of inflation for tax purposes to become effective for the fiscal years commencing on January 1, 2018: (a) the adjustment shall be applicable in the fiscal year in which a CPI variation in excess of 100% is verified during the thirty-six months previous to the closing date of the fiscal year being calculated; (b) as regards the first, second and third fiscal years as from its coming into force, this procedure shall apply in the event the variation in such index, calculated as from the beginning and until the close of each of such fiscal years, exceeds 55%, 30% and 15% for the first, second and third year of application, respectively and (c) that the adjustment to reflect the effects of inflation for tax purposes —be it a gain or a loss— as applicable, corresponding to the first, second and third fiscal year commencing as from January 1, 2018 that has to be calculated if the hypotheses contemplated in the preceding sub-sections (a) and (b) are verified, shall be computed as follows: one sixth in that fiscal period and the remaining five sixths, in equal parts, in the immediately following two fiscal 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 consolidated condensed interim 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 three-month period ended March 31, 2020, including the effects from application of tax inflation adjustment in accordance with the law.

11. EARNINGS PER SHARE

Basic and diluted earnings per share

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

	Three months	
	03.31.2020	03.31.2019
Profit attributable to the owners of the parent company used in the calculation of earnings per share – basic and diluted	857,275	1,504,161
Weighted average number of common shares for purposes of basic and diluted earnings per share (in thousands)	596,026	596,026
Basic and diluted earnings per share (in pesos)	<u>1.4383</u>	<u>2.5236</u>

12. PROPERTY, PLANT AND EQUIPMENT

	03.31.2020	12.31.2019
Cost	103,122,052	102,416,893
Accumulated depreciation	<u>(54,641,791)</u>	<u>(53,884,292)</u>
Total	<u>48,480,261</u>	<u>48,532,601</u>

Land	560,852	561,601
------	---------	---------

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

Plant and buildings	8,288,036	8,356,894
Machinery, equipment and spare parts	15,503,140	15,914,388
Transport and load vehicles	1,702,808	1,795,428
Furniture and fixtures	56,221	61,092
Quarries	3,555,494	3,587,412
Tools	39,478	43,938
Construction in progress	18,774,232	18,211,848
Total	<u>48,480,261</u>	<u>48,532,601</u>

As of the date of these interim financial statements, the construction of the new cement plant L'Amalí II, in the City of Olavarría, Province of Buenos Aires, was suspended in compliance with Executive Decree No. 297/2020, as amended and extended from time to time, which mandated social distancing in Argentina. However, as of the date of these interim financial statements, the Company has secured a permit to continue with the construction works, under stringent health protocols established by the Provincial Government and the Group. As of March 31, 2020, the amount invested in such plant totaled 17,419,773.

The Company has taken several borrowings and has used instruments to pay accounts payable in foreign currency in order to fund a part of the investment mentioned above. IAS 23 sets forth that borrowing costs or other liabilities that are directly attributable to the acquisition, construction or production of an eligible asset that requires a substantial period before being ready for use, are capitalized as part of the cost of said asset, except for the portion of these costs that compensate the creditor for the effects of inflation, always provided that they may result in future economic benefits for the Company and may be measured on a reliable basis. All other borrowing costs are accounted for as expenses in the period in which they are incurred. Borrowing costs include interest, foreign exchange gains / (losses) and other costs incurred by the Company in connection with the execution of the respective borrowing agreements.

Given that the referred Company's indebtedness is mainly in foreign currency, the Company evaluates as of the end of each reporting period if foreign exchange gains / (losses) originating on those debts attributable to the construction of the referred asset are an adjustment of the costs for interest on those loans that have to be capitalized together with such interest. Based on the foregoing, the Company has capitalized interest and foreign exchange gains / (losses) actually incurred during the three-month period ended March 31, 2020 for an amount of 100,360, taking, to that end, as a maximum cap of said capitalization, the amount that would have corresponded to a rate equivalent in pesos net of the effects of inflation on the liabilities that generate them. The actual interest rate, that is, net of the effect of exposure to inflation, used to determine such cap for the capitalization of actual costs for loans (interest and foreign exchange losses) to be capitalized amounted to 4.9% during this three-month period.

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019
(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

13. INVENTORIES

	03.31.2020	12.31.2019
Non-current		
Spare parts	1,495,005	1,723,725
Allowance for obsolete inventories	(38,477)	(32,723)
Total	1,456,528	1,691,002
Current		
Finished products	464,370	527,767
Production in progress	2,386,570	1,700,298
Raw materials, materials and spare parts	3,429,102	3,009,585
Fuels	747,135	599,011
Total	7,027,177	5,836,661

14. PARENT COMPANY, OTHER SHAREHOLDERS, ASSOCIATES AND OTHER RELATED PARTIES
BALANCES AND TRANSACTIONS

The outstanding balances between the Group and parent company, other shareholders, associates and other related parties as of March 31, 2020 and December 31, 2019 are as follows:

	03.31.2020	12.31.2019
<u>Related companies:</u>		
InterCement Brasil S.A.		
Accounts payable	(79,207)	(80,308)
InterCement Trading e Inversiones S.A.		
Other receivables	110,658	96,389
Accounts payable	(13,242)	(13,462)
InterCement Portugal S.A.		
Accounts payable	(425,242)	(366,276)
Cauê Austria Holding GmbH		
Other receivables	13,492	14,544
InterCement Participacoes		
Other receivables	6	6
Accounts payable	(15,680)	-

Summary of balances as of March 31, 2020 and December 31, 2019 and 2018 is as follows:

	03.31.2020	12.31.2019
Other receivables	124,156	110,939
Accounts payable	(533,371)	(460,046)

The transactions between the Group and parent companies, associates and related parties for the periods ended March 31, 2020 and 2019 are detailed as follows:

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

	03.31.2020	03.31.2019
InterCement Brasil S.A. – Purchases of goods and services	(61)	(20,966)
InterCement Trading e Inversiones S.A. – Sales of services	14,208	17,422
InterCement Portugal S.A. – Services received	(64,694)	(95,651)
InterCement Participacoes – Services received	(15,363)	-

The amount recognized in the consolidated statement of profit or loss and other comprehensive income related to key management salaries, wages and fees amounted to 24,669 and 97,163 for the three-month periods ended March 31, 2020 and 2019, respectively. Additionally, during this period, a profit of 13,254 has been accrued under the long-term incentive program.

The Company did not recognize any expense in the current period, or in previous ones, regarding bad or doubtful accounts related to amounts owed by related parties.

The outstanding amounts as of March 31, 2020 are not secured and will be settled in cash. No guarantees have been granted or received on the outstanding balances.

15. OTHER RECEIVABLES

	03.31.2020	12.31.2019
Non-current		
Advances to suppliers	486,483	399,667
Tax credits	145,067	41,566
Contributions to the Trust Fund to Strengthen the Inter-urban Railroad System (F.F.F.S.F.I.)	116,273	112,382
Prepaid expenses	56,222	50,773
Guarantee deposits	7,706	7,777
Total	811,751	612,165
Current		
Income tax credits	100,370	257,712
Value added tax credits	134,669	60,085
Turnover tax credits	58,938	65,980
Other tax credits	1,005	3,890
Related parties receivables (Note 14)	124,156	110,939
Prepaid expenses	92,008	69,601
Guarantee deposits	266	287
Reimbursements receivable	23,319	22,938
Advances to suppliers	73,947	36,131
Salaries advances and loans to employees	25,289	15,013
Receivables from sales of property, plant and equipment	11,224	9,007
Miscellaneous	28,129	16,017
Total	673,320	667,600

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

16. RIGHT OF USE OF ASSETS AND LEASE LIABILITIES

The Company has entered into lease agreements primarily for the lease of offices and premises. The evolution of the right of use of assets and lease liabilities as of March 31, 2020 and December 31, 2019 is as follows:

	03.31.2020	12.31.2019
Lease liabilities:		
At the beginning of the period/year	477,204	494,129
Additions	-	32,216
Accretion of interest	11,460	42,732
Foreign exchange gains / (losses)	(2,956)	17,768
Effect of foreign currency exchange differences	(24)	(13)
Payments	(30,688)	(109,628)
At the end of the period/year	454,996	477,204
Right of use of assets:		
At the beginning of the period/year	440,539	494,129
Additions	-	32,216
Effect of foreign currency exchange differences	(21)	(9)
Depreciations	(22,858)	(85,797)
At the end of the period/year	417,660	440,539

17. TRADE ACCOUNTS RECEIVABLE

	03.31.2020	12.31.2019
Non-current		
Accounts receivable	9,597	11,439
Allowance for doubtful accounts	(8,727)	(8,949)
Total	870	2,490
Current		
Accounts receivable	2,735,304	2,951,245
Accounts receivable in litigation	56,087	59,132
Notes receivable	12,270	6,889
Foreign customers	6,888	18,927
Subtotal	2,810,549	3,036,193
Allowance for doubtful accounts	(68,818)	(69,503)
Total	2,741,731	2,966,690

18. INVESTMENTS

	03.31.2020	12.31.2019
Non-current		
Investments in other companies		
- Cementos del Plata S.A.	2,756	2,756
Total	2,756	2,756

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019
(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

Current		
Short-term investments		
- Mutual funds in pesos	1,278,137	1,003,909
- Short-term investments in foreign currency	95,054	95,225
Total	1,373,191	1,099,134

19. CAPITAL STOCK AND OTHER CAPITAL RELATED ACCOUNTS

	03.31.2020	12.31.2019
Capital	59,603	59,603
Adjustment to capital	3,745,236	3,745,236
Share premium	6,870,246	6,870,246
Merger premium	1,241,049	1,241,049
Total	11,916,134	11,916,134

The issued, paid-in and registered capital, consists of:

Common stock with a face value of \$ 0.1 per share and entitled to 1 vote each, fully paid-in (in thousand)	596,026	596,026
--	---------	---------

20. ACCUMULATED OTHER COMPREHENSIVE INCOME

	03.31.2020	03.31.2019
<u>Accrual for translation of foreign operations</u>		
Balance at the beginning of the year	355,972	455,188
Exchange differences on translating foreign operations	(59,368)	(7,175)
Balance at the end of the year	296,604	448,013

21. BORROWINGS

21.1 Composition of borrowings

		03.31.2020			12.31.2019
Ref.	Company	Interest rate	Maturity date	Amount	Amount
<u>Borrowings in foreign currency – USD</u>					
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Mar-21	164,950	168,648
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Apr-21	193,563	197,903
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	May-21	537,571	549,626
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Jun-21	129,206	132,104
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Jul-21	31,819	32,532

The Statutory Audit Committee's Report dated May 11, 2020 is issued in a separate document

Signed for the purposes of identification with our review report dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City of Buenos Aires [CPCECABA] License Filed in Book 1 - Page 13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the City of Buenos Aires [CPCECABA] License filed in Volume No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Aug-21	675,028	690,165
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Sep-21	107,031	109,405
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Oct-21	219,720	223,538
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Nov-21	281,796	284,902
Industrial and Commercial Bank of China	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Dec-21	199,046	200,264
Industrial and Commercial Bank of China (1)	Loma Negra C.I.A.S.A.	6 Month-Libor + 4.25%	Jan-22	947,425	-
Banco Patagonia	Loma Negra C.I.A.S.A.	9.50%	Jun-20	80,888	98,488
Industrial and Commercial Bank of China (Dubai)	Loma Negra C.I.A.S.A.	3 Month-Libor + 5%	Nov-20	1,691,280	1,695,852
Industrial and Commercial Bank of China (Dubai)	Loma Negra C.I.A.S.A.	3 Month-Libor + 5.5%	Jun-20	645,702	647,190
HSBC Bank	Ferrosur Roca S.A.	8.75%	Aug-20	651,633	654,408

Borrowings in foreign currency – EUR

Banco Itaú S.A.	Loma Negra C.I.A.S.A.	4%	Apr-21	97,075	97,558
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	4%	May-21	23,160	23,274
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	4%	Jun-21	123,053	123,655
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	4%	Jul-21	305,149	313,843
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	4%	Aug-21	26,978	27,749
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	4%	Sep-21	1,283	1,318
Banco Itaú S.A.	Loma Negra C.I.A.S.A.	4%	Oct-21	209,257	210,556
Total borrowings in foreign currency				7,342,613	6,482,978

03.31.2020					12.31.2019		
Ref.	Company	Interest rate	Maturity date	Amount	Amount		
<u>Borrowings in local currency</u>							
	Banco Continental S.A.E.C.A.	Yguazú Cementos S.A.	8.50%	Aug -25	1,501,426	2,098,031	
	Sudameris Bank S.A.E.C.A.	Yguazú Cementos S.A.	9.00%	Aug -25	985,372	1,153,581	
	Banco Patagonia	(2)	Loma Negra C.I.A.S.A.	BADLAR + 8%	Jan-21	1,020,137	-
	Banco Macro		Loma Negra C.I.A.S.A.	BADLAR + 8%	Apr-21	1,036,050	1,086,247
	HSBC Bank Argentina S.A.	(3)	Loma Negra C.I.A.S.A.	BADLAR + 8%	Jan-22	1,014,312	-
	Overdrafts		Ferrosur Roca S.A.	37.90%	Apr-20	1,568,118	1,927,482
	Overdrafts		Loma Negra C.I.A.S.A.	37.90%	Apr-20	2,326,103	431,080
Total borrowings in local currency					9,451,518	6,696,421	
Total					16,794,131	13,179,399	

(1) During this period, Loma Negra entered into a new loan agreement with Industrial and Commercial Bank of China for USD 13,127,766 to be paid upon maturity in January 2022. Such borrowing accrues interest at corrected Libor + 7.38% payable on a monthly basis.

The Statutory Audit Committee's Report dated May 11, 2020 is issued in a separate document

Signed for the purposes of identification with our review report dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City of Buenos Aires [CPCECABA] License Filed in Book 1 - Page 13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the City of Buenos Aires [CPCECABA] License filed in Volume No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

(2) During this period, Loma Negra entered into a new loan agreement with Banco Patagonia for 1,000,000 to be paid upon maturity in January 2021. Such borrowing accrues interest at Badlar plus 8%, payable on a monthly basis.

(3) During this period, Loma Negra entered into a new loan agreement with HSBC Bank for 1,000,000 to be paid in eight quarterly and equal installments. Such borrowing accrues interest at Badlar plus 8%, payable on a monthly basis,

Summary of borrowings by Company:	03.31.2020	12.31.2019
Loma Negra C.I.A.S.A.	12,087,582	7,345,897
Ferrosur Roca S.A.	2,219,751	2,581,890
Yguazú Cementos S.A.	2,486,798	3,251,612
Total	16,794,131	13,179,399

21.3 Movements of borrowings

The movements of borrowings for the three-month period ended March 31, 2020 are as disclosed below:

Balances as of January 1, 2020	13,179,399
New borrowings	5,602,493
Interest accrued	374,830
Effect of exchange rate differences	(87,973)
Effect of exchange rate differences on translating foreign operations	(13,845)
Interest payments	(813,800)
Principal payments	(1,446,973)
Balances as of March 31, 2020	16,794,131

As of March 31, 2020, the long-term borrowings have the following maturity schedule:

Fiscal year	
2021	3,793,791
2022	1,602,144
2023	545,159
2024 onwards	1,090,319
Total	7,031,413

22. ACCOUNTS PAYABLE

	03.31.2020	12.31.2019
Non-current		
Accounts payable for investments in property, plant and equipment	71,708	150,249
Total	71,708	150,249
Current		
Suppliers	2,727,903	2,319,712
Related parties (Note 14)	533,371	460,046
Accounts payable for investments in property, plant and	2,222,577	5,795,291

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

equipment and intangible assets		
Expenses accrual	557,645	1,195,737
Total	<u>6,041,496</u>	<u>9,770,786</u>

23. PROVISIONS

	03.31.2020	12.31.2019
Labor and social security	91,187	93,912
Environmental restoration	435,733	431,979
Civil and others	79,167	84,653
Total	<u>606,087</u>	<u>610,544</u>

Changes in the provisions were as follows:

	Labor and social security	Environmental restoration	Civil and others	Total
Balances as of January 1, 2020	93,912	431,979	84,653	610,544
Increases (*)	4,914	44,185	(752)	48,347
Foreign exchange differences	-	(237)	-	(237)
Uses (**)	(7,639)	(40,194)	(4,734)	(52,567)
Balances as of March 31, 2020	<u>87,117</u>	<u>400,724</u>	<u>78,528</u>	<u>566,369</u>

(*) Includes the effect of the inflation adjustment.

(**) Includes the application of provisions to their specific purposes.

24. TAX LIABILITIES

	03.31.2020	12.31.2019
Income tax	95,702	87,118
Value added tax	141,629	356,997
Turnover tax	45,286	69,109
Other taxes, withholdings and perceptions	82,446	71,843
Total	<u>365,063</u>	<u>585,067</u>

25. CASH AND CASH EQUIVALENTS

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

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019
(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

	03.31.2020	12.31.2019
Cash and banks	858,833	1,668,253
Short-term investments (Note 18)	1,373,191	1,099,134
Cash and cash equivalents	<u>2,232,024</u>	<u>2,767,387</u>

26. FINANCIAL INSTRUMENTS

26.1 Net debt to equity ratio

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

	03.31.2020	12.31.2019
Debt (i)	16,794,131	13,179,399
Cash and cash equivalents	<u>2,232,024</u>	<u>2,767,387</u>
Net debt	14,562,107	10,412,012
Equity (ii)	32,379,094	31,614,984
Net debt to equity ratio	0.45	0.33

(i) Debt is defined as current and non-current borrowings.

(ii) Shareholders' equity includes all of the non-controlling interests, which are managed as capital.

26.2 Categories of financial instruments

	03.31.2020	12.31.2019
<u>Financial assets</u>		
At amortized cost:		
Cash and banks	858,833	1,668,253
Investments	95,054	95,225
Accounts receivable	2,937,402	3,136,144
At fair value through profit and loss:		
Investments	1,278,137	1,003,909
<u>Financial liabilities</u>		
Amortized cost	24,796,834	25,341,464

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.

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

These consolidated condensed interim 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, 2019 and 2018 issued on March 10, 2020.

26.4 Fair value measurement

Fair value measurement is described in Note 33.8 to the annual consolidated financial statements.

From December 31, 2019 through March 31, 2020, 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 three-month period ended March 31, 2020.

The carrying amounts of financial assets and liabilities recognized at amortized cost, included in the consolidated financial statements as of March 31, 2020 and December 31, 2019, 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.

The Company's Management 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 company consolidated at the end of the reporting period/year are as follows:

	<u>03.31.2020</u>	<u>12.31.2019</u>
<u>Liabilities</u>		
United States Dollars	10,254,356	8,805,241
Euro	546,380	2,229,442
Real	32	41
<u>Assets</u>		
United States Dollars	677,539	301,519
Euro	3,124	13,383
Real	116	156

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 the Euro exchange rate. The sensitivity rate is that used when reporting to the top executive level and represents the management's assessment of a possible reasonable change in exchange rates. The sensitivity analysis only includes outstanding foreign-currency

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

monetary items and adjusts its conversion as of the end of the period taking into account 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>03.31.2020</u>	<u>03.31.2020</u>
Income/(Loss)	2,394,204	135,814
Shareholder's Equity	2,394,204	135,814

27. NON-CASH TRANSACTIONS

Below is a detail of the transactions that did not involve cash flow movements during the three-month periods ended March 31, 2020 and 2019, respectively:

	<u>03.31.2020</u>	<u>03.31.2019</u>
- Acquisitions of property, plant and equipment financed with trade payables	19,478	1,001,461

28. SEGMENT INFORMATION

The Company has adopted IFRS 8 - Operating Segments, that require operating segments to be identified on the basis of internal reports regarding components of the Company that are regularly reviewed by the Executive Committee, chief operating decision maker, in order to allocate resources to the segments and to assess their performance. This analysis is based on monthly information concerning historical figures of the identified segments. The information reviewed by the main decision maker basically consists in the historical details corresponding to each month accumulated until the end of the reporting period. It is for this reason that they differ from the inflation-adjusted figures as described in Note 2.2.

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

- 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 in order to obtain the cement, masonry cement and lime.
- 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 additions in order to obtain the cement.
- Concrete: this segment includes the results generated 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.
- Aggregates: this segment includes the results generated from the production and sale of granitic aggregates.

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

- v) Railroad: this segment includes the results generated from the provision of the railroad transportation service.
- vi) Others: this segment includes the results of the industrial waste treatment and recycling business to produce materials for use as fuel.

	03.31.2020	03.31.2019
<u>Net revenue</u>		
Cement, masonry cement and lime - Argentina	5,787,448	5,172,004
Cement - Paraguay	914,969	702,947
Concrete	467,813	1,185,614
Railroad	742,033	656,289
Aggregates	62,308	125,799
Others	48,035	31,524
Inter-segment eliminations	(498,925)	(742,090)
Subtotal	7,523,681	7,132,087
Reconciliation - Effect from restatement in constant currency	241,543	3,902,076
Total	7,765,224	11,034,163

	03.31.2020	03.31.2019
<u>Cost of sales</u>		
Cement, masonry cement and lime - Argentina	3,296,237	3,251,502
Cement - Paraguay	636,272	471,607
Concrete	523,908	1,062,291
Railroad	739,329	586,575
Aggregates	78,558	136,321
Others	30,751	18,002
Inter-segment eliminations	(498,925)	(742,090)
Subtotal	4,806,130	4,784,208
Reconciliation - Effect from restatement in constant currency	592,886	3,068,294
Total	5,399,016	7,852,502

	03.31.2020	03.31.2019
<u>Selling, administrative expenses and other gains and losses</u>		
Cement, masonry cement and lime - Argentina	445,929	455,687
Cement - Paraguay	31,488	22,718
Concrete	(3,325)	35,186
Railroad	30,614	44,992
Aggregates	(3,549)	1,834
Others	18,298	11,238
Subtotal	519,455	571,655
Reconciliation - Effect from restatement in constant currency	66,663	360,213
Total	586,118	931,868

	03.31.2020	03.31.2019
<u>Depreciation and amortization</u>		
Cement, masonry cement and lime - Argentina	173,965	179,230
Cement - Paraguay	139,122	105,389

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

Concrete	16,742	10,723
Railroad	56,401	41,583
Aggregates	5,397	4,362
Others	1,127	762
Subtotal	392,754	342,049
Reconciliation - Effect from restatement in constant currency	429,275	576,791
Total	822,029	918,840

	03.31.2020	03.31.2019
<u>Net revenue less cost of sales, selling, administrative expenses and other gains and losses</u>		
Cement, masonry cement and lime - Argentina	2,045,282	1,464,815
Cement - Paraguay	247,209	208,622
Concrete	(52,770)	88,137
Railroad	(27,910)	24,722
Aggregates	(12,701)	(12,356)
Others	(1,014)	2,284
Subtotal	2,198,096	1,776,224
Reconciliation - Effect from restatement in constant currency	(418,006)	473,569
Total	1,780,090	2,249,793
Reconciling items:		
Tax on bank accounts debits and credits	(102,197)	(164,672)
Financial results, net	(456,080)	(199,428)
Income tax	(341,299)	(302,394)
Net profit for the year	880,514	1,583,299

	03.31.2020	12.31.2019
<u>Geographical information</u>		
Non-current assets		
Argentina	45,541,994	45,405,447
Paraguay	5,782,085	6,041,758

No customer has contributed 10% or more of the Group's revenue for the three-month periods ended March 31, 2020 and 2019, respectively.

29. GUARANTEES GRANTED TO SUBSIDIARIES

In August 2019, Ferrosur Roca S.A. took a borrowing for USD 10,000,000 with HSBC Bank maturing in August 2020 at a fixed 9.11% interest rate with quarterly interest payments. Loma Negra granted security and surety in favor of HSBC Bank for up to the amount of the borrowing plus interest. As of March 31, 2020, Ferrosur Roca S.A. owes 651,633 under that loan.

In addition, Loma Negra granted security for the bank overdrafts of Ferrosur Roca S.A., as part of the usual course of its activity. As of March 31, 2020, the outstanding balances of such bank overdrafts amounted to 1,568,118.

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

30. COMMITMENTS

The Company's commitments are described in Note 36 to the annual consolidated financial statements for the fiscal year ended December 31, 2019.

31. MEASURES ADOPTED BY THE ARGENTINE ECONOMY AFTER THE 2019 NATIONAL PRESIDENTIAL ELECTIONS

On October 27, 2019, Argentina held presidential elections. The outcome was the defeat of the incumbent administration and the election of Alberto Fernández as President of the Argentine Nation. He was inaugurated on December 10, 2019 and started a process of changes in the decisions adopted by the previous administration.

The new administration has established as a priority the implementation of solutions for the difficulties in the economic and social areas. To those ends, the new administration will undertake whatever action is necessary to renegotiate the payment of sovereign debt. In turn, to recover the sustainability of such debt in time, the new administration has incorporated measures aimed at preserving the Central Bank of the Argentine Republic's (BCRA) reserves, decrease the fiscal deficit and obtain improvement in productive capacity.

In the framework of the process to adjust the exchange control mechanism necessary to preserve the Central Bank reserves, on December 27, 2019 and on December 30, 2019, the Argentine Central Bank issued Communications "A" 6854 and "A" 6856, respectively. Pursuant to these Communications, the rules extend on an indefinite basis the provisions concerning Foreign Trade and Foreign Exchange issued by the Argentine Central Bank during the previous government which originally came to a close on December 31, 2019. Amongst these rules, the following are worth emphasizing: (a) exporters are under an obligation to enter and settle through the free floating foreign exchange market the foreign currency proceeds from their exports of goods and services within five business days from the moment they were collected or credited to foreign accounts. The maximum term allowed for collection to take place is more stringent for transactions with related companies and exports of commodities; (b) importers who wish to settle their imports in advance must promise, through an affidavit, that the goods shall clear customs within 90 days from the date of accessing the foreign exchange market or 270 days in the case of capital expenditures plus the obligation of relying on the previous authorization of the Argentine Central Bank if the foreign supplier and the importer are related parties or if there is a need for terms longer than those stipulated for goods to clear customs and; (c) the Argentine Central Bank's previous authorization is required to access the foreign exchange market in order to remit earnings and dividends. Furthermore, on April 30, 2020, the Central Bank issued a series of regulations restricting the access to the bond market for the purpose of acquiring foreign currency by entities under certain circumstances.

As direct measures of the new administration, on December 23, 2019 Law No. 27,541 entitled "Social Solidarity and Productive Reactivation in the framework of a Public Emergency Situation" and Decree No. 58/2019 which promulgated it were published in the Official Gazette. Besides, on December 28, 2019, the new administration handed down Executive Order No. 99/2019 with the regulations for the implementation of the Law. The amendments introduced seek to reactivate the following areas: the economy, finances, taxes, administrative matters, social security, public utilities tariffs, energy and social matters and empower the Argentine Executive Branch (PEN) to undertake the actions and the acts necessary to recover and ensure the sustainability of Argentina's sovereign debt.

The main measures contained in the Law and its regulations are as follows:

Tax obligations

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Omar Rolotti
For the Statutory Audit Committee

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
 NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
 MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

(a) Income tax

- (i) Law No. 27,430 had set forth for the tax periods commencing as from January 1, 2020 that the tax rate payable by corporations as income tax would decrease from 30% to 25% and that the additional tax on dividends or earnings that are distributed to individuals in Argentina and abroad and foreign legal entities would rise from 7% to 13%. The amendment postpones such change in tax rates and maintains the original 30% and 7% tax rates until the fiscal years starting on January 1, 2021, inclusive.
- (ii) Law No. 27,468 had set forth for the first three fiscal years starting as from January 1, 2018 that the inflation adjustment (upwards or downwards) that could apply had to be distributed as follows: one third in the fiscal year when the adjustment is assessed and the remaining two thirds, in equal parts, in the immediately following two fiscal periods. The amendment modified this distribution and set forth that the upward or downward adjustment corresponding to the first and second fiscal year starting as from January 1, 2019, must be charged by one sixth to the fiscal year in which the adjustment is assessed and the remaining five sixths in the immediately following fiscal periods; whereas for the fiscal years starting as from January 1, 2021, 100% of the adjustment is allowed to be deducted in the fiscal year in which it is assessed.

(b) Employers' contributions payable into government-run pension plans, health care for the elderly and disabled, family allowances and national employment fund:

- (i) The stepwise reduction planned until 2022 is suppressed and the contribution rates are fixed starting on December 2019 at:
 - 20.40% for private sector employers engaged in the Services or Retail industries whose total annual sales surpass the limits imposed by the Secretariat for Small and Medium-Sized Enterprises' Resolution SEPYME No. 220/19 or such as may replace it in the future, for the category "Tranche 2 Medium-Sized Enterprise".
 - 18% for the remaining employers in the private sector.
- (ii) There are fixed amounts allowed to be detracted from the calculation basis; this notwithstanding, the resolution does not contemplate any future adjustments.
- (iii) In connection with the employers' contributions actually paid, the amount resulting from applying the percentage points fixed for each specific jurisdiction to the taxable basis may be computed as fiscal credit upon assessing value added tax.

(c) Rate for customs' foreign trade statistics compilation service

The Rate for customs' foreign trade statistics compilation service applicable to imports whose final application is consumption and which take place from January 1 through December 31, 2020 increases from 2.5% to 3%.

(d) So-called "PAIS" tax, i.e., the Tax Towards Inclusion and Solidarity in Argentina

For a term of five tax periods, an emergency tax is established that consists in a 30% tax rate levied on transactions associated to the acquisition of foreign currency for savings, purchases of goods and services in foreign currency and international transportation of passengers. This emergency tax shall be imposed on all the taxpayers who reside

The Statutory Audit Committee's Report
 dated May 11, 2020
 is issued in a separate document

Signed for the purposes of identification with our review report
 dated May 11, 2020, issued in a separate document
 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
 Professional Council in Economic Sciences in and for the City
 of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
 13 [T° 1 - F° 13]

Omar Rolotti
 For the Statutory Audit Committee

Adrián G. Villar (Partner)
 Certified Public Accountant (U.A.D.E.)
 Professional Council in Economic Sciences in and for the
 City of Buenos Aires [CPCECABA] License filed in Volume
 No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

in Argentina irrespective of whether they are individuals or legal entities. This tax shall not be treated as a partial payment of any other tax.

The transactions levied with the PAIS tax are as follows: (i) purchase of bank notes and foreign currency for savings or without any specific application (subject to a monthly USD 200 limit); (ii) exchange of foreign currency conducted by financial institutions at the request of purchasers or beneficiaries for application to payment of acquisitions of goods or services and services contracted abroad irrespective of the means of payment used for paying such amounts; (iii) exchange of foreign currency conducted by financial institutions at the request of purchasers or beneficiaries who are Argentine residents for application to payment of services rendered by individuals who are not Argentine residents irrespective of the means of payment used for paying such amounts; (iv) acquisition of services abroad contracted through Argentina's travel and tourism agencies; and (v) acquisition of passenger transportation services (irrespective of the means of transportation) for a destination abroad to the extent that in order to pay for the transaction, the need arises for accessing the single, free-floating foreign exchange market in order to acquire the relevant foreign currency.

Labor law matters and payroll taxes

The Argentine Executive Branch is allowed by the law herein discussed to reduce contributions by employees and employers into the pension plan fund to limited jurisdictions and specific activities which might be in critical situations. In these cases, the exemption would not be total, and it would not be limited to future increases pursuant to a decree or pursuant to the salary negotiation process between the specific industry and relevant unions; rather, it could be applied to the whole salary.

In connection with labor law matters, before the enactment of Law No. 27,541 and by virtue of Decree of Necessity and Urgency No. 34/19 (as published in the Official Gazette on December 13, 2019), the Argentine Executive Branch established for a term of 180 days a duty to pay a two-fold severance to employees dismissed without cause. This measure does not apply to employment contracts made after the coming into force of the Decree.

32. EFFECTS OF COVID-19 ON THE GROUP

On March 11, 2020, the outbreak of a novel coronavirus (COVID-19) was declared a pandemic by the World Health Organization (WHO).

In the face of the recent and fast proliferation of the outbreak of COVID-19, the countries where the Group has operations have mandated that entities restrict or suspend their business activities therein, and have implemented travel restrictions and social distancing measures. In this regard, on March 19, 2020, the Argentine Executive Branch passed Executive Decree No. 297/2020, mandating social distancing in Argentina to prevent the effects of the pandemic.

In compliance with such decree, the Group: (i) has partially suspended the production and dispatch of cement, concrete and aggregates until such time as the necessary conditions to resume activities are in place; (ii) has temporarily suspended the construction project of the second line of L'Amalí plant, in the City of Olavarría, until such time as the necessary conditions to resume activities are in place; (iii) has implemented teleworking practices among its back office staff; and (iv) has created a Crisis Management Committee tasked with monitoring and assessing the adoption of measures to mitigate the effects of this crisis.

Besides, the Group has substantially reduced the onsite presence of staff engaged in cargo transportation services in order to take care of their health, as well as to accommodate such service to current levels of operations, which have

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF
MARCH 31, 2020 AND 2019

(All amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

experienced a considerable decline as a result of the social distancing measures which have affected most of the Group's customers. The above-described circumstances still persist as of the date of these financial statements.

Since the enactment of such decree until the date of these interim financial statements, the Argentine Executive Branch has been authorizing certain activities and services, as part of a plan to ease the lockdown restrictions.

Accordingly, effective since April 6, 2020, the Company has resumed the production and dispatch of cement, concrete and aggregates, at current demand levels in the market, which stand approximately 25 per cent below the operated levels during the same period the previous year.

On the other hand, as of the date of these interim financial statements, the Company has secured a permit to continue with the construction works of the second line of L'Amalí plant, under stringent health protocols established by the Provincial Government and the Group.

Concerning the railroad business operated through the subsidiary Ferrosur Roca S.A., as a consequence of the above-described circumstances, on April 13, 2020, such subsidiary filed a crisis prevention procedure with the Argentine Ministry of Labor, Employment and Social Security in order to apply for certain benefits afforded under Section 6, paragraph b), of Decree of Necessity and Urgency No. 332 passed in 2020.

Finally, as of the date of these interim financial statements, the Group is endeavoring to accommodate its operating structure to current operating volumes, working jointly with several oversight authorities and the sector's stakeholders, and has not identified adjustments to reflect changes in asset valuation or in respect of the adequacy of its liabilities that require recognition in these interim financial statements.

33. SIGNED BOOKS

As of date of these interim financial statements, the social distancing restrictions imposed by the Argentine Government in connection with the events described in Note 32 to these interim financial statements are still in place. Accordingly, in compliance with such restrictions, the Company has been unable to transcribe its financial statements to the pertinent officially signed books. The Company will complete the required transcriptions as soon as the above-described restrictions have been eased or lifted.

34. SUBSEQUENT EVENTS

34.1 Use of unappropriated retained earnings for fiscal year 2019

On April 16, 2020, the Shareholders at an Annual Shareholders' Meeting discussed the allocation of unappropriated retained earnings as of December 31, 2019 for a total amount of 3,839,187. It was decided at that Annual Shareholders' Meeting to allocate 127,697 to increase the legal reserve, up to a total of 705,910, and the remaining balance, amounting to 3,711,490, to increase the optional reserve considering the Company's investment plan.

34.2 New loan agreement

On May 8, 2020, the Company borrowed a new loan from Industrial and Commercial Bank of China (Argentina) S.A. for an aggregate amount of 1,000,000, repayable within 15 months and accruing interest at BADLAR. Such new loan agreement was agreed upon in order to refinance certain loans falling due in the short term that were outstanding at the reporting period end.

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

INFORMATION REPORT

1. ACTIVITIES OF THE COMPANY

During the current period Loma Negra C.I.A.S.A. and its subsidiaries dispatched 1,133,968 tons of cement and lime, and their net sales amounted to 7,765,224. Dispatches overall were 25% below those for the same period of the prior year.

Gross income amounted to 2,366,208 and the total comprehensive income for the three-month period was 764,110. Said income accounts for a 51% decrease compared to the comprehensive income for the same period of the prior year.

2. EQUITY STRUCTURE, COMPARATIVE

	<u>03.31.2020</u>	<u>03.31.2019</u>	<u>03.31.2018</u>
Current assets	12,674,252	14,054,445	15,614,206
Non-current assets	<u>51,324,079</u>	<u>42,816,068</u>	<u>33,142,223</u>
Total assets	<u>63,998,331</u>	<u>56,870,513</u>	<u>48,756,429</u>
Current liabilities	17,531,612	17,541,603	12,649,382
Non-current liabilities	<u>14,087,625</u>	<u>10,309,359</u>	<u>11,586,608</u>
Total liabilities	<u>31,619,237</u>	<u>27,850,962</u>	<u>24,235,990</u>
Non-controlling interests	2,370,927	2,351,716	1,730,366
Shareholders' equity attributable to owners of the company	<u>30,008,167</u>	<u>26,667,835</u>	<u>22,790,073</u>
Total shareholders' equity	<u>32,379,094</u>	<u>29,019,551</u>	<u>24,520,439</u>

3. STRUCTURE OF RESULTS, COMPARATIVE

	<u>03.31.2020</u>	<u>03.31.2019</u>	<u>03.31.2018</u>
Gross income	2,366,208	3,181,661	2,473,259
Selling and administrative expenses	(630,773)	(928,755)	(816,879)
Other gains and losses	44,655	(3,113)	8,646
Tax on bank accounts debits and credits	(102,197)	(164,672)	(151,659)
Financial results, net	<u>(456,080)</u>	<u>(199,428)</u>	<u>(108,077)</u>
Profit before tax	1,221,813	1,885,693	1,405,290
Income tax	<u>(341,299)</u>	<u>(302,394)</u>	<u>(333,254)</u>
Net profit for the period	<u>880,514</u>	<u>1,583,299</u>	<u>1,072,036</u>
Net profit for the period attributable to:			
Owners of the company	857,275	1,504,161	995,276
Non-controlling interests	23,239	79,138	76,761
Other comprehensive income			
Due to exchange differences	(116,404)	(14,069)	14,983

The Statutory Audit Committee's Report
 dated May 11, 2020
 is issued in a separate document

Signed for the purposes of identification with our review report
 dated May 11, 2020, issued in a separate document
 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
 Professional Council in Economic Sciences in and for the City
 of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
 13 [T° 1 - F° 13]

Omar Rolotti
 For the Statutory Audit Committee

Adrián G. Villar (Partner)
 Certified Public Accountant (U.A.D.E.)
 Professional Council in Economic Sciences in and for the
 City of Buenos Aires [CPCECABA] License filed in Volume
 No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
 Vice-President

LOMA NEGRA COMPAÑÍA INDUSTRIAL ARGENTINA SOCIEDAD ANÓNIMA
FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020
(all amounts are expressed in thousands of Argentine pesos - \$ - except otherwise indicated)

Total other comprehensive income for the period	(116,404)	(14,069)	14,983
Total comprehensive income for the period	<u>764,110</u>	<u>1,569,230</u>	<u>1,087,019</u>

4. COMPARATIVE CASH FLOWS STRUCTURE

	<u>03.31.2020</u>	<u>03.31.2019</u>	<u>03.31.2018</u>
Net cash flows generated by/(applied to) operating activities	295,079	853,536	(124,387)
Funds applied to investing activities	(4,061,340)	(2,825,254)	(2,088,597)
Funds generated by / (applied to) financing activities	<u>3,311,032</u>	<u>(651,845)</u>	<u>(366,280)</u>
Total funds applied during the period	<u>(455,229)</u>	<u>(2,623,563)</u>	<u>(2,579,264)</u>

5. STATISTICAL DATA (In tons)

	<u>03.31.2020</u>	<u>03.31.2019</u>	<u>03.31.2018</u>
Production volume (*)	<u>1,108,280</u>	<u>1,521,207</u>	<u>1,709,128</u>
Sales volume (*)			
Argentina	1,001,303	1,367,962	1,580,773
Paraguay	131,001	150,621	139,753
Abroad	<u>1,664</u>	<u>1,607</u>	<u>1,607</u>
Total	<u>1,133,968</u>	<u>1,520,190</u>	<u>1,722,133</u>

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

6. INDEXES

	<u>03.31.2020</u>	<u>03.31.2019</u>	<u>03.31.2018</u>
Liquidity	0,72	0,80	1,23
Creditworthiness	1,02	1,04	1,01
Fixed capital	0,80	0,75	0,68

7. FUTURE PROSPECTS (*)

In the wake of October 2019's general elections which resulted in the victory of a new administration, Argentina has initiated a transition to a new political cycle. Argentina faces substantial challenges to achieve sustained growth over the time. Early in the year, the Argentine GDP was already expected to shrink in 2020 vis-a-vis 2019. The health and economic crisis unleashed by the COVID-19, designated by the WHO as a pandemic in March 2020, emerged amidst such already hawkish expectations.

Against this backdrop, the Argentine and other governments around the world have adopted certain measures, including, without limitation, mandatory lockdowns, states of emergency, inspections at airports and other transportation hubs, travel restrictions, visa suspensions, border shutdowns, and closure of public and private

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President

institutions. These and other measures have affected the Group's ability to market its products and services, due to a contraction in demand.

In response to the COVID-19 pandemic and the business disruption it has brought about, the Company has made its employees' health and safety a priority, and has developed a plan encompassing several preventive measures to minimize the effects of the pandemic. In particular, in compliance with Executive Decree No. 297/2020 dated March 19, 2020, whereby the Argentine Government mandated social distancing in connection with the COVID-19 pandemic, the Group has taken the following measures: (i) suspension of the production and dispatch of cement, concrete and aggregates until the end of the lockdown; (ii) temporary suspension of the construction of the second line at L'Amalí plant in Olavarría, Province of Buenos Aires, Argentina; and (iii) teleworking practices aimed at the back office area.

Pursuant to Section 6 of Executive Decree No. 297/2020, certain activities were designated as "essential services", including construction of public works, transportation of goods, and activities related to the treatment of urban hazardous and pathogen waste. Therefore, some of our cement facilities, such as Ferrosur Roca S.A. and Recycomb S.A., have maintained certain marginal operating activity levels to supply such potential demand, but at levels below ordinary operating capacity.

Following the enactment of Administrative Decision No. 450/2020 dated April 3, 2020, which expanded the list of activities and services designated as essential to cope with the emergency, including the sale of construction supplies and materials delivered by construction material warehouses, the Group has been gradually increasing its operating activities. However, as of the date of these interim financial statements, there is still no certainty as to the pace or extent of the rebound in the demand for cement, concrete and aggregates in the markets where the Group operates.

Against this backdrop and in the light of the above-described measures, the Group has proactively implemented cost containment strategies and a liquidity management action plan, primarily addressed at covering its working capital needs, adjusting its fixed cost structure, including labor costs, and redefining priorities in terms of maintenance expense requirements.

On the other hand, as of the date of these interim financial statements, the Company has secured a permit to continue with the construction works of the second line of L'Amalí plant, under stringent health protocols established by the Provincial Government and the Group.

Our long term prospect has not been conditioned by the challenges described around the context of Argentina, keeping our course, committing to and trusting in the progress and development of our country.

(*) This information has not been reviewed and is out of the scope of the limited review report.

The Statutory Audit Committee's Report
dated May 11, 2020
is issued in a separate document

Omar Rolotti
For the Statutory Audit Committee

Signed for the purposes of identification with our review report
dated May 11, 2020, issued in a separate document
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council in Economic Sciences in and for the City
of Buenos Aires [CPCECABA] License Filed in Book 1 - Page
13 [T° 1 - F° 13]

Adrián G. Villar (Partner)
Certified Public Accountant (U.A.D.E.)
Professional Council in Economic Sciences in and for the
City of Buenos Aires [CPCECABA] License filed in Volume
No. 307, Page No. 228 [T° 307 - F° 228]

Sergio D. Faifman
Vice-President